


JSW Steel Limited
Annual Report **2019-20**

JSW Steel



A true visionary,
A legendary industrialist,
A great philanthropist,
A legacy that will always be cherished!

**Shri O.P. Jindal** | 7th August 1930 - 31st March 2005
Founder and Visionary, O. P. Jindal Group

His life was an inspirational journey leading millions to follow the enlightened path.
We will always carry on his values, an epitome of indomitable courage, endurance and integrity, his legacy will always remain with us.
As we take leaps towards the future, we are fully committed to honor his vision and keep his legacy alive & carrying it forward to greater heights.



At JSW Steel, we believe that excellence is a moving target. From profitability to sustainability, we are constantly setting benchmarks and strive to outdo ourselves, every day.

Our commitment to be better is reflected in our journey to be more responsible, more efficient and more value-driven. Together with our business objectives, we nurture an unwavering environmental, social and governance (ESG) focus, which guides every decision we make and every action we take.

As we gear for a new and dynamic era for India and the world, we believe that our efforts towards being better every day will drive lasting value for all our stakeholders, and usher in a stronger tomorrow for everyone.

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JSW Steel

## JSW Steel is the flagship of the US$ 12 billion JSW Group, which has diversified interests in core industries that support India's infrastructure growth.

We are the country's leading integrated steel manufacturer; and are focused on enhancing capacity from 18 MTPA to 45 MTPA within the next decade. The first phase of this journey is currently underway, with a committed capex outlay of ₹ 48,715 crores (FY 2018-19 to FY 2021-22). With nine key domestic manufacturing facilities, secure raw material sources, wide export reach and strong domestic retail presence, we are well-placed to maximise value across the steel value chain.

Driven by a visionary leadership, our strategic focus lies on increasing capacity, widening reach, maximising efficiency, allocating capital effectively and mainstreaming sustainability. While pursuing these strategic goals, our broad objective is to deliver industry-leading stakeholder returns, and in the process, contribute to nation building, social empowerment and environmental conservation.

**JSW SALEM WORKS AWARDED THE PRESTIGIOUS DEMING PRIZE FOR OUTSTANDING PRACTICES IN CONTINUOUS IMPROVEMENT (ONE AMONG FIVE PLANTS GLOBALLY TO RECEIVE THE RECOGNITION)**

**COMPLETED THE ACQUISITION OF VARDHMAN INDUSTRIES LIMITED, FURTHER ENRICHING PRODUCT MIX**

**OPERATIONALISED ALL SIX CAPTIVE IRON ORE MINES IN KARNATAKA AND DECLARED PREFERRED BIDDER FOR 3 MORE MINES, CONTRIBUTING TO IRON ORE SECURITY OF ~30% FOR VIJAYANAGAR WORKS**

**EMERGED PREFERRED BIDDER FOR FOUR IRON ORE MINES IN ODISHA**

**COMBINED RESERVES ~1.2 BILLION TONNES**

# FY 2019-20 in a nutshell

## We effectively utilised our resources and delivered production at scale

**16.06 MnT**
CRUDE STEEL PRODUCED (97% OF GUIDANCE MET DESPITE EXTERNALLY CAUSED DISRUPTIONS)

**~48%**
CONTRIBUTION OF VALUE ADDED AND SPECIAL PRODUCTS (VASP)

**89%**
CAPACITY UTILISATION

## We maintained industry-leading profitability, despite a challenging macro environment

**₹ 73,326 crore**
TOTAL REVENUE FROM OPERATIONS

**₹ 11,873 crore**
OPERATING EBITDA

**₹ 3,919 crore**
NET PROFIT

**₹ 7,971 / US$112**
EBITDA PER TONNE

## We continued investing in our growth projects, social responsibility and R&D initiatives

**₹ 10,200 crore**
CAPEX SPEND DURING THE YEAR

**₹ 152 crore**
CSR SPEND DURING THE YEAR

**₹ 56 crore**
R&D SPEND DURING THE YEAR

## We rationalised our cost structure and implemented efficiency-enhancing initiatives

**US$ 117**
CONVERSION COST/TONNE

**₹ 450 crore**
SAVINGS FROM DIGITALISATION PROJECTS

## And delivered strongly on ESG parameters

**~5.5 lakh**
DIRECT AND INDIRECT CSR BENEFICIARIES

RECOGNISED AS SUSTAINABILITY CHAMPIONS FOR 2019 BY WORLDSTEEL FOR THE SECOND CONSECUTIVE YEAR

ACTIVE INTERVENTIONS AT PRODUCT DESIGN, OPERATIONS AND USAGE LEVEL TO ACHIEVE CIRCULARITY IN THE STEEL VALUE CHAIN

# Message from the Chairman & Managing Director

Dear Shareholders,

I am pleased to report that FY 2019-20 turned out to be a year of significant progress in crossing strategic milestones for your company, notwithstanding the overall challenging operating environment.



At JSW Steel, we continue our journey of being better every day as we demonstrated excellence in our operations. We made good progress towards the completion of our ongoing strategic expansion projects. I am excited on your Company achieving long term security of iron ore - a key raw material in steelmaking operations, which is likely to be a game changer and a boost to our competitive positioning.

With regard to the macroeconomic and business environment, the first half of the year witnessed weak steel demand and a subdued pricing environment, amidst rising global trade tensions. Just as the business and consumer sentiment began improving in the second half of the year, the COVID-19 pandemic created an unprecedented socio-economic disruption across the globe.

## Delivering operational excellence despite several headwinds

During the year, we optimised our resources to maintain production levels, continued to invest in completing our growth projects, rationalised our cost structure, and implemented measures to enhance efficiencies.

Following the steps of Vijayanagar works last year, our Salem works received the prestigious and coveted Deming Prize this year, which testifies our commitment towards operational excellence.

In India, despite a significant loss of volumes in the first half of the year due to excessive monsoon, we managed to achieve 97% of our production guidance for FY 2019-20, notwithstanding COVID-19 related disruptions in March 2020. We focused on increasing the share of high-margin value added and special products (VASP) in our total shipments, which stood at 48%. Branded products sales stood at 49% (up from 46%) of total retail sales. Further, in order to offset the impact of weak domestic demand, we increased our export volume by 30% and exports accounted for 21% of total sales (versus 15% last year).

However, the weak pricing environment led to a 14% fall in realisations, which could not be offset by our several cost-reduction initiatives, and significantly impacted our revenue and margins.

At our associate company MIEL (Monnet Ispat and Energy Limited), we undertook a major shutdown during the year to enable production of specialised steel products. The facility is now geared to ramp up steel making operations, seek a range of grade approvals, and will continue to supply TMT to the regional construction sector.

