

# DOOGAR & ASSOCIATES

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

**To The Members of  
JSL Lifestyle Limited**

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **JSL Lifestyle Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### 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 Company's Annual Report, but does not include the financial statements and our auditor's report thereon.

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.





## **Responsibility of Management 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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

## **Auditor's Responsibility for the Audit of the Financial Statements**

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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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 paragraphs 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 Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.





- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 35 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company;

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



*Vardhman*  
**Vardhman Doogar**  
Partner  
Membership No. 517347

**UDIN: - 20517347AAAAGN6004**

**Date:** 8<sup>th</sup> June 2020

**Place:** Gurugram



## **Annexure "A" to the Independent Auditor's Report**

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

- i. In respect of the Company's fixed assets: -
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventories were physically verified during the year by the management at reasonable intervals, except for inventories lying with third parties where confirmations have been received by the management, and discrepancies noticed, if any during the physical verification were accounted for in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit and hence reporting under paragraph 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, goods and service tax, cess and other material statutory dues applicable to it with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31, 2020.



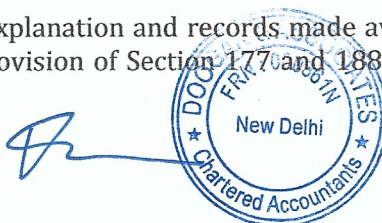


(b) According to the records and information & explanation given to us, dues in respect of income tax, duty of custom, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute and the forum where the dispute is pending are given below -

Nature of Statute	Nature of dues	Forum where dispute is pending	Period(s) to which the amount relates	Amount* in (₹)
Excise Duty - Central Excise Act, 1944	Excise Duty	Central Excise Commissionerate, Rohtak	FY 2011-12 to FY 2016-17	21,15,758
		High Court of Punjab and Haryana	FY 2005-06	53,43,368
		Settlement Commission	FY 2005-06	31,93,569
Sales tax - UP trade tax Act	Sales Tax	Additional Commissioner (Appeals) Commercial Tax, Noida	FY 2005-06	7,03,077
			FY 2006-07	21,04,054
			FY 2012-13	6,56,455
			FY 2007-08	3,29,791
Sales Tax - Karnataka VAT (KVAT) Act, 2003	Sales Tax	Deputy Commissioner of Commercial Tax, Bangalore	FY 2008-09	2,08,716
Sales tax - Delhi VAT Act, 2004	Sales Tax	VAT Officer	FY 2014-15 and FY 2015-16	10,40,767
Income Tax Act, 1961	Income Tax	The Asstt. Commissioner of Income Tax, Gurgaon	FY 2016-17	5,09,19,730

\*represents amount net of amount deposited in protest

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings from financial institutions, banks. The Company has not taken any loans or borrowings from government or has not issued any debentures.
- ix. In our opinion and according to the information and explanations given to us, no money was raised by way of the term loans by the Company during the year. Further the Company has neither raised any moneys by way of initial public offer / further public offer (including debt instruments) nor were such proceeds pending to be applied, during the current year.
- x. According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanation and records made available by the company, the Company has complied with the provision of Section 177 and 188 of the Companies Act, 2013

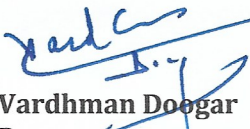




where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanation give to us, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

  
**Vardhman Doogar**  
Partner  
Membership No. 517347



**UDIN:** - 20517347AAAAGN6004

**Date:** - 8<sup>th</sup> June 2020  
**Place:** - Gurugram



## **Annexure “B” to the Independent Auditor’s Report**

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

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

We have audited the internal financial controls over financial reporting of JSL Lifestyle Limited (“the Company”) as of March 31, 2020 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 considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“the Act”).

#### **Auditor’s Responsibility**

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

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

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





## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

  
**Vardhman Doogar**  
Partner  
Membership No. 517347



UDIN: - 20517347AAAAGN6004

Date: 8<sup>th</sup> June 2020  
Place: Gurugram



**JSL Lifestyle Limited**  
Balance Sheet as at March 31, 2020

(Amount in ₹)

	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I. ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, plant and equipment	3	62,01,65,436	59,81,80,102
(b) Capital work-in-progress		37,79,570	61,43,076
(c) Intangible assets	4	44,49,358	61,67,926
(d) Right of use assets		4,58,55,783	-
(e) Financial assets			
(i) Investments	5	2,30,000	2,30,000
(ii) Other financial assets	6	2,36,96,487	2,49,72,523
(e) Deferred tax assets (net)	7	8,69,879	2,01,88,767
(f) Other non-current assets	8	27,58,852	1,22,676
<b>Total Non-current assets</b>		<b>70,10,05,365</b>	<b>65,60,05,070</b>
<b>Current Assets</b>			
(a) Inventories	9	63,27,25,690	51,64,94,283
(b) Financial Assets			
(i) Trade receivables	10	80,57,71,022	65,66,34,974
(ii) Cash and cash equivalents	11	15,84,411	7,05,128
(iii) Bank balances other than (ii) above	12	7,49,90,691	1,85,21,373
(iv) Other financial assets	13	29,66,344	33,42,001
(c) Other current assets	14	40,82,73,443	36,44,45,543
<b>Total Current assets</b>		<b>1,92,63,11,601</b>	<b>1,56,01,43,302</b>
<b>Total Assets</b>		<b>2,62,81,16,966</b>	<b>2,21,61,48,372</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	28,50,17,390	28,50,17,390
(b) Other equity	16	1,07,17,34,897	1,00,27,00,906
<b>Total Equity</b>		<b>1,07,17,34,897</b>	<b>1,00,27,00,906</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	16,15,49,270	16,18,27,660
(ii) Other financial liabilities	18	8,73,86,042	8,73,86,042
(iii) Lease liabilities		1,33,11,538	-
(b) Provisions	19	2,89,90,862	2,54,04,716
<b>Total Non-current liabilities</b>		<b>29,12,37,712</b>	<b>27,46,18,418</b>
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	27,40,01,890	24,67,96,375
(ii) Trade payables	21		
- Due to micro enterprises and small enterprises		82,27,651	-
- Due to creditors other than micro enterprises and small enterprises		79,20,97,927	45,04,96,102
(iii) Other financial liabilities	22	9,76,58,098	12,20,60,861
(iv) Lease liabilities		3,27,37,781	-
(b) Provisions	23	17,34,866	19,94,370
(c) Other current liabilities	24	4,67,91,283	6,02,45,343
(d) Current tax liabilities	25	1,18,94,861	5,72,35,997
<b>Total Current liabilities</b>		<b>1,26,51,44,357</b>	<b>93,88,29,048</b>
<b>Total Liabilities</b>		<b>1,55,63,82,069</b>	<b>1,21,34,47,466</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,62,81,16,966</b>	<b>2,21,61,48,372</b>

See accompanying notes to the financial statements

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As per our report of even date