In the overseas businesses, a tough economic environment in the US and Italy impacted our performance adversely. We are focused on implementing measures to turnaround these operations and strive for enhanced efficiencies, which is core to our business philosophy. In the US, we are implementing an integration plan between Ohio and Baytown operations to derive synergies. A substantial progress was made in modernisation of the Plate Mill at Baytown

**FY 2019-20 TURNED OUT TO BE A REMARKABLE YEAR FOR JSW STEEL IN TERMS OF ACHIEVING RAW MATERIAL SECURITY OF IRON ORE.**

(first phase), and we are likely to derive benefits in the coming year. At Piombino, Italy, we continue to cater specialised steel products to our customers amidst a challenging market.

The Board of Directors have recommended a dividend of ₹ 2 per equity share, subject to shareholder approvals.

## Iron ore mines - A game changer in securing long-term raw material security

FY 2019-20 turned out to be a remarkable year for JSW Steel in terms of achieving raw material security of iron ore. We emerged as a preferred bidder for four iron ore mines in Odisha, and additional three mines in Karnataka, with aggregate reserves of close to 1.2 bn tonnes. These mines give strategic long-term raw material security, access to high quality reserves and an advantage of achieving consistency in quality which can drive value in our steelmaking operations.

Further, over the medium term, there is an opportunity to invest in best-in-class infrastructure facilities and optimise the logistics cost of transporting iron ore from the mines to the steel manufacturing facilities. This will significantly strengthen our ability to preserve margins through the cycle. We are working towards operationalising these mines at the earliest and expect to commence operations in the coming year.

## Mainstreaming sustainability

At JSW Steel, we are committed to our environmental, social and governance (ESG) goals to create sustainable long-term value for all our stakeholders. JSW Steel was recognised as a Sustainability Champion for 2019 by the World Steel Association (worldsteel) for second year in a row.

We are committed in our efforts to reduce our carbon footprint, and are in the process of implementing plans to replace coal with renewable source of energy for generating power in our steel operations. Further, our Research & Development team is working on a lot of initiatives to reduce the intensity of metallurgical coal usage in our blast furnaces.

This year we also outlined a comprehensive sustainability framework comprising 17 core focus areas, where we can create significant impact. Going forward, our ESG performance will be gauged under these focus areas, with respect to progress made under their respective components.

The safety and well-being of our people is of paramount importance to us. At JSW Group, our vision is to achieve 'Zero Harm'. In order to help us to reach this vision, we have fully integrated Health & Safety (H&S) as one our core Group values and are continuing to implement initiatives under the 'VISION 000' motto. Safety Officers have been appointed at all plant locations and Mentor Safety Officers have been deployed.

The JSW Foundation continued to make a positive difference across 255 villages in four states, aligned with our vision to 'empower communities to create sustainable livelihoods'. Our CSR initiatives are focused on key intervention areas of health and nutrition, skills and livelihoods, education, water, sanitation and community empowerment.

JSW Shakti initiatives are being scaled up to empower rural women entrepreneurs across the country through rural BPOs and promotion of self-help groups (SHGs). We are also improving the quality of education in rural schools through infrastructure, training methodology and capacity building initiatives. In addition, we are undertaking environment upgradation programmes such as mangrove restoration and also working towards preservation of national heritage and promotion of Olympic sports.

## Calibrating capex to prioritise returns-accretive projects

We have undertaken a detailed exercise to prioritise all planned and discretionary spends with a twin objective of conserving liquidity, and ensuring that strategic projects which are in advanced stages of completion are completed and commissioned on priority.

Due to the lockdown announced by the government, and its subsequent extensions to contain the spread, project activity at various sites were severely constrained by the non-availability of required manpower and material.

At Dolvi Works, we received the permission to restart activities towards the end of April 2020. We were able to ramp-up our existing operations in an efficient and a timely manner. However, progress on the 5 MTPA expansion project was hampered as a number of workers employed by our contractors began to head home, with low visibility of when this trend is likely to reverse. Further, non-availability of foreign experts (from our technology and equipment suppliers) due to international travel restrictions is also impacting the commissioning schedule.

Thus, the expansion of crude steel capacity at Dolvi Works from 5 MTPA to 10 MTPA, along with the captive power plant and coke oven plant, is likely to get delayed into the second half of FY 2021. The 8 MTPA pellet plant and the wire rod mill at Vijayanagar are expected to be commissioned by

**THIS YEAR WE ALSO OUTLINED A COMPREHENSIVE SUSTAINABILITY FRAMEWORK COMPRISING 17 CORE FOCUS AREAS, WHERE WE CAN CREATE SIGNIFICANT IMPACT.**

mid FY 2020-21. The downstream modernisation-and-capacity enhancement projects in Vasind and Tarapur, and the colour coating plant at Kalmeshwar are now expected to be commissioned in the second half of FY 2020-21.

We thus reduced our planned capex on all these projects to ₹ 8,200 crore for the year. Combined with the spend earmarked to operationalise the iron ore mines, our total planned capex for FY 2020-21 stands at about ₹ 9,000 crore.

## Focused on deleveraging and fiscal prudence

At JSW Steel, we remain committed to maintaining fiscal discipline and prudence in capital allocation, and our target to maintain leverage ratios at healthy levels.

Our net debt, which stood at about ₹ 53,000 crore at the end of March 2020, may appear to be high. If not for the pandemic-related disruptions in March, which led to a drop in sales and a subsequent inventory build-up, leverage at year end could possibly have been lower. However, of this amount, about ₹ 18,000 crore is leverage on account of new projects which are currently under implementation and at various stages of completion. In other words, our core leverage for the current 18 MTPA capacity is only about ₹ 35,000 crore, which is one of the lowest in the industry. As some of these projects get progressively commissioned during FY 2020-21 and start generating returns, it will set in motion a natural deleveraging process in the next year i.e. FY 2021-22.

## Fighting the pandemic with the nation

The continuing spread of COVID-19 has left in its wake significant losses of lives and livelihoods, being a health crisis with deep economic implications. Normal life came to a halt amid the lockdowns across the world, including in India in the latter part of March. JSW Steel was not immune to the impact of such global events. Our first response to COVID-19 was to institute a number of measures and protocols to ensure the safety of our colleagues and their families. Given the scale and size of our operations and facilities, there have been positive cases at our locations too. We are undertaking comprehensive measures to contain and mitigate the spread, and have extended all possible assistance to all affected, while trying to ensure uninterrupted operations.

As a Group, we remain committed to doing our bit for the country and supporting the frontline warriors, who are battling away to mitigate the spread of the virus. In addition to pledging ₹ 100 crore to the PM CARES Fund, we converted several facilities across our Group locations into isolation wards to relieve stress on the country's healthcare system. Funds were also earmarked to source ventilators, testing and PPE kits. More than 250 people were trained on COVID-19 management and more than 2,750 habitations were sanitised. We also extended support by providing staples and other dietary requirements to more than 3,90,000 people – healthcare workers, migrant labourers and those stranded in the nationwide lockdown.

We will continue to do whatever it takes to help our colleagues, communities and citizens, to defeat this crisis.

## A firm believer in "Never let a crisis go waste"

We paused to save lives. Now, it is time to go full throttle to save livelihoods. Global economies are opening up gradually. India too needs to get back to its full capacity at the earliest to be the successful economy that it aims to be. The pandemic presents a unique opportunity for India and its industries to increase influence in the global supply chain. It was the 1991 balance of payments crisis that prompted the government of the day to set in motion path-breaking reforms. India would not have been what it is today, had we not taken those steps. Almost thirty years hence, we have yet another government that has not shied away from undertaking bold and decisive reforms.

With a likely realignment of global supply chains, India has the scale and expertise to emerge as a location of choice. The ₹ 20 trillion fiscal and monetary stimulus package with a clarion call for making India self-reliant is a step in the right direction. The increased focus on strengthening the micro, small and medium enterprises (MSMEs), considered to be backbone of the economy, assumes paramount importance.

At JSW Steel, we are joining in the 'Aatma Nirbhar Bharat Abhiyan' by making our wide range of high-quality steel products available to domestic engineering goods manufacturers at international prices. This initiative, in partnership with the Engineering Export Promotion Council (EEPC), will enhance the global competitiveness of locally manufactured products and make India a new exporter of engineering goods.

We have taken a number of initiatives across the organisation to rebase our cost base and align our business model – through accelerated adoption of technological tools and digitalisation initiatives. We are aiming to cut our fixed costs by 10%-15% which will aid in preserving and enhancing our margins.

As we continue our journey of being better every day in the new normal, I would like to thank the Board for guiding me to execute my responsibilities in the best possible manner. I also voice my gratitude to each and every member of our team for their relentless efforts in enabling JSW Steel navigate through these unprecedented times.

Let me also take this opportunity to acknowledge the support and assistance extended by our partners and stakeholders including bankers and government authorities, throughout our journey.

I solicit your continued cooperation.

**Sajjan Jindal**
**Chairman**

# Value-creation highlights

At JSW Steel, we depend upon and impact multiple capitals while operating our business. Through our strategy, long-term focus, and an unwavering focus on ESG, we create value across these capitals for our stakeholders.

## Financial Capital

Refers to the funds available to the Company to create value over time through asset creation and production processes, or funds generated by its operations. These include debt, equity, retained earnings, internal accruals and investments, among others.

**₹ 73,326 crore**
REVENUE FROM OPERATIONS

**₹ 68,068 crore**
ECONOMIC VALUE DISTRIBUTED

**₹ 5,258 crore**
ECONOMIC VALUE RETAINED

## Manufactured Capital

Pertains to the facilities for steel production and processing, including the structures and equipment at the plants, along with supporting infrastructure for logistics, warehousing and sales.

**~4.1 MTPA**
CAPTIVE IRON ORE

**16.06 MTPA**
CRUDE STEEL PRODUCED

**14.9 MTPA**
SALEABLE STEEL SALES

## Intellectual Capital

Encompasses the knowledge base of the organisation, and includes the systems, processes, patents, trademarks, copyrights and new value-added products developed through R&D, improvement initiatives and collaboration with institutions.

**32**
PATENTS HELD

Group-wide digitalisation initiatives and mainstreaming Industry 4.0 in operations

## Human Capital

Includes the skills, capabilities, experience, diversity and the level of motivation of the on-roll and contractual employees along with their safety, wellbeing and the ability to align with the organisation's vision.

**13,159**
PERMANENT EMPLOYEES (STANDALONE)

**5%**
WOMEN IN THE WORKFORCE

## Social and Relationship Capital

Refers to the trust-based, mutually beneficial relationships of the Company with key stakeholders such as investors, customers, vendors, society and government, among others.

**255 villages**
ACROSS 4 STATES IMPACTED THROUGH CSR ACTIVITIES

**₹ 11,145 crore**
CONTRIBUTION TO GOVERNMENT AND SOCIETY

**1.35 lakh**
CHILDREN FED EVERY DAY IN 540 GOVERNMENT SCHOOLS IN BALLARI, KARNATAKA IN ASSOCIATION WITH AKSHAYA PATRA FOUNDATION AND THE GOVERNMENT OF KARNATAKA

## Natural Capital

Includes resources such as iron ore, coal and other minerals along with air, water, energy, land and biodiversity, which are either utilised by the Company or impacted by its operations.

**~2.0t$CO_2$/tcs**
SPECIFIC CARBON EMISSION TARGET FOR 2030

**Zero**
LIQUID DISCHARGE PLANTS

Active interventions at product design, operations and usage level to achieve circularity in the steel value chain

# Corporate Information

## Chairperson Emeritus
**Mrs. Savitri Devi Jindal**

## Board of Directors
**Mr. Sajjan Jindal**
Chairman and Managing Director,
Non-Independent Executive Director

**Mr. Seshagiri Rao M.V.S.**
Joint Managing Director and Group CFO,
Non-Independent Executive Director

**Dr. Vinod Nowal**
Deputy Managing Director,
Non-Independent Executive Director

**Mr. Jayant Acharya**
Director (Commercial and Marketing),
Non-Independent Executive Director

**Mr. Gangaram Baderiya**
Nominee Director, KSIIDC

**Mr. Hiroyuki Ogawa**
Nominee Director, JFE Steel Corp., Japan

**Mr. Malay Mukherjee**
Independent Non-Executive Director

**Mr. Seturaman Mahalingam**
Independent Non-Executive Director

**Dr. (Mrs.) Punita Kumar Sinha**
Independent Non-Executive Director

**Mr. Haigreve Khaitan**
Independent Non-Executive Director

**Mr. Harsh Charandas Mariwala**
Independent Non-Executive Director

**Mrs. Nirupama Rao**
Independent Non-Executive Director

## Chief Financial Officer
**Mr. Rajeev Pai**

## Company Secretary
**Mr. Lancy Varghese**

## Auditors
**STATUTORY AUDITOR**
M/s. S R B C & CO LLP,
Chartered Accountants

**COST AUDITOR**
M/s. Shome & Banerjee
Cost Accountants

**SECRETARIAL AUDITOR**
M/s. S. Srinivasan & Co.
Company Secretaries

**BANKERS**
Bank of Baroda
Bank of India
ICICI Bank Ltd.
IDBI Bank Ltd.
Indian Bank
Indian Overseas Bank
Punjab National Bank
State Bank of India
Union Bank of India