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

Vardhman Doogar  
Partner  
M. No 517347

Place: Gurugram  
Dated: 8th June 2020

For and on behalf of the Board of Directors

Deepika Jindal  
Managing Director  
DIN : 00015188

Ajay Jain  
Chief Financial Officer

Mandeep Singh  
Executive Director & CEO  
DIN: 03382667

Bhartendu Harit  
Company Secretary  
M. No. A15123



# JSL Lifestyle Limited

Statement of Profit and Loss for the year ended March 31, 2020

(Amount in ₹)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I. Revenue from operations	26	3,10,18,86,051	4,53,15,11,118
II. Other income	27	1,75,91,278	45,68,687
<b>III. Total Income (I+II)</b>		<b>3,11,94,77,329</b>	<b>4,53,60,79,805</b>
<b>IV. Expenses :</b>			
Cost of materials consumed	28	1,47,62,77,610	2,20,86,17,114
Purchases of stock-in-trade		5,37,80,754	6,37,39,485
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(71,65,916)	4,76,30,662
Employee benefits expense	30	32,40,20,580	26,94,20,539
Finance costs	31	4,39,04,719	2,80,17,796
Depreciation and amortisation expense	32	12,54,85,604	6,07,52,815
Other expenses	33	1,00,07,87,457	1,18,33,20,820
<b>Total expenses (IV)</b>		<b>3,01,70,90,808</b>	<b>3,86,14,99,231</b>
<b>V. Profit before exceptional items and tax (III-IV)</b>		<b>10,23,86,521</b>	<b>67,45,80,574</b>
VI. Exceptional Items -(Gain)/Loss		(1,37,74,213)	(1,90,22,102)
<b>VII. Profit before tax (V-VI)</b>		<b>11,61,60,734</b>	<b>69,36,02,676</b>
<b>VIII. Tax Expense:</b>			
Current Tax		2,17,66,232	19,59,88,913
Deferred Tax		1,95,10,982	1,34,69,225
Income tax earlier years		53,14,646	38,06,310
<b>Total tax expense (VIII)</b>		<b>4,65,91,860</b>	<b>21,32,64,448</b>
<b>IX. Profit for the year (VII-VIII)</b>		<b>6,95,68,874</b>	<b>48,03,38,228</b>
<b>X. Other Comprehensive Income</b>			
(A) Items that will not be reclassified to profit or loss			
Re-measurement (losses)/Gains on defined benefit plans		(7,26,985)	(8,79,586)
Income tax relating to items that will not be reclassified to profit or loss		1,92,102	2,56,135
<b>Total Other comprehensive income (X)</b>		<b>(5,34,883)</b>	<b>(6,23,451)</b>
<b>XI. Total Comprehensive Income for the year (IX+X)</b>		<b>6,90,33,990</b>	<b>47,97,14,777</b>
<b>XII. Earnings per equity share of ₹ 10 each</b>			
- Basic	34	2.44	16.85
- Diluted		2.44	16.85

See accompanying notes to the financial statements

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As per our report of even date

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

Vardhman Doogar  
Partner  
M. No 517347



For and on behalf of the Board of Directors

Deepika Jindal  
Managing Director  
DIN : 00015188

Ajay Jain  
Chief Financial Officer

Mandeep Singh  
Executive Director & CEO  
DIN: 03382667

Bhartendu Harit  
Company Secretary  
M. No. A15123

Place : Surugam  
Dated : 8th June 2020



**JSL Lifestyle Limited**  
Statement of Changes in equity

**A. Equity Share Capital**

(Amount in ₹)			
Balance as at April 1, 2018	Movement during the year 2018-19	Balance as at March 31, 2019	Balance as at March 31, 2020
28,50,17,390	-	28,50,17,390	28,50,17,390

**B. Other Equity**

Particulars	Reserves and Surplus				Other Comprehensive Income	Total	
	General Reserve	Capital Reserve	Securities Premium	Retained Earnings			Re-measurement of the net defined benefit plans
							Other Comprehensive Income
Balance as at 1st April, 2018	1,00,00,000	4,38,68,540	4,83,39,345	13,88,98,107	(31,37,253)	23,79,68,739	
Profit for the year	-	-	-	48,03,38,228	-	48,03,38,228	
Other comprehensive income (loss) for the year (net of income tax)	-	-	-	-	(6,23,451)	(6,23,451)	
<b>Balance as at March 31, 2019</b>	<b>1,00,00,000</b>	<b>4,38,68,540</b>	<b>4,83,39,345</b>	<b>61,92,36,335</b>	<b>(37,60,704)</b>	<b>71,76,83,516</b>	
Profit for the year	-	-	-	6,95,68,874	-	6,95,68,874	
Other comprehensive income (loss) for the year (net of income tax)	-	-	-	-	(5,34,883)	(5,34,883)	
<b>Balance as at March 31, 2020</b>	<b>1,00,00,000</b>	<b>4,38,68,540</b>	<b>4,83,39,345</b>	<b>68,88,05,209</b>	<b>(42,95,587)</b>	<b>78,67,17,507</b>	

See accompanying notes to the financial statements

As per our report of even date

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



*Vardhman Doogar*  
Vardhman Doogar  
Partner  
M. No 517347

For and on behalf of the Board of Directors

*Deepika Jindal*  
Deepika Jindal  
Managing Director  
DIN : 00015188

*Mandeep Singh*  
Mandeep Singh  
Executive Director & CEO  
DIN: 03382667

*Ajay Jain*  
Ajay Jain  
Chief Financial Officer

*Bhartejdu Harit*  
Bhartejdu Harit  
Company Secretary  
M. No. A15123

Place : Gurugram  
Dated : 8th June 2020



**JSL Lifestyle Limited**

Statement of Cash flows for the year ended March 31, 2020

(Amount in ₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
Net profit before tax	11,61,60,734	69,36,02,676
<b>Adjustments: -</b>		
Depreciation and amortisation	12,54,85,604	6,07,52,815
Unrealised Foreign Exchange Fluctuation (Net) (Gain)/Loss	(51,56,438)	5,12,974
Bad Debts	5,51,85,945	1,91,14,477
Interest and finance charges	4,39,04,719	1,92,51,484
Loss/(Profit) on sale of fixed assets	79,30,004	1,22,27,576
Interest Income	(25,02,796)	(14,01,878)
<b>Operating profit before working capital changes</b>	<b>34,10,07,772</b>	<b>80,40,60,124</b>
<b>Adjustments for:-</b>		
Inventories	(11,62,31,407)	13,02,83,635
Sundry debtors	(20,03,94,396)	9,03,54,311
Financial assets	(5,39,17,154)	(1,32,80,093)
Other assets	(4,64,64,076)	(10,02,43,848)
Trade payable and other financial liabilities	32,54,26,713	(66,62,86,042)
Other current liabilities	(1,08,54,403)	(1,33,50,562)
<b>Cash generated from operations</b>	<b>23,85,73,049</b>	<b>23,15,37,525</b>
Income tax paid	(7,24,22,005)	(12,24,13,958)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>16,61,51,044</b>	<b>10,91,23,567</b>
<b>B. Cash flow from investing activities</b>		
Acquisition of Property, Plant and Equipment	(11,26,84,824)	(21,80,49,331)
Sale proceeds of Property, Plant and Equipment	(26,61,915)	1,64,10,959
Interest Received	16,02,325	8,30,876
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(11,37,44,414)</b>	<b>(20,08,07,496)</b>
<b>C. Cash inflow/(outflow) from financing activities</b>		
Increase /(Decrease) in Long-Term Borrowings	(2,78,390)	(2,93,31,837)
Increase /(Decrease) in Short-Term Borrowings	2,84,34,356	13,93,63,539
Interest and finance charges paid	(3,64,79,004)	(1,92,51,484)
Payment of lease liabilities	(4,32,04,308)	-
<b>Net cash inflow / (outflow) used in financing activities</b>	<b>(5,15,27,346)</b>	<b>9,07,80,218</b>
<b>Net changes in cash and cash equivalents</b>	<b>8,79,284</b>	<b>(9,03,712)</b>
<b>Opening Cash and cash equivalents</b>	<b>7,05,127</b>	<b>16,08,839</b>
<b>Closing Cash and cash equivalents</b>	<b>15,84,411</b>	<b>7,05,127</b>

**Note:**

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

See accompanying notes to the financial statements

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As per our report of even date attached

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

Vardhman Doogar  
Partner  
M. No 517347

Place: Gurugram  
Dated: 8th June 2020

For and on behalf of the Board of Directors

Deepika Jindal  
Managing Director  
DIN : 00015188

Ajay Jain  
Chief Financial Officer

Mandeep Singh  
Executive Director & CEO  
DIN: 03382667

Bhartendu Harit  
Company Secretary  
M. No. A15123



JSL Lifestyle Limited  
Statement of Profit and Loss for the year ended March 31, 2020

3. Property, plant and equipments

Particulars	(Amount in ₹)										Total	
	Freehold Land	Leasehold Improvement	Factory Shed and Building	Office Equipments	Electric Installations	Plant and Machinery	Dies & Tools	Computers	Furniture and Fixtures	Vehicles		
<b>Gross carrying amount</b>												
As at March 31, 2018	2,15,84,430	4,30,69,536	18,47,82,928	1,47,67,600	2,07,99,024	43,54,54,680	2,79,02,880	2,61,92,700	6,76,20,291	1,16,15,269	85,37,89,338	
Additions	-	1,03,16,866	1,84,28,447	28,47,847	1,13,13,220	18,15,53,179	8,14,130	62,17,623	26,77,514	11,54,011	23,53,22,837	
Disposal/Adjustments	-	-	-	4,93,652	28,15,463	2,01,23,110	-	12,944	2,23,48,102	-	4,57,93,271	
As at March 31, 2019	2,15,84,430	5,33,86,402	20,32,11,375	1,71,21,795	2,92,96,781	59,68,84,749	2,87,17,010	3,23,97,379	4,79,49,703	1,27,69,280	1,04,33,18,904	
Additions	-	-	73,81,868	20,72,806	19,56,711	6,79,69,205	59,83,246	2,86,19,006	2,86,19,006	6,19,209	11,46,02,050	
Disposal/Adjustments	-	-	-	3,44,048	-	1,06,11,657	2,08,39,672	-	20,271	-	3,18,15,647	
As at March 31, 2020	2,15,84,430	5,33,86,402	21,05,93,243	1,88,50,553	3,12,53,492	65,42,42,297	1,38,60,584	3,23,97,379	7,65,48,438	1,33,88,489	1,12,61,05,307	
<b>Accumulated Depreciation</b>												
As at March 31, 2018	-	1,00,62,336	5,96,60,038	1,02,42,766	1,63,82,554	22,05,66,977	2,12,24,617	1,93,52,530	4,20,84,171	40,01,086	40,35,77,075	
Additions	-	50,43,780	54,02,363	7,87,059	8,86,779	3,75,23,723	9,90,649	20,72,685	49,95,490	10,13,936	5,87,16,464	
Disposal/Adjustments	-	-	-	4,69,626	14,96,321	32,17,563	-	12,945	1,19,58,281	-	1,71,54,736	
As at March 31, 2019	-	1,51,06,116	6,50,62,401	1,05,60,199	1,57,73,012	25,48,73,137	2,22,15,266	2,14,12,270	3,51,21,380	50,15,022	44,51,38,803	
Additions	-	-	56,87,478	1,14,31,176	16,26,500	5,30,74,408	11,53,140	2,36,32,041	2,36,32,041	10,31,884	8,73,48,628	
Disposal/Adjustments	-	-	-	3,27,777	-	81,95,374	1,80,04,288	-	20,120	-	2,65,47,559	
As at March 31, 2020	-	1,51,06,116	7,07,49,879	1,13,75,598	1,73,99,512	29,97,52,171	53,64,118	2,14,12,270	5,87,33,301	60,46,906	50,59,39,872	
<b>Net Carrying amount</b>												
As at March 31, 2019	2,15,84,430	3,82,80,286	13,81,48,974	65,61,596	1,35,23,769	34,20,11,613	65,01,744	1,09,85,109	1,28,28,323	77,54,258	59,81,80,102	
As at March 31, 2020	2,15,84,430	3,82,80,286	13,98,43,363	74,74,955	1,38,53,980	35,44,90,127	84,96,466	1,09,85,109	1,78,15,137	73,41,583	62,01,65,436	



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JSL Lifestyle Limited  
Statement of Profit and Loss for the year ended March 31, 2020

4. Intangible assets

(Amount in ₹)

Particulars	Trade Marks	Patents	Computer Softwares	Total
<b>Gross carrying amount</b>				
As at March 31, 2018	4,11,054	1,38,000	2,24,75,974	2,30,25,028
Additions	-	-	24,14,410	24,14,410
Disposal/Adjustments	-	-	-	-
As at March 31, 2019	4,11,054	1,38,000	2,48,90,384	2,54,39,438
Additions	-	-	4,46,124	4,46,124
Disposal/Adjustments	-	-	-	-
As at March 31, 2020	4,11,054	1,38,000	2,53,36,508	2,58,85,562
<b>Accumulated amortisation</b>				
As at March 31, 2018	4,08,554	1,24,181	1,67,02,426	1,72,35,161
Additions	-	6,918	20,29,433	20,36,351
Disposal/Adjustments	-	-	-	-
As at March 31, 2019	4,08,554	1,31,099	1,87,31,859	1,92,71,512
Additions	-	-	21,64,692	21,64,692
Disposal/Adjustments	-	-	-	-
As at March 31, 2020	4,08,554	1,31,099	2,08,96,551	2,14,36,204
<b>Net Carrying amount</b>				
As at March 31, 2019	2,500	6,901	61,58,525	61,67,926
As at March 31, 2020	2,500	6,901	44,39,957	44,49,358





5 Non-current investments

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Investments in Equity instruments (Unquoted) Equity Shares fully paid up of associate company - at cost - Green Delhi BQS Limited* (23,000 as at March 31, 2020 (23,000, March 31, 2019) equity shares fully paid up of ₹ 10 each)	2,30,000	2,30,000
<b>Total</b>	<b>2,30,000</b>	<b>2,30,000</b>

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

6 Other non-current financial assets

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good - Measured at amortised cost Security deposits	2,36,96,487	2,49,72,523
<b>Total</b>	<b>2,36,96,487</b>	<b>2,49,72,523</b>

7 Deferred tax assets (net)

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	89,47,338	96,49,458
Deferred tax liabilities	(4,14,06,105)	(3,92,69,390)
<b>Net deferred tax assets/(liabilities)</b>	<b>(3,24,58,767)</b>	<b>(2,96,19,940)</b>
MAT credit entitlement	3,33,28,646	4,98,08,707
<b>Total</b>	<b>8,69,879</b>	<b>2,01,88,767</b>

8 Other non-current assets

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	27,58,852	1,22,676
<b>Total</b>	<b>27,58,852</b>	<b>1,22,676</b>

9 Inventories  
(lower of cost and net realisable value)

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Raw Materials {Including material-in-transit Rs.1,06,57,802/- (As at 31st March, 2019: Rs. 96.32.932/-)}	42,12,73,221	28,30,32,588
Work-in-progress	10,48,42,387	8,89,55,855
Finished goods	4,17,93,540	4,92,84,203
Traded goods	3,18,06,676	2,62,66,916
Stores and spares	2,95,25,007	5,87,00,149
Scrap and assets material	34,84,859	1,02,54,572
<b>Total</b>	<b>63,27,25,690</b>	<b>51,64,94,283</b>

10 Trade Receivables

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Trade receivables Considered good - secured	-	-
Trade receivables Considered good - unsecured #	80,57,71,022	65,66,34,974
Trade Receivables which have significant increase in Credit Risk	80,57,71,022	65,66,34,974
<b>Total</b>	<b>80,57,71,022</b>	<b>65,66,34,974</b>

# Including Earnest money deposits



11 Cash and cash equivalents

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Cash on hand	59,456	99,519
Balances with banks - in current accounts	15,24,955	6,05,609
<b>Total</b>	<b>15,84,411</b>	<b>7,05,128</b>

12 Bank balances other than cash and cash equivalents

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Term deposits held as margin money*	7,49,90,691	1,85,21,373
<b>Total</b>	<b>7,49,90,691</b>	<b>1,85,21,373</b>

\* Margin money for security against the bank guarantees

13 Other current financial assets

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good</b>		
Interest accrued but not due on term deposits	18,05,679	9,05,208
Advance to employees	11,60,665	24,36,793
<b>Total</b>	<b>29,66,344</b>	<b>33,42,001</b>

14 Other current assets

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good</b>		
Advance to suppliers	5,15,74,256	3,58,96,631
Balance with revenue authorities	34,02,44,937	31,87,51,215
Export Incentive receivables	61,02,355	64,21,541
Prepaid expenses	1,03,51,895	33,76,156
<b>Total</b>	<b>40,82,73,443</b>	<b>36,44,45,543</b>





## 15 Equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
<b>Authorised</b> Equity shares of ₹ 10 each	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
<b>Total</b>	<b>3,00,00,000</b>	<b>30,00,00,000</b>	<b>3,00,00,000</b>	<b>30,00,00,000</b>
<b>Issued, subscribed and fully paid up</b> Equity shares of ₹ 10 each	2,85,01,739	28,50,17,390	2,85,01,739	28,50,17,390
<b>Total</b>	<b>2,85,01,739</b>	<b>28,50,17,390</b>	<b>2,85,01,739</b>	<b>28,50,17,390</b>