**REGISTERED OFFICE**
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**T:** +91 8395 - 250120 to 30
**F:** +91 8395 - 250138/250665

**DOLVI WORKS**
Geetapuram, Dolvi Village, Pen Taluk,
Raigad District, Maharashtra – 402 107
**T:** +91 2143 - 277501 to 15
**F:** +91 2143 - 277533 / 42

**SALEM WORKS**
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Mecheri Post, Mettur Taluk,
Salem District, Tamil Nadu – 636 453
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# 1.0 | ORGANISATIONAL OVERVIEW




## 18 MTPA

CURRENT INSTALLED CAPACITY

JSW Steel Limited (JSW Steel) is one of India's largest steel manufacturers with state-of-the-art upstream and downstream operations. A flagship company of the US$ 12 billion JSW Group with interests in mining, steel, cement, infrastructure, energy, among others, JSW Steel has maintained its leadership position driven by its core strengths of quality, cost competitiveness and sustainability, and guided by its philosophy of being #BetterEveryday.

The Company has significantly expanded its domestic steelmaking capacity at its Indian operations, from 1.6 MTPA in 2002 to 18.0 MTPA in 2016, both organically and inorganically. Its strategically located manufacturing facilities comprise Vijayanagar Works in Karnataka (12.0 MTPA), Dolvi & Salav Works in Maharashtra (5.0 MTPA) and Salem Works in Tamil Nadu (1.0 MTPA), along with downstream facilities for its coated products subsidiary at Vasind, Tarapur and Kalmeshwar Works in Maharashtra.

## Strong business profile diversified by markets and products

JSW Steel operates some of the most efficient steel manufacturing units with best-in-class EBITDA per tonne levels across flat (12.5 MTPA) and long (5.5 MTPA) products, with one of the lowest conversion costs in the industry and high employee productivity.

JSW Steel uses a combination of state-of-the-art iron and steelmaking technologies like Corex, DRI and Blast Furnace. The Company's diversified portfolio comprises products under hot-rolled, cold-rolled, galvanneal, galvanised/galvalume, pre-painted, tinplate, electrical steel, TMT bar, wire rod, special steel bar, round and bloom categories. JSW Steel is one of the largest exporters of flat steel products from India.

The Company's wide product range provides the flexibility to calibrate the portfolio mix to market demand as well as economic cycles. The Company has been increasing the share of VASP to further improve margins. In FY 2019-20, VASP had ~48% share in the overall sales portfolio.

JSW Steel has a wide sales and distribution network across the country, with strong presence in South and West India where a large portion of steel customers are located. The Company has a significant domestic retail presence across 11,000+ exclusive and non-exclusive retail outlets, and has export footprints in over 100 countries across five continents.

## JSW Steel's international operations

JSW Steel's overseas manufacturing operations comprise a plate & pipe mill in Baytown, Texas, USA, a steelmaking facility at Ohio, USA, and a long product rolling facility in Italy. The Baytown facility has a 1.2 milllion net tonnes per annum (MNTPA) plate mill and a 0.55 MNTPA pipe mill capacity. It is located near a port and close to key customers in the oil and gas industry. The Ohio facility is a hot rolling mill with a 3.0 MNTPA capacity. It is partially backward integrated with a 1.5 MNTPA EAF furnace. The facility in Italy, which was acquired by the Company in July 2018, produces long products—railway lines, bars, wire rods and grinding balls—with aggregate capacity of 1.3 MTPA.

# Key highlights of the year

## Strategic expansion projects in advanced stage for completion

JSW Steel has initiated a substantial capex plan of ₹ 48,715 crore for FY 2017-18 through to FY 2021-22 to increase capacity to 24 MTPA, modernise and expand downstream capacity, achieve backward and forward integration, and reduce costs. Under this plan, the Company envisages to increase crude steel capacity by 33% and downstream capacity by over 50%. In addition, JSW Steel initiated cost-saving projects like setting up of an 8 MTPA pellet plant and a 1.5 MTPA coke oven plant at Vijayanagar and a Phase-2 coke oven plant of 1.5 MTPA at Dolvi.

During the year, the Company achieved significant progress, with most of the key projects nearing completion.

## A game changer in long-term raw material security

FY 2019-20 was a remarkable year for JSW Steel in terms of raw material security of iron ore. The Company emerged as a preferred bidder for four iron ore mines in Odisha, and three in Karnataka, with aggregate reserves close to 1.2 billion tonnes. As a result, ~30% of the current iron ore requirements at steel making operations in the state of Karnataka can be met from the Company's captive mines in the state. And for rest of the steel operations, JSW Steel now has 100% iron ore security given the four large mines in the state of Odisha.

These mines provide strategic long-term raw material security, access to high quality reserves and an advantage of consistency in grade which can bring operational efficiency in steelmaking. Further, there is an opportunity to invest in best-in-class infrastructure facilities, to optimise cost of transporting iron ore from the mines to the Company's steel mills. The structural reduction in logistics cost will strengthen the Company's ability to preserve margins through the cycle. Over the next year, JSW Steel envisages an additional capex spend of ₹ 800 crore to operationalise these mines.

## Inorganic expansion

JSW Steel completed the acquisition of Vardhaman Industries Limited (VIL), pursuant to the approval of the resolution plan by the National Company Law Appellate Tribunal (NCLAT) in December 2019 for a total consideration of ₹ 63.50 crore. VIL is now a wholly owned subsidiary of the Company.

JSW Steel raised its holding in JSW Vallabh Tin Plate Limited (JSW VTPL) from 50% to 73.55%, and consequently JSW VTPL became a subsidiary of the Company with effect from 31 December 2019.

## World's largest conveyor system

Over the years, JSW Steel has implemented several projects to reduce overall cost of production. With the same objective, the Company built the world's largest conveyor system, which travels ~24 km from the captive mines to the Vijayanagar plant. The pipe conveyor, fully operationalised in early FY 2019-20, reduces carbon footprint (by 3.86 kg/tonne of $CO_2$) and dust emissions while improving safety, as it eliminates cargo movement on roads. It also comes with significantly lower logistics cost compared with other modes of in-land transport. During FY 2019-20, ~3.39 MnT of iron ore was dispatched, generating savings of ₹ 56 crore.

## Achievements and long-term vision

In June 2019, the World Steel Dynamics in its report titled, 'Seeing Steel with New Eyes', ranked JSW Steel seventh among the Top 35 World Class Steelmakers, based on a variety of parameters. The Company achieved the highest rating (10 out of 10) on conversion costs, yields, expanding capacity, location in high-growth markets, and labour costs. This put JSW Steel ahead of all other steelmakers based in India and at the third spot in Asia.

JSW Steel has also been recognised at global and national forums for its sustainability efforts:

1. WSA Steel Sustainability Champions Award for two consecutive years - 2018 and 2019
2. Vijayanagar and Salem Works conferred with Sustainability Award 2019 by The Indian Institute of Metals
3. Awarded Corporate Governance & Sustainability Vision Awards 2020

JSW Steel's vision is to increase its domestic capacity to 45 MnT over the next decade by pursuing both organic and inorganic growth opportunities. The Company is committed to fostering sustainable practices to ensure a low-carbon future. Further, JSW Steel has an unwavering focus on creating value for all its stakeholders through quality products, consistent growth and CSR initiatives.

**11,000+**
EXCLUSIVE AND NON- EXCLUSIVE RETAIL OUTLETS

**₹ 48,715 crore**
CAPEX PLAN FY 2017-18 TO FY 2021-22

**9**
MANUFACTURING FACILITIES IN INDIA

**13**
IRON ORE MINES

**7/35**
JSW STEEL'S RANK AMONG THE TOP 35 WORLD-CLASS STEELMAKERS





# 2.0 | ECONOMIC REVIEW



**2.9%**
**WORLD ECONOMIC GROWTH IN CY 2019**

## 2.1 Global Economy

### ON TENTERHOOKS AMID EMERGING NEW REALITIES

(Source: World Economic Outlook, International Monetary Fund, June 2020; World Trade Organisation)

The world economy grew by 2.9% in CY 2019, at its slowest pace since the global financial crisis in 2008-09 and much below 3.6% expansion in CY 2018. The first half remained sluggish, as the sentiments prevalent in Q4 CY 2018 spilled over, which was aggravated by higher tariffs and uncertain trade environment. This led to a broad-based slowdown in manufacturing and global trade, aided by disruptions in the automobile industry from new emission standards in the Euro area and a slowing economic growth in China. Consequently, global merchandise trade also weakened, largely due to protectionist trade policies. The fourth quarter witnessed a bottoming out of growth, which fuelled expectations of a recovery on the backdrop of a softening US-China trade tensions.



**2.9%**
**CY 2019 WORLD ECONOMIC GROWTH**

## Advanced Market Economies (AMEs)

Growth in AMEs slowed down to 1.7% in CY 2019 from 2.2% in CY 2018. Lower business spending and the prolonged trade dispute, combined with rising geopolitical tensions, led to a moderation in US growth to 2.3% from 2.9%. Euro area growth weakened further to 1.2% from 1.9%, due to weakness in manufacturing and trade. A sluggish German economy further dampened business sentiment, even as financial conditions eased with increased liquidity.

### Emerging Market and Developing Economies (EMDEs)

Growth in EMDEs moderated to 3.7% in CY 2019 from 4.5% in CY 2018, as growing trade restrictions impaired business confidence and delayed investment plans. China, reeling under the trade war with the US and persistently high inflation, recorded growth at 6.1% in CY 2019. Growth was largely muted in rest of the EMDEs due to domestic factors.

### OUTLOOK

Just as CY 2020 started on a good note with the US and China reaching phase-1 agreement and uncertainty around Brexit waning, the world was hit hard by the COVID-19 pandemic. The virus spread rapidly across the world, compelling governments to impose national lockdowns to break the chain of transmission, which brought economic activities to a near halt.

The International Monetary Fund (IMF) has warned that the coronavirus-induced downturn could snowball into a global recession, which could see the world economy record its steepest decline since the Great Depression of the 1930s. The impact is expected to be more pronounced in low-income households, threatening to roll back the progress made in poverty alleviation in the past few decades. Towards this end, the IMF has called for strong multilateral cooperation on various fronts to help the world navigate through this 'crisis like no other'. It has also provided blanket guidelines in terms of financial assistance, healthcare support, and economic policy.

The IMF estimates the global economy to contract by 4.9% in CY 2020. The recovery is expected to be gradual, with growth estimated at 5.4% in CY 2021, which reflects the disruptions to economic activity, policy countermeasures and commodity prices.

However, a few bright spots have emerged. Timely actions and significant stimulus measures have somewhat cushioned the blow. Several central banks have also adopted quantitative easing and scaled asset purchases to infuse liquidity. Oil prices have remained stable, and emerging market currencies have strengthened against the dollar, which point to stabilisation.

| REGION | 2018 | 2019 | 2020 (P) | 2021 (P) |
|---|---|---|---|---|
| World | 3.6 | 2.9 | -4.9 | 5.4 |
| AMEs | 2.2 | 1.7 | -8.0 | 4.8 |
| EMDEs | 4.5 | 3.7 | -3.0 | 5.9 |
| ASEAN | 5.3 | 4.9 | -2.0 | 6.2 |
| US | 2.9 | 2.3 | -8.0 | 4.5 |
| Euro Area | 1.9 | 1.3 | -10.2 | 6.0 |
| UK | 1.3 | 1.4 | -10.2 | 6.3 |
| China | 6.7 | 6.1 | 1.0 | 8.2 |
| India | 6.1 | 4.2 | -4.5 | 6 |
| Japan | 0.3 | 0.7 | -5.8 | 2.4 |
| Russia | 2.5 | 1.3 | -6.6 | 4.1 |

Source: IMF

### RISKS

According to the IMF, risks to the above forecasts remain on the downside, and are likely to be influenced by how the pandemic is contained. Health, economic and trade risks remain prevalent. Development of vaccines, norms of social distancing, and productivity gains from the emergence of differentiated models will determine the actual outcomes.

## The disruption from the pandemic

### CORONAVIRUS (COVID-19) IMPACT

The novel coronavirus (COVID-19) has affected life and livelihood across the globe. By the last week of June 2020, over 9.2 million confirmed cases and over 4,70,000 deaths had been reported on account of COVID-19. The pandemic is estimated to have severely impacted both supply and demand sides of businesses. As production and global trade has been curtailed around the world, many sectors will experience shortage of inputs and a severe consumption slowdown.

**Largest synchronised global response**

Globally, governments and central banks, especially the G20, have synchronised their fiscal and monetary policy response to the extent of US$ 19 trillion to cope with the crisis. Emergency lifelines provided include higher spending and foregone revenues (US$ 3.3 trillion), public sector loans and equity injections (US$ 1.8 trillion) and guarantees (US$ 2.7 trillion). The IMF's executive board agreed on a new round of bilateral borrowing to secure its US$ 1 trillion lending capacity. The Catastrophe Containment and Relief Trust (CCRT) is being increased to US$ 1.4 billion to ease debt burdens of low-income member nations.