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

Particulars	As at March 31, 2020	As at March 31, 2019
Shares at the beginning of the year	2,85,01,739	2,85,01,739
Add: Shares issued during the year		
<b>Shares outstanding at the end of the year</b>	<b>2,85,01,739</b>	<b>2,85,01,739</b>

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

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

## (c) Shares held by holding company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Jindal Stainless (Hisar) Limited	2,09,11,676	20,91,16,760	2,09,11,676	20,91,16,760
<b>Total</b>	<b>2,09,11,676</b>	<b>20,91,16,760</b>	<b>2,09,11,676</b>	<b>20,91,16,760</b>

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Jindal Stainless (Hisar) Limited*	2,09,11,676	73.37	2,09,11,676	73.37
Mrs. Deepika Jindal	29,49,022	10.35	29,49,022	10.35
Pankaj Continental Limited	19,69,524	6.91	19,69,524	6.91
Jindal Stainless Steelway Limited	15,20,000	5.33	15,20,000	5.33
<b>Total</b>	<b>2,73,50,222</b>	<b>95.96</b>	<b>2,73,50,222</b>	<b>95.96</b>

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

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



JSL Lifestyle Limited  
Notes forming part of the financial statements for the year ended March 31, 2020

16 Other equity

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	General Reserve	Capital Reserve	Securities Premium	Retained Earnings		
Balance as at April 1, 2018	1,00,00,000	4,38,68,540	4,83,39,345	1,85,98,107	(31,37,253)	23,79,68,739
Profit for the year	-	-	-	48,03,38,228	-	48,03,38,228
<b>Other Comprehensive Income</b>						
Re-measurement gains (losses) on defined benefits plans (Net of tax)	-	-	-	-	(6,23,451)	(6,23,451)
<b>Balance as at March 31, 2019</b>	<b>1,00,00,000</b>	<b>4,38,68,540</b>	<b>4,83,39,345</b>	<b>61,92,36,335</b>	<b>(37,60,704)</b>	<b>71,76,83,516</b>
Profit for the year	-	-	-	₹,95,68,874	-	6,95,68,874
<b>Other Comprehensive Income</b>						
Re-measurement gains (losses) on defined benefits plans (Net of tax)	-	-	-	-	(5,34,883)	(5,34,883)
<b>Balance as at March 31, 2020</b>	<b>1,00,00,000</b>	<b>4,38,68,540</b>	<b>4,83,39,345</b>	<b>68,38,05,209</b>	<b>(42,95,387)</b>	<b>78,67,17,507</b>

Note:  
(f) General reserve

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

(ii) Capital reserve

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

(iii) Security premium

Securities premium represents the amount received in excess

(iv) Retained earnings

Retained earnings represents the undistributed profits of the company.

(v) Other comprehensive income

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





17 Non-current borrowings

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured</b>		
Inter-corporate loans		
- from holding company	15,85,62,231	15,89,62,121
- from others	29,87,039	28,65,539
<b>Total</b>	<b>16,15,49,270</b>	<b>16,18,27,660</b>

Inter-Corporate Deposit (ICD) from holding company is unsecured in nature and carries interest rate of 9.04% (March 31, 2019 - 10.50% p.a.) while ICD from other lender being unsecured in nature carries interest rate of 7.50% (March 31, 2019 - 7.50% p.a.)

18 Other non current financial liabilities

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due		
- To related party	8,73,86,042	8,73,86,042
<b>Total</b>	<b>8,73,86,042</b>	<b>8,73,86,042</b>

19 Non-current provisions

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer note no.39)		
- Leave encashment	1,37,65,988	1,20,60,918
- Gratuity	1,52,24,874	1,33,43,798
<b>Total</b>	<b>2,89,90,862</b>	<b>2,54,04,716</b>

20 Current borrowings

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>		
Working Capital loans from banks	27,40,01,890	24,67,96,375
<b>Total</b>	<b>27,40,01,890</b>	<b>24,67,96,375</b>

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

Cash credit facility carries interest rate ranging from 9.05 % to 11.00% and foreign currency loan carries interest rate of LIBOR 6 months plus 1%



## 21 Trade payables

(Amount in ₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(a) Due to micro and small enterprises (Refer note no. 36)	82,27,651	-
(b) Due to others		
(i) Payable to related parties	51,39,45,068	19,74,12,900
(ii) Payable to others	27,81,52,860	25,30,83,202
<b>Total</b>	<b>80,03,25,578</b>	<b>45,04,96,102</b>

## 22 Other Current financial liabilities

(Amount in ₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Others		
- Due to employees	2,13,57,539	1,71,23,771
- Other liabilities	7,63,00,559	10,49,37,090
<b>Total</b>	<b>9,76,58,098</b>	<b>12,20,60,861</b>

## 23 Current provisions

(Amount in ₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Provision for employee benefits (Refer note no.39)		
- Leave encashment	9,34,925	9,98,097
- Gratuity	7,99,941	9,96,273
<b>Total</b>	<b>17,34,866</b>	<b>19,94,370</b>

## 24 Other current liabilities

(Amount in ₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Advances from customers	3,07,13,896	3,15,34,297
Statutory dues payable	1,04,77,695	1,26,91,601
Other liabilities	55,99,692	1,60,19,445
<b>Total</b>	<b>4,67,91,283</b>	<b>6,02,45,343</b>

## 25 Current tax liabilities

(Amount in ₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Current tax liabilities (net of advance tax and TDS receivable)	1,18,94,861	5,72,35,997
<b>Total</b>	<b>1,18,94,861</b>	<b>5,72,35,997</b>

## 26 Revenue from operations

(Amount in ₹)

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
(a) Sale of goods		
- Finished goods	2,80,89,38,445	4,12,81,26,775
- Trading goods	4,06,85,121	6,85,98,636
(b) Sale of services		
- Job work charges	11,82,12,730	11,85,20,007
(c) Other operating revenue		
- Export incentives	2,29,10,719	3,84,88,211
- Sale of scrap	11,11,39,036	17,77,77,489
<b>Total</b>	<b>3,10,18,86,051</b>	<b>4,53,15,11,118</b>





## 27 Other income

(Amount in ₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income from financial assets carried at amortised cost		
Bank Deposits	25,02,796	14,01,878
Interest on fair value of security deposit given	-	8,89,858
Sundry balances/ excess liability written back	1,40,12,848	20,94,658
Miscellaneous income	10,75,634	1,82,293
<b>Total</b>	<b>1,75,91,278</b>	<b>45,68,687</b>

## 28 Cost of materials consumed

(Amount in ₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Raw material consumed	1,47,62,77,610	2,20,86,17,114
<b>Total</b>	<b>1,47,62,77,610</b>	<b>2,20,86,17,114</b>

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

(Amount in ₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Opening balance</b>		
Work in progress	8,89,55,855	9,45,75,891
Finished goods	4,92,84,203	10,41,32,703
Traded goods	2,62,66,916	1,95,18,189
Scrap	1,02,54,572	41,65,425
<b>Total Opening balance</b>	<b>17,47,61,546</b>	<b>22,23,92,208</b>
<b>Closing balance</b>		
Work in progress	10,48,42,387	8,89,55,855
Finished goods	4,17,93,540	4,92,84,203
Traded goods	3,18,06,676	2,62,66,916
Scrap	34,84,859	1,02,54,572
<b>Total Closing balance</b>	<b>18,19,27,462</b>	<b>17,47,61,546</b>
<b>Total changes in inventories of work in progress, stock in trade and finished goods</b>	<b>(71,65,916)</b>	<b>4,76,30,662</b>
<b>Total</b>	<b>(71,65,916)</b>	<b>4,76,30,662</b>

## 30 Employee Benefit Expense

(Amount in ₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries & wages including bonus	29,47,65,003	24,87,25,005
Contribution to provident and other funds	1,31,65,031	1,10,49,273
Staff welfare expenses	1,60,90,546	96,46,261
<b>Total</b>	<b>32,40,20,580</b>	<b>26,94,20,539</b>