**Unprecedented global efforts to create a vaccination**

The race to find a vaccine for the new coronavirus is well underway. Governments and researchers are aiming to provide billions of people with immunity in eighteen months or less. As per the latest report (Draft Landscape of COVID-19 Candidate Vaccines - June 22, 2020) by World Health Oranization (WHO), there are 13 candidate vaccines in the clinical evaluation stage and 129 in the preclinical evaluation stage.

## 2.2 Indian Economy

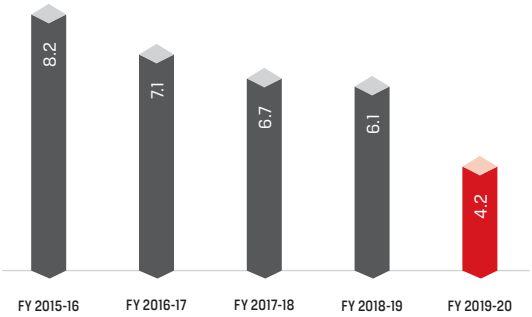
### PROACTIVE INTERVENTIONS, STRONG FUNDAMENTALS TO ENABLE RECOVERY

(Source: Second Advance Estimates of National Income and Expenditures on GDP – February 2020; Second Advance Estimates of Production of Foodgrains, Oilseeds and Other Commercial Crops for 2019-20, Economic Survey 2019-20, Bloomberg)

India's economic growth moderated in FY 2019-20 to 4.2% from 6.1% a year earlier due to weak domestic consumption, sluggish manufacturing, subdued investments, and extended monsoon, among others. In addition, continued stress in the banking sector, especially non-banking financial companies (NBFCs), weighed heavily on system credit growth. The central government announced a slew of counter-cyclical measures, with the Reserve Bank of India (RBI) staying largely accommodative in its monetary policy stance. The RBI halted the rate cut cycle in December 2019, due to increasing upward pressure on inflation expectations. The central bank also indicated that for further monetary policy actions the growth-inflation dynamics will have to turn favourable.

**INDIA GDP GROWTH TREND**

(%)




Source: Central Statistics Office (CSO)

### CONCERTED EFFORTS TO REVIVE ECONOMIC GROWTH

Returning to power with an even bigger mandate, the National Democratic Alliance (NDA) government reiterated its commitment to continue structural reforms. This was evidenced by a steep cut in corporate tax rates; continued rationalisation of the GST structure; speeding up of insolvency proceedings; financial restructuring of public sector banks (PSBs); boost to real estate, auto, housing and export industries; and easing funding pressure for NBFCs.

With the target of making India a US$ 5 trillion economy by FY 2024-25, the National Infrastructure Pipeline (NIP) was announced in the Union Budget 2020-21 with a spending commitment of US$ 1.4 trillion. The NIP will create jobs, enhance ease of living, and provide equitable access to infrastructure. Of the total outlay, 42% projects by value are under implementation, 32% are at the conceptualisation stage and the rest are under development. The core sectors to benefit from the NIP are Energy (24% of total spending), Roads (19%), Urban (16%), and Railways (13%), while irrigation, rural infrastructure and others are to receive single-digit allocation.

**The Union Budget 2020-21 also announced certain key policy measures for different sectors and stakeholder groups to create large-scale impact over the long term.**

**Agriculture:** Seamless development of cold supply chain for perishables through railway and air connectivity; incentivised 20 lakh solar pumps

**Social sector:** Funding for hospitals in the Public Private Partnership (PPP) mode and increased allocation towards healthcare and Swachh Bharat

**Investor community:** Investment Clearance Cell for end-to-end facilitation for new investments; removal of Dividend Distribution Tax

**Industry:** Boost for manufacturing sector, development of transportation infrastructure and emphasis on clean technologies for power generation

**Individuals and small businesses:** A simplified, alternate personal income tax structure with options to continue with the existing one; raising audit limits for MSMEs

However, while formulating these policy actions, the government was mindful not to indulge in fiscal indiscipline. Although the budget fiscal deficit overshot the target, the deviation was within the upper limit laid down under the Fiscal Responsibility and Budget Management Act (FRBMA).

In CY 2019, the RBI made a cumulative 135 basis points (bps) cut in policy rates, with inflation staying within its comfort range. In view of the COVID-19 pandemic and following the nationwide lockdown, RBI in its advanced monetary policy cut repo rates by an additional 75 bps in March 2020. Furthermore, the RBI undertook a series of measures to keep rates lower for longer periods of time. 'Operation Twist', which involved simultaneous purchase and sale of government securities, was carried out in three tranches. In the first tranche, under Open Market Operations (OMOs), the central bank purchased securities worth ₹ 10,000 crore and sold securities for ₹ 6,825 crore. In the second special OMO, the RBI bought ₹ 10,000 crore of long-term government securities and sold ₹ 8,501 crore of three short-term bonds. In January 2020, the RBI followed up by purchasing long-term bonds worth ₹ 10,000 crore and selling short-term debt maturing in FY 2019-20 of the same amount.

This move from the RBI was aimed at lowering longer-term yields, after a review of the prevalent liquidity and market situation and an assessment of the evolving financial conditions. Additionally, it implemented other measures like cash reserve ratio (CRR) exemption, external benchmarking of interest rates and long-term repo operations (LTROs) to infuse liquidity in the system. The liquidity injection was to the tune of 3.2% of GDP between February and March 2020.



## India's position in world rankings

**63** from 77
WORLD BANK'S EASE OF DOING BUSINESS RANKING

**52** from 108
RESOLVING INSOLVENCY RANKING

**52** from 74
GLOBAL INNOVATION RANKING

**44** from 55
LOGISTICS PERFORMANCE INDEX

## STEMMING DOWNWARD SPIRAL, SETTING STAGE FOR A STRONG REBOUND

The outbreak and spread of the COVID-19 pandemic during the fourth quarter dealt a severe blow to any prospects of an economic recovery. The government was quick to announce a ₹ 1.7 lakh crore interim relief package (Pradhan Mantri Garib Kalyan Yojana) primarily aimed at the bottom of the economic pyramid and frontline healthcare workers fighting the pandemic. This was followed up with a comprehensive package, in coordination with the RBI, of ₹ 20 lakh crore (equivalent to 10% of GDP) aimed at softening the blow to the domestic industry and setting the foundation for a self-reliant India movement. Titled *'Aatma Nirbhar Bharat Abhiyan'*, the movement rests on the five pillars of Economy, Infrastructure, System, Vibrant Demography and Demand. The post-COVID revival strategy lays renewed thrust on agriculture and micro, small and medium enterprises (MSMEs), along with preference for domestically manufactured products.