## 31 Finance costs

(Amount in ₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Inter Corporate Deposits	1,25,60,684	1,30,05,006
Interest on working capital loans	1,63,77,721	62,46,478
Bank and finance charges	75,40,599	87,66,312
Interest on lease liabilities	74,25,715	-
<b>Total</b>	<b>4,39,04,719</b>	<b>2,80,17,796</b>

## 32 Depreciation and amortisation expense

(Amount in ₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment	8,73,48,783	5,87,16,463
Amortisation of intangible assets	21,64,692	20,36,352
Amortisation of right of use assets	3,59,72,129	-
<b>Total</b>	<b>12,54,85,604</b>	<b>6,07,52,815</b>



Particulars	(Amount in ₹)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Office and Administration Expenses</b>		
Rent	2,81,02,827	5,94,23,838
Rates and Taxes	1,05,93,170	80,84,588
Other Repair and Maintenance	1,01,16,554	1,07,27,374
Insurance	50,40,148	49,05,264
Printing and Stationery	5,91,703	8,90,320
Postage, Telegrams and Telephones	41,69,300	40,76,200
Security Services	92,51,297	40,74,090
Vehicle Upkeep and Maintenance	9,32,169	20,71,632
Travelling and Conveyance	3,73,72,449	4,51,66,351
Legal and Professional	3,15,16,270	4,74,48,672
Auditors Remuneration	10,90,000	10,76,765
Donation	1,11,201	93,901
Directors' Sitting Fees	4,20,000	4,35,000
Loss on disposal of property, plant and equipment (Net)	79,30,004	1,22,27,576
Corporate Social Responsibility	67,87,373	33,24,052
Miscellaneous Expenses	1,00,36,970	62,49,251
	<b>16,40,61,435</b>	<b>21,02,74,874</b>
<b>Selling and distribution expenses</b>		
Freight and Forwarding Expenses	8,29,37,908	4,83,69,901
Commission on Sales	3,27,01,716	4,69,38,556
Business Promotion Expenses	39,34,558	82,29,313
Bad Debts/ Liquidated Damage	5,51,85,945	4,09,21,688
Advertisement and Publicity	4,81,08,695	4,84,34,683
Other Selling Expenses	-	1,12,919
	<b>22,28,68,822</b>	<b>19,30,07,060</b>
<b>Manufacturing Expenses</b>		
Store Consumables	12,29,15,742	16,25,24,143
Power and Fuel	3,41,27,474	3,33,47,733
Other Manufacturing Expenses:-		
Processing Charges	35,63,07,473	36,84,96,733
Job Work Charges	3,95,93,396	9,11,77,947
Installation & Site Expenses	5,07,70,717	11,10,15,333
Repair and Maintenance:		
Plant and Machinery	77,47,902	81,93,160
Factory Shed and Building	23,94,496	52,83,837
	<b>61,38,57,200</b>	<b>78,00,38,886</b>
<b>Total</b>	<b>1,00,07,87,457</b>	<b>1,18,33,20,820</b>

## \* Details of payment to auditors (exclusive of applicable taxes)

Particulars	(Amount in ₹)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>1. As auditor</b>		
Statutory audit fee	5,80,000	5,80,000
Limited review fee	1,00,000	1,00,000
Other services	2,00,000	1,67,500
Reimbursement of expenses	60,000	79,265
<b>2. Cost audit fee</b>	1,50,000	1,50,000
<b>Total</b>	<b>10,90,000</b>	<b>10,76,765</b>



## 33 Other Expenses

Particulars	(Amount in ₹)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Office and Administration Expenses</b>		
Rent	2,81,02,827	5,94,23,838
Rates and Taxes	1,05,93,170	80,84,588
Other Repair and Maintenance	1,01,16,554	1,07,27,374
Insurance	50,40,148	49,05,264
Printing and Stationery	5,91,703	8,90,320
Postage, Telegrams and Telephones	41,69,300	40,76,200
Security Services	92,51,297	40,74,090
Vehicle Upkeep and Maintenance	9,32,169	20,71,632
Travelling and Conveyance	3,73,72,449	4,51,66,351
Legal and Professional	3,15,16,270	4,74,48,672
Auditors Remuneration	10,90,000	10,76,765
Donation	1,11,201	93,901
Directors' Sitting Fees	4,20,000	4,35,000
Loss on disposal of property, plant and equipment (Net)	79,30,004	1,22,27,576
Corporate Social Responsibility	67,87,373	33,24,052
Miscellaneous Expenses	1,00,36,970	62,49,251
	<b>16,40,61,435</b>	<b>21,02,74,874</b>
<b>Selling and distribution expenses</b>		
Freight and Forwarding Expenses	8,29,37,908	4,83,69,901
Commission on Sales	3,27,01,716	4,69,38,556
Business Promotion Expenses	39,34,558	82,29,313
Bad Debts/ Liquidated Damage	5,51,85,945	4,09,21,688
Advertisement and Publicity	4,81,08,695	4,84,34,683
Other Selling Expenses	-	1,12,919
	<b>22,28,68,822</b>	<b>19,30,07,060</b>
<b>Manufacturing Expenses</b>		
Store Consumables	12,29,15,742	16,25,24,143
Power and Fuel	3,41,27,474	3,33,47,733
Other Manufacturing Expenses:-		
Processing Charges	35,63,07,473	36,84,96,733
Job Work Charges	3,95,93,396	9,11,77,947
Installation & Site Expenses	5,07,70,717	11,10,15,333
Repair and Maintenance:		
Plant and Machinery	77,47,902	81,93,160
Factory Shed and Building	23,94,496	52,83,837
	<b>61,38,57,200</b>	<b>78,00,38,886</b>
<b>Total</b>	<b>1,00,07,87,457</b>	<b>1,18,33,20,820</b>

## \* Details of payment to auditors (exclusive of applicable taxes)

Particulars	(Amount in ₹)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>1. As auditor</b>		
Statutory audit fee	5,80,000	5,80,000
Limited review fee	1,00,000	1,00,000
Other services	2,00,000	1,67,500
Reimbursement of expenses	60,000	79,265
<b>2. Cost audit fee</b>	1,50,000	1,50,000
<b>Total</b>	<b>10,90,000</b>	<b>10,76,765</b>





**JSL Lifestyle Limited**

**Notes forming part of the financial statements for the year ended March 31, 2020**

**34 Earning Per Share (EPS)**

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(Loss) attributable to equity shareholders (₹) (A)	6,95,68,874	48,03,38,228
Weighted average number of outstanding equity shares (B)	2,85,01,739	2,85,01,739
Nominal value per equity share (₹)	10	10
Basic EPS (Amount in ₹) (A/B)	2.44	16.85
Diluted EPS (Amount in ₹) (A/B)	2.44	16.85

**35 Contingent liabilities and commitments**

**(i) Contingent liabilities**

(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Guarantee issued on behalf of the Company		
- by bank	22,56,11,222	3,06,25,637
- by related party	17,47,05,940	-
(b) Disputed liability* in respect of :-		
- Excise duty	1,12,66,598	2,74,61,328
- Sales tax	50,42,860	29,13,888
- Income Tax	5,09,19,730	-

\*Figures represent liability net of amount deposited in protest.

**(ii) Commitments**

(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	86,69,211	2,14,60,131

**36 Disclosure relating to relating to micro, small and medium enterprises**

Based on the intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure to the extent information available is given below:-

(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Principal amount due outstanding	82,27,651	-
Interest due on (1) above and unpaid	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year.	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-



## 37 a) Income tax expense

Particulars	(Amount in ₹)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	2,17,66,232	19,59,88,913
Deferred tax	1,95,10,982	1,34,69,225
Income tax earlier years	53,14,646	38,06,310
<b>Total</b>	<b>4,65,91,860</b>	<b>21,32,64,448</b>

## b) Effective tax reconciliation

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

Particulars	(Amount in ₹)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax (A)	11,61,60,734	69,36,02,676
Enacted tax rate in India (B)	29.12%	29.12%
Expected income tax expense at statutory tax rate (A*B)	3,38,26,006	20,19,77,099
<b>Increase/(reduction) in taxes on account of:</b>		
Expenses not deductible in determining taxable profits	59,42,420	1,55,41,963
Additional allowances/ deduction under Income tax	(65,89,428)	(80,60,924)
Unused tax losses	16,71,131	-
MAT Credit written off	65,27,547	-
Tax recognized for earlier years	53,14,646	38,06,310
<b>Tax expense</b>	<b>4,66,92,322</b>	<b>21,32,64,448</b>

## c) Deferred tax

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

Particulars	(Amount in ₹)			
	Deferred tax Liability/(Asset) as at March 31, 2019	Recognised/ (reversed) in statement of profit & loss	Recognised/ (reversed) in OCI	Deferred tax Liability/(Asset) as at March 31, 2020
Property, plant and equipment	3,92,69,398	21,36,707	-	4,14,06,105
Carried forward business loss	-	-	-	-
Carried forward capital loss	(16,70,844)	16,70,844	-	-
Disallowances under Income tax	(79,78,614)	(7,76,622)	(1,92,102)	(89,47,338)
<b>Total</b>	<b>2,96,19,940</b>	<b>30,30,929</b>	<b>(1,92,102)</b>	<b>3,24,58,767</b>

## 38 Disclosure relating to Research and Development expenses

The Company has in-house R&D centre at 48 K.M. Stone, Rohad, Haryana. Ministry of Science & Technology (Department of Scientific and Industrial Research) has accorded recognition to this centre, which is valid upto 31.03.2021. The expenditure incurred towards In-house Research and Development activities is as follows: -

Particulars	(Amount in ₹)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue expenditure	4,32,44,893	4,77,46,735
<b>Total</b>	<b>4,32,44,893</b>	<b>4,77,46,735</b>



## JSL Lifestyle Limited

Notes forming part of the financial statements for the year ended March 31, 2020

### 39 Employee benefits

#### a) Defined contribution plans: -

The Company has recognized following expense in respect of the defined contribution plans: -

Particulars	(Amount in ₹)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to provident fund	1,26,23,380	1,06,61,131
Contribution to ESF	5,41,651	3,88,142
<b>Total</b>	<b>1,31,65,031</b>	<b>1,10,49,273</b>

#### b) Defined benefit plans: -

Below tables sets forth the changes in the projected benefit obligation and amounts recognised in the balance sheet as at March 31, 2020 and March 31, 2019, being the respective measurement dates

##### (i) Movement in defined benefit obligation

Particulars	(Amount in ₹)	
	Gratuity (unfunded)	Leave encashment (unfunded)
<b>Present value of obligation as at April 1, 2018</b>	<b>1,16,76,872</b>	<b>93,99,647</b>
Current service cost	24,11,546	34,57,505
Past service cost	-	-
Interest cost	9,04,958	7,28,473
Benefits paid	(15,32,891)	(28,78,769)
Remeasurement- Actuarial loss/(gains) on obligation	8,79,586	23,52,159
<b>Present value of obligation as at March 31, 2019</b>	<b>1,43,40,071</b>	<b>1,30,59,015</b>
Current service cost	27,95,140	38,25,141
Interest cost	10,03,805	9,14,131
Benefits paid	(28,41,186)	(50,53,247)
Remeasurement- Actuarial loss/(gains) on obligation	7,26,985	19,55,873
<b>Present value of obligation as at March 31, 2020</b>	<b>1,60,24,815</b>	<b>1,47,00,913</b>

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

Particulars	(Amount in ₹)	
	Gratuity (unfunded)	Leave encashment (unfunded)
Current service cost	24,11,546	34,57,505
Interest cost	9,04,958	7,28,473
Remeasurement- Actuarial loss/(gains) on obligation	-	23,52,159
<b>For the year ended March 31, 2019</b>	<b>33,16,504</b>	<b>65,38,137</b>
Current service cost	27,95,140	38,25,141
Interest cost	10,03,805	9,14,131
Remeasurement- Actuarial loss/(gains) on obligation	-	19,55,873
<b>For the year ended March 31, 2020</b>	<b>37,98,945</b>	<b>66,95,145</b>

##### (iii) Expenses recognised in Other Comprehensive Income

Particulars	(Amount in ₹)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Remeasurement - actuarial loss/(gains) on gratuity	7,26,985	8,79,586





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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	7.00%	7.75%
Expected rate of increase in compensation levels	5.00%	5.00%
Expected rate of return on plan assets	NA	NA
Mortality Rate	IALM(2012-14) Ultimate	IALM(2006-08) Ultimate
Withdrawal Rate		
18 to 30 years	5% p.a.	5% p.a.
30 to 44 years	5% p.a.	5% p.a.
44 to 58 years	5% p.a.	5% p.a.

(v) Experience Adjustements

Particulars	(Amount in ₹)	
	Gratuity (unfunded)	Leave encashment (unfunded)
<b>For the financial year 2018-19</b>		
Experience adjustments (Gain)/Loss for plan liabilities	3,67,978	18,98,289
Experience adjustments (Gain)/Loss for plan assets	-	-
<b>For the financial year 2019-20</b>		
Experience adjustments (Gain)/Loss for plan liabilities	(1,74,131)	12,06,808
Experience adjustments (Gain)/Loss for plan assets	-	-

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

Particulars	(Amount in ₹)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Expected contribution during next annual reporting period	35,91,817	24,44,239

(vii) Sensitivity Analysis

Particulars	Change in assumption	(Amount in ₹)	
		For the year ended March 31, 2020	For the year ended March 31, 2019
Discount Rate	+ 1%	1,47,26,032	1,32,07,311
	- 1%	1,75,20,633	1,56,37,935
Salary growth rate	+ 1%	1,74,90,059	1,56,04,570
	- 1%	1,47,36,083	1,32,24,621
Withdrawal rate	+ 1%	1,61,41,069	1,45,17,507
	- 1%	1,58,62,960	1,41,32,184

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

Particulars	(Amount in ₹)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
1 April 2019 to 31 March 2020	-	9,96,273
1 April 2020 to 31 March 2021	7,99,941	8,55,592
1 April 2021 to 31 March 2022	4,80,208	9,91,394
1 April 2022 to 31 March 2023	17,55,136	28,60,203
1 April 2023 to 31 March 2024	3,50,438	8,84,776
1 April 2024 to 31 March 2025	5,54,776	5,91,927
1 April 2025 onwards	1,20,84,316	1,20,84,316



## JSL Lifestyle Limited

Notes forming part of the financial statements for the year ended March 31, 2020

### 40 Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. The rental expenses for short-term leases amounts to ₹ 2,81,02,827 for the year ended March 31, 2020. The following is the movement in lease liabilities for leases classified under finance lease arrangements during the year ended March 31, 2020:

(Amount in ₹)	
Particulars	For the year ended March 31, 2020
Balance at the beginning	8,18,27,912
Add: Interest cost accrued	74,25,715
Less: Payment of lease liabilities	(4,32,04,308)
Balance at the end	4,60,49,319

The following is the break-up of current and non-current lease liabilities as at March 31, 2020: -

(Amount in ₹)	
Particulars	For the year ended March 31, 2020
Current lease liabilities	3,27,37,781
Non-Current lease liabilities	1,33,11,538
Total lease liabilities	4,60,49,319

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis: -

(Amount in ₹)	
Particulars	For the year ended March 31, 2020
Less than one year	3,67,42,029
One to five years	1,40,00,924
Total	5,07,42,953

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

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

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Within India	Outside India	Within India	Outside India
Revenue	2,35,23,20,050	76,71,57,279	3,34,54,37,941	1,18,60,73,177
Non-current assets (PPE)	62,83,94,364	-	61,04,91,105	-

#### (ii) Details about the major customers

Revenue from two major customers represented 83.40% approx. (previous years 83.78%) of the total revenue from operations of the Company.