### Highlights of *'Atma Nirbhar Bharat Abhiyan'* package

- Pradhan Mantri Garib Kalyan Yojana offers ₹ 1.7 lakh crore support for the vulnerable section of the society in the form of direct cash transfer and basic food security
- Monetary measures of rate cuts, liquidity support through OMOs, LTROs and targeted longer-term refinancing operations (TLTROs)
- Substantial liquidity injection and favorable business environment for the MSMEs
  - ₹ 3 lakh crore collateral-free automatic loans for business, including MSMEs
  - Favourable business environment for MSMEs as global tender of up to ₹ 200 crore disallowed
  - ₹ 30,000 crore liquidity facility for NBFCs/ Housing Finance Companies (HFCs)/micro finance institutions (MFIs)
  - ₹ 45,000 crore Partial Credit Guarantee Scheme 2.0 for NBFCs
  - ₹ 90,000 crore liquidity injection for power distribution companies (DISCOMs)
- Impetus on the rural economy as measures are directly focused on increasing income and consumption
- Structural reforms in the mining and manufacturing sector

The ₹ 20 lakh crore and monetary stimulus package with a clarion call for making India self-reliant is a step in the right direction. The increased focus on strengthening the MSMEs, considered to be the economic backbone, assumes paramount importance. This sets the foundation for a self-reliant India and the structural benefits of these reforms should be visible in the coming months, with the recovery in the domestic economy.

## OUTLOOK

The IMF estimates Indian GDP to contract by 4.5% in FY 2020-21. However, the economy is likely to rebound by 6.0% in FY 2021-22, supported by the synchronised fiscal and monetary policy stimulus.

## Case study

### Post-COVID world: India's influence could increase in global supply chain

**The COVID-induced near halt in economic activities is expected to result in demand-side issues for all the major sectors, including the steel industry which can lead to pressure on steel spreads.**

**That said, the government, along with the RBI, has been bold, proactive and decisive in combating the crisis. It stepped in to ease compliance burden on companies and boost domestic production and consumption with a clarion call for being 'vocal for local'.**

**Notwithstanding the ensuing risks to the economy, India has the capacity and scale to expand its share in the global supply chain, which has been disrupted by COVID-19. Industry leaders see significant opportunities for Indian manufacturers to corner a fair share in the world trade, as global corporations look for alternative sourcing destinations to lower their dependence on China.**



## JSW Steel's view

From an organisational standpoint, JSW Steel views FY 2019-20 as an eventful and somewhat challenging year. On one hand, the COVID-19 situation added on to the prevailing roadblocks in the form of liquidity crunch, extended monsoons and overall conservatism. On the other, the re-emergence of the country's incumbent leadership, post the general elections, ensures policy continuity and concerted action for the nation's development. The rollout of multiple interventions through the year by the government to infuse liquidity and support the economy has been commendable.

As an organisation, JSW Steel is looking forward to the implementation of the National Infrastructure Pipeline, which will go a long way in spurring demand. In the Company's view, front-loading of infrastructure projects will give a much-needed boost to the economy and will ensure adequate employment.

JSW Steel stands in solidarity with India and the world in the wake of the COVID-19 outbreak and is actively contributing to relief efforts. While the disruptions in the economy and supply chains have temporarily dented the Company's performance, the Management has engaged a Business Continuity Plan that guides operations and ensures productivity, across the organisation.

While the world is foreseeing significant de-growth in most economies, India is expected to be relatively resilient, even as the pandemic makes its impact on the country's economy. Timely interventions by the central and state governments, together with the efforts of medical and other professionals, have helped slow down the spread of the pandemic, when viewed in relation with India's population size. On the economic front, the ₹ 20 lakh crore package announced by the central government will go a long way in shoring up and sustaining domestic demand. India continues to reap the benefits of favourable demographics and vibrant demand driven by aspirations of a growing population. The steep fall in oil prices is a big advantage to the Indian Government to source its energy requirements at relatively lower prices and simultaneously augment tax revenues with additional taxes on petro fuels. However to sustain growth momentum, India must modernise and expand its infrastructure in a meaningful way, as industrialisation, urbanisation and access to technology remain the key pillars of economic growth.



# 3.0 | INDUSTRY REVIEW



**1,654 MnT**
**EXPECTED GLOBAL STEEL DEMAND IN CY 2020**

## 3.1 Global steel industry

The global steel industry faced a challenging CY 2019, as demand growth in a few markets was largely offset by declines in the rest of the world. An uncertain economic environment, coupled with continued trade tensions, slowdown in global manufacturing notably auto sector and intensifying geopolitical issues, weighed on investment and trade. Similarly, production growth was only visible in Asia and the Middle East and to some extent in the US, while the rest of the world witnessed a contraction.

(Source: worldsteel, OECD)

**CRUDE STEEL DEMAND**

Global demand for finished steel products grew by 2.2% y-o-y in CY 2019 to 1,766.5 MnT.

| REGION | MnT | | | GROWTH y-o-y (%) | | |
|---|---|---|---|---|---|---|
| YEAR | 2019 | 2020(F) | 2021 (F) | 2019 | 2020(F) | 2021(F) |
| European Union - 28 (EU28) | 158.1 | 133.1 | 147 | -5.6 | -15.8 | 10.4 |
| Other Europe | 33.8 | 33.3 | 36.5 | -10 | -1.6 | 9.7 |
| CIS | 58.8 | 52.7 | 56.5 | 5.6 | -10.3 | 7.1 |
| NAFTA | 135.0 | 108.0 | 114.7 | -4.0 | -20.0 | 6.2 |
| Central and South America | 42.4 | 35.1 | 39.3 | -3.6 | -17.3 | 12.2 |
| Africa | 36.4 | 33.0 | 34.9 | 0.4 | -9.4 | 5.9 |
| Middle East | 48.7 | 40.2 | 45.4 | -2.3 | -17.4 | 12.9 |
| Asia and Oceania | 1,253.3 | 1,218.6 | 1,243.2 | 6.5 | -2.8 | 2.0 |
| World | 1,766.5 | 1,653.9 | 1,717.4 | 3.4* | -6.4 | 3.8 |
| World excluding China | 859.0 | 737.4 | 800.9 | -1.5 | -14.2 | 8.6 |
| Developed Economies | 393.6 | 326.1 | 351.7 | -3.8 | -17.1 | 7.8 |
| China | 907.5 | 916.5 | 916.5 | 8.5* | 1.0 | 0.0 |
| Developing Economies excluding China | 465.4 | 411.3 | 449.1 | 0.6 | -11.6 | 9.2 |
| ASEAN (5) | 77.8 | 75.9 | 78.7 | 0.8 | -2.4 | 3.7 |
| MENA | 66.6 | 56.5 | 62.9 | -2.2 | -15.2 | 11.3 |

(Source: Worldsteel SRO – June 2020)
f – forecast
ASEAN (5): Indonesia, Malaysia, Philippines, Thailand, Vietnam
*Note:
The statistical issues reported by worldsteel in previous SROs relating to the closure of induction furnaces and the consequent under-reporting of demand in official figures will have now largely played through the system. However, it is believed that some degree of underreporting from 2018 could still affect the 2019 growth rate. Taking this effect into account, worldsteel estimates real growth in China in 2019 to be 4.0%. This led to global growth of 1.3 % in 2019.