### 42 Disclosures of related parties as required by Ind AS-24

#### (i) List of related parties

##### (a) Parent Entity

Jindal Stainless (Hisar) Limited

##### (b) Key Management Personnel

Mrs. Deepika Jindal	Managing Director
Mr. Mandeep Singh	Executive Director & CEO
Mr. Bhartendu Harit	Company Secretary
Mr. Rajinder Kumar Garg	Chief Financial Officer (resigned wef 20th December 2019)
Mr. Ajay Jain	Chief Financial Officer (appointed wef 29th January 2020)
Mr. Abhishek Poddar	Independent Director
Mr. Vijay Kumar Sharma	Non-executive Director
Mr. Ashok Kumar Agarwal	Independent Director



## JSL Lifestyle Limited

Notes forming part of the financial statements for the year ended March 31, 2020

### 43 Financial risk management

#### Financial risk factors

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

#### I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

#### II. Credit risk

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

#### III. Liquidity risk

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

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

#### I. Market Risk

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

#### (a) Foreign exchange risk sensitivity

The functional currency of the Company is Indian Rupee (INR). The Company is exposed to foreign exchange risk through its sales in international markets. The Company has obtained foreign currency working capital loans and has foreign currency receivables and is therefore, exposed to foreign exchange risk. The following table analyses foreign currency risk from financial instruments as of March 31, 2020 and March 31, 2019: -

Particulars	Currency	As at March 31, 2020	As at March 31, 2019
<b>Financial assets</b>			
Trade receivables	USD	25,82,417	37,21,169
<b>Financial liabilities</b>			
Working capital loans	USD	17,78,602	14,00,000
<b>Net assets/ (liabilities)</b>		<b>8,03,814</b>	<b>23,21,169</b>

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

Particulars	Change in currency exchange rate	(Amount in ₹)	
		Effect on profit before tax for the year ended March 31, 2020	Effect on profit before tax for the year ended March 31, 2019
USD	5%	29,08,242	80,26,601
	-5%	(29,08,242)	(80,26,601)

#### (b) Interest rate risk and sensitivity

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

Particulars	(Amount in ₹)			
	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted Average Rate (%)
<b>For the year ended March 31, 2020</b>				
INR	30,98,38,542	-	30,98,38,542	8.64%
USD ( Equivalent INR)	12,86,99,657	12,86,99,657	-	0.63%
<b>Total</b>	<b>43,85,38,199</b>	<b>12,86,99,657</b>	<b>30,98,38,542</b>	
<b>For the year ended March 31, 2019</b>				
INR	31,18,00,035	-	31,18,00,035	10.68%
USD ( Equivalent INR)	9,68,24,000	9,68,24,000	-	3.80%
<b>Total</b>	<b>40,86,24,035</b>	<b>9,68,24,000</b>	<b>31,18,00,035</b>	





(c)Commodity price risk and sensitivity

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

II. Credit Risk

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

Trade receivables

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

The ageing of trade receivable is as below:

	Neither due nor impaired	Past due		Total
		Up to 6 Months	Above 6 Months	
(Amount in ₹)				
As at March 31, 2020				
Secured	-	-	-	-
Unsecured	48,39,78,630	26,82,61,774	5,35,30,618	80,57,71,022
<b>Total trade receivables</b>	<b>48,39,78,630</b>	<b>26,82,61,774</b>	<b>5,35,30,618</b>	<b>80,57,71,022</b>
Provision for doubtful receivables	-	-	-	-
<b>Net Total</b>	<b>48,39,78,630</b>	<b>26,82,61,774</b>	<b>5,35,30,618</b>	<b>80,57,71,022</b>
As at March 31, 2019				
Secured	-	-	-	-
Unsecured	44,57,78,686	20,28,99,014	79,57,274	65,66,34,974
<b>Total trade receivables</b>	<b>44,57,78,686</b>	<b>20,28,99,014</b>	<b>79,57,274</b>	<b>65,66,34,974</b>
Provision for doubtful receivables	-	-	-	-
<b>Net Total</b>	<b>44,57,78,686</b>	<b>20,28,99,014</b>	<b>79,57,274</b>	<b>65,66,34,974</b>

Financial Instruments and Cash Deposits

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

III. Liquidity Risk

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

Particulars	Carrying Amount	(Amount in ₹)			Total
		< 1 Years	1 - 3 Years	> 3 Years	
As at March 31, 2020					
Interest rate borrowings	43,55,51,160	27,40,01,890	-	16,15,49,270	43,55,51,160
Other liabilities	18,50,44,140	9,76,58,098	8,73,86,042	-	18,50,44,140
Trade and other payables	80,03,25,578	80,03,25,578	-	-	80,03,25,578
Lease liabilities	4,60,49,319	3,27,37,781	1,33,11,538	-	4,60,49,319
<b>Total</b>	<b>1,46,69,70,197</b>	<b>1,20,47,23,347</b>	<b>10,06,97,580</b>	<b>16,15,49,270</b>	<b>1,46,69,70,197</b>
As at March 31, 2019					
Interest rate borrowings	40,86,24,035	24,67,96,375	-	16,18,27,660	40,86,24,035
Other liabilities	20,94,46,903	12,20,60,861	8,73,86,042	-	20,94,46,903
Trade and other payables	45,04,96,102	45,04,96,102	-	-	45,04,96,102
<b>Total</b>	<b>1,06,85,67,040</b>	<b>81,93,53,338</b>	<b>8,73,86,042</b>	<b>16,18,27,660</b>	<b>1,06,85,67,040</b>

Competition and price risk

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



## JSL Lifestyle Limited

Notes forming part of the financial statements for the year ended March 31, 2020

### 44 Capital risk management

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

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

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Loans and borrowings	43,55,51,160	40,86,24,035
Less : cash and cash equivalents	15,84,411	7,05,128
<b>Net debt (a)</b>	<b>43,39,66,749</b>	<b>40,79,18,907</b>
<b>Total capital (b)</b>	<b>1,07,17,34,897</b>	<b>1,00,27,00,906</b>
<b>Capital and net debt (c= a+b)</b>	<b>1,50,57,01,646</b>	<b>1,41,06,19,813</b>
<b>Gearing ratio</b>	<b>28.82%</b>	<b>28.92%</b>

### 45 Fair value of financial assets and liabilities and hierarchy

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: -

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

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

#### Fair Value Hierarchy

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

- Level 1- Quoted price/ NAV for identical instruments in an active market  
 Level 2- Directly or indirectly observable market inputs, other than Level 1 inputs; and  
 Level 3- Inputs which are not based observable market data

Particulars	(Amount in ₹)			
	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Measured at amortised cost</b>				
<b>(a) Financial assets</b>				
Other financial assets	2,66,62,831	2,66,62,831	2,83,14,524	2,83,14,524
Trade receivables	80,57,71,022	80,57,71,022	65,66,34,974	65,66,34,974
Cash & cash equivalents	15,84,411	15,84,411	7,05,128	7,05,128
Bank balances other than cash and	7,49,90,691	7,49,90,691	1,85,21,373	1,85,21,373
<b>Total financial assets</b>	<b>90,90,08,955</b>	<b>90,90,08,955</b>	<b>70,41,75,999</b>	<b>70,41,75,999</b>
<b>(b) Financial Liabilities</b>				
Borrowings	43,55,51,160	43,55,51,160	40,86,24,035	40,86,24,035
Trade payables	80,03,25,578	80,03,25,578	45,04,96,102	45,04,96,102
Other financial liabilities	18,50,44,140	18,50,44,140	20,94,46,903	20,94,46,903
Lease liabilities	4,60,49,319	4,60,49,319		
<b>Total financial liabilities</b>	<b>1,46,69,70,197</b>	<b>1,46,69,70,197</b>	<b>1,06,85,67,040</b>	<b>1,06,85,67,040</b>



- 46 Amount spent towards Corporate Social Responsibility (CSR) as per the provisions of section 135 of Companies Act, 2013 for the year amounting to ₹ 67,87,373 (March 31, 2019: ₹ 33,24,052)
- 47 Exceptional items represents gain (net) of ₹ 1,37,74,213 (March 31, 2019: ₹ 1,90,22,102) on translation of currency monetary items i.e. working capital loans, trade receivables and trade payables at the date of Balance sheet.
- 48 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

See accompanying notes to the financial statements

1 to 48

As per our report of even date

For Doogar & Associates  
Chartered Accountants  
Firm's registration No. 0005611



*Vardhman Doogar*  
Vardhman Doogar  
Partner  
M. No. 517347

For and on behalf of the Board of Directors

*Deepika Jindal*

Deepika Jindal  
Managing Director  
DIN No. 00015188

*Mandeep Singh*  
Mandeep Singh  
Executive Director & CEO  
DIN: 03387567

Place: *Gurgaon*  
Dated: 8th June 2020

*Ajny Jain*  
Ajny Jain  
Chief Financial Officer

*Dhartendu Harit*  
Dhartendu Harit  
Company Secretary  
M. No. A15123



## JSL Lifestyle Limited

Notes forming part of the financial statements for the year ended March 31, 2020

(c) Subsidiaries, associates and joint ventures of parties listed in (a) & (b) above with whom transactions have taken place during the current and previous year

Jindal Stainless Steelway Limited  
Green Delhi BQS Limited  
JSL Media Limited  
Jindal Stainless Limited  
Jindal Stainless Corporate Management Services Pvt. Ltd.  
Cinnamon Boutique Private Limited

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

(Amount in ₹)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Holding Company	Associates & Other Parties	Holding Company	Associates & Other Parties
<b>1 Sales of finished goods/scrap</b>				
Jindal Stainless (Hisar) Limited	12,77,26,821	-	18,86,52,125	-
Jindal Stainless Limited	-	57,66,155	-	90,39,914
Jindal Stainless Corporate Management Services Private Limited	-	2,77,96,009	-	69,18,783
Jindal Stainless Steelway Limited	-	8,28,716	-	7,93,761
<b>2 Job work charges (Income)</b>				
Jindal Stainless (Hisar) Limited	2,46,668	-	3,51,177	-
Jindal Stainless Steelway Limited	-	1,86,651	-	-
<b>3 Purchase of raw material</b>				
Jindal Stainless (Hisar) Limited	1,13,34,03,130	-	1,49,70,68,087	-
Jindal Stainless Limited	-	3,85,67,792	-	6,46,78,651
Jindal Stainless Steelway Limited	-	5,53,01,802	-	84,51,730
<b>4 Reimbursement of expenses paid on our behalf</b>				
Jindal Stainless (Hisar) Limited	27,39,114	-	-	-
Jindal Stainless Limited	-	42,62,147	-	81,73,274
Jindal Stainless Steelway Limited	-	2,10,621	-	4,36,000
<b>5 Expenses recovered</b>				
Jindal Stainless (Hisar) Limited	6,65,829	-	-	-
Jindal Stainless Steelway Limited	-	10,80,000	-	4,20,000
Green Delhi BQS Limited	-	-	-	4,41,763
JSL Media Limited	-	-	-	26,42,140
<b>6 Interest Paid</b>				
Jindal Stainless (Hisar) Limited	1,24,25,684	-	1,28,70,006	-
Jindal Stainless Steelway Limited	-	2,01,438	-	-
<b>7 Job work charges (expenses)</b>				
Jindal Stainless Steelway Limited	-	33,30,876	-	12,89,821
<b>8 Rent &amp; maintenance charges paid</b>				
Jindal Stainless (Hisar) Limited	1,13,30,920	-	80,03,475	-
Cinnamon Boutique Private Limited	-	42,38,246	-	41,63,989
<b>9 Sale of Property, Plant and Equipment</b>				
Jindal Stainless (Hisar) Limited	-	-	1,62,52,401	-
<b>10 Purchase of Property, Plant and Equipment</b>				
Jindal Stainless (Hisar) Limited	33,32,744	-	-	-
<b>11 Bad debts</b>				
JSL Media Limited	-	1,13,52,381	-	-
Green Delhi BQS Limited	-	1,62,274	-	-

\* Transactions reported are exclusive of GST



**JSL Lifestyle Limited**

Notes forming part of the financial statements for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Holding Company	Associates & Other Parties	Holding Company	Associates & Other Parties
<b>1. ICD Loan (including interest accrued)</b>				
Jindal Stainless (Hisar) Limited	16,15,49,270	-	15,89,62,121	-
<b>2. Interest and other payables</b>				
Jindal Stainless (Hisar) Limited	8,73,86,042	-	8,73,86,042	-
<b>3. Amount receivables</b>				
JSL Media Limited	-	-	-	1,02,05,578
Jindal Stainless Corporate Management Services Pvt. Ltd.	-	32,29,986	-	11,87,807
Jindal Stainless Limited	-	-	-	1,11,43,164
<b>4. Amount payable</b>				
Jindal Stainless (Hisar) Limited	47,45,63,184	-	19,74,12,900	-
Jindal Stainless Limited	-	2,95,74,535	-	-
Jindal Stainless Steelway Limited	-	98,07,349	-	5,72,273
Cinnamon Boutique Private Limited	-	26,52,883	-	19,46,846
<b>5. Guarantees issued on behalf of the Company</b>				
Jindal Stainless (Hisar) Limited	17,47,05,940	-	-	-

**Compensation to Key Managerial Personnel**

Particulars	(Amount in ₹)	
	For the year ended March 31, 20120	For the year ended March 31, 2019
Short-term employee benefits	6,32,03,448	3,70,70,911
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Employee share based payment	-	-
Director's sitting fee	4,20,000	4,35,000
<b>Total Compensation</b>	<b>6,36,23,448</b>	<b>3,75,05,911</b>

**Notes:-**

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







### **2.3 Intangible Assets**

Identifiable intangible assets are recognised:

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

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

### **2.4 Research and development cost:**

#### **Research Cost:**

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

#### **Development Cost:**

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

### **2.5 Impairment of non-current assets**

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

### **2.6 Cash and cash equivalents**

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

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

### **2.7 Inventories**

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



## **2.8 Employee benefits**

- a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.
- b) Leave encashment being a short term benefit is accounted for using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.
- c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.
- d) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. Other costs are accounted in statement of profit and loss.
- e) The Company's liability towards employee benefits such as gratuity, leave encashment etc. is provided for on the basis of actuarial valuation. Company does not operate any defined plan for Gratuity; hence, the liability is recognised in the books.

## **2.9 Foreign currency reinstatement and translation**

### **(a) Functional and presentation currency**

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

### **(b) Transactions and balances**

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

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

## **2.10 Financial instruments – initial recognition, subsequent measurement and impairment**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets or financial liabilities (Other than financial assets and financial liabilities at fair value through profit and loss account) are added to or deducted from fair value measured initial recognition of financial asset or financial liability.

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



### **Financial Assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest amount outstanding.

### **Financial Assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

### **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liability at fair value through profit or loss are immediately recognised in profit or loss.

### **Financial liabilities**

Financial liabilities including interest bearing loans and borrowings and trade payables are subsequently measured at amortised cost using the effective interest rate method (EIR) except those designated in an effective hedging relationship.

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

#### **2.11 Borrowing costs**

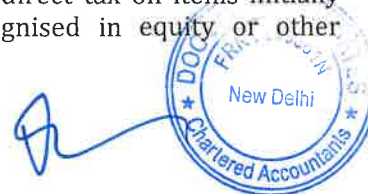
Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist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

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

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

#### **2.12 Taxation**

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





## **JSL Lifestyle Limited**

### **Notes to the financial statements for the year ended March 31, 2020**

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

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

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

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

#### **2.13 Revenue recognition and other income**

##### **Sale of Goods**

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

##### **Sale of Services**

Revenue from services is accounted for on the basis of work performed and rendering of services as per the terms of the specific contract.

##### **Other Operating Income**

Incentives on export as per the policy of government are recognized in books after due consideration of certainty of utilization.

##### **Other Income**

##### **Interest**

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



## **2.14 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends, if any and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

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

## **2.15 Provisions and contingencies**

### **Provisions**

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

### **Contingencies**

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

## **2.16 Current /non-current classification**

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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





## JSL Lifestyle Limited

### Notes to the financial statements for the year ended March 31, 2020

#### 2.18 Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount.

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

The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.





### **2.3 Intangible Assets**

Identifiable intangible assets are recognised:

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

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

### **2.4 Research and development cost:**

#### **Research Cost:**

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

#### **Development Cost:**

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

### **2.5 Impairment of non-current assets**

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

### **2.6 Cash and cash equivalents**

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

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

### **2.7 Inventories**

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