## CRUDE STEEL PRODUCTION

Global crude steel output in CY 2019 grew by 3.4% y-o-y to 1,869.9 MnT.

### REGION-WISE STEEL OUTPUT BREAKUP (IN MnT)

| YEAR | 2019 | 2018 | GROWTH y-o-y (%) |
|---|---|---|---|
| Europe | 298.8 | 311 | -3.9 |
| of which: | | | |
| EU (28) | 159.4 | 167.7 | -4.9 |
| CIS | 100.4 | 100.9 | -0.5 |
| North America | 120 | 120.9 | -0.8 |
| of which: | | | |
| United States | 87.9 | 86.6 | 1.5 |
| South America | 41.2 | 44.9 | -8.4 |
| Africa | 17 | 17.4 | -2.3 |
| Middle East | 45.3 | 38 | 19.2 |
| Asia | 1,341.6 | 1,269.8 | 5.7 |
| of which: | | | |
| China | 996.3 | 920 | 8.3 |
| India | 111.2 | 109.3 | 1.8 |
| Japan | 99.3 | 104.3 | -4.8 |
| Australia/New Zealand | 6.2 | 6.3 | -2.9 |
| World | **1,869.9** | **1,808.4** | **3.4** |

Note:
The world and regional production figures in this table includes estimates of other countries that only report annually.

The global steel industry faced pricing pressure for most parts of CY 2019, in the wake of a protective market environment in key economies, including the imposition of Section 232 in the US. This was further aggravated due to country-specific demand slowdown, that fuelled market imbalances.

In line with a conservative trade sentiment, consumer industries of steel undertook active destocking. This led to stunted capacity utilisation and resulted in net excess capacity globally. This was further complemented by addition of new capacities and resulted in downward pressure on steel prices.

### TOP 10 STEEL-PRODUCING COUNTRIES

| RANK | COUNTRY | 2019 (MnT) | 2018 (MnT) | CHANGE y-o-y (%) |
|---|---|---|---|---|
| 1 | China | 996.3 | 920 | 8.3 |
| 2 | India | 111.2 | 109.3 | 1.8 |
| 3 | Japan | 99.3 | 104.3 | -4.8 |
| 4 | United States | 87.9 | 86.6 | 1.5 |
| 5 | Russia[(e)] | 71.6 | 72 | -0.7 |
| 6 | South Korea | 71.4 | 72.5 | -1.4 |
| 7 | Germany[(e)] | 39.7 | 42.4 | -6.5 |
| 8 | Turkey | 33.7 | 37.3 | -9.6 |
| 9 | Brazil | 32.2 | 35.4 | -9 |
| 10 | Iran[(e)(1)] | 31.9 | 24.5 | 30.1 |

(e) annual figure estimated using partial data or non-worldsteel sources.
(1) 2018 and 2019 data have not been collected on the same basis, so % change is not directly comparable.

## UPDATE ON KEY MARKETS

### China: Leading the steel industry

Chinese demand and production levels constitute more than half the global steel industry, making world steel trade significantly reliant on demand-supply drivers of the country's economy. In CY 2019, China produced 996.3 MnT of crude steel, up 8.3% y-o-y; demand for finished steel products was estimated at 907.5 MnT, up 8.6% y-o-y. Steel demand for real estate remained buoyant, due to strong growth in Tier-II, Tier-III and Tier-IV markets, led by relaxed controls. However, the growth was partially offset by muted auto sector performance.

### EU28: Muted trade but outlook positive

The Eurozone was hit hard in CY 2019 by trade uncertainties due to a sharp slowdown in German manufacturing led by lower exports. Demand for finished steel products fell 5.6% y-o-y, due to the weakness in the automotive sector, which was partially offset by a resilient construction sector. Crude steel production declined 4.9% y-o-y to 159.4 MnT from 167.7 MnT.

### US: Flattish growth

Demand for finished steel products in the US grew by 1.0% y-o-y to 100.8 MnT from 99.8 MnT.

### Japan: Sluggish demand amid signs of gradual recovery

Notwithstanding the new sales tax regime, the Japanese economy is expected to recover gradually, supported by easing monetary policy and public investments, which is likely to support steel consumption growth in the short term. Further, Japan being an export-driven economy stands to benefit from the resolution of trade disputes. However, overall demand for steel is expected to contract slightly, on account of a weak global macroeconomic environment. Demand for finished steel products in Japan fell by 1.4% y-o-y to 64.5 MnT in CY 2019 from 65.4 MnT.

## OUTLOOK

The World Steel Association (worldsteel) forecasts steel demand to decline by 6.4% y-o-y to 1,654 MnT in CY 2020, due to the COVID-19 impact. However, it has asserted that the global steel demand could rebound to 1,717 MnT in CY 2021 and witness a 3.8% rise on a y-o-y basis. Chinese demand is likely to recover faster than in the rest of the world. The forecast assumes that lockdown measures will be eased by June and July, with social distancing continuing and major steelmaking countries not witnessing a second wave of the pandemic.

Steel demand is expected to decline sharply across most countries, especially in the second quarter of CY 2020, with a likely gradual recovery from the third quarter. However, risks to the forecast remain on the downside as economies make a graded exit from the lockdowns, without any particular cure or vaccine for COVID-19.

Chinese steel demand is expected to grow by 1% y-o-y in CY 2020, with improved outlook for CY 2021, given that it was the first country to lift the lockdown (February 2020). By April, its construction sector had achieved 100% capacity utilisation.

### Developed economies

Steel demand in developed economies are expected to decline 17.1% y-o-y in CY 2020, due to the COVID-19 impact with businesses struggling to stay afloat and high unemployment levels. Thus, recovery in CY 2021 is expected to be muted at 7.8% y-o-y. Steel demand recovery in the EU markets is likely to get delayed beyond CY 2020. The US market is also likely to witness a slight recovery in CY 2021. Meanwhile, Japanese and Korean steel demand will witness double-digit declines in CY 2020, with Japan being impacted by reduced exports and halted investments in automobiles and machinery sectors, and Korea being impacted by lower exports and weak domestic industry.

### Developing economies (excluding China)

Steel demand in developing countries excluding China is expected to decline by 11.6% in CY 2020, followed by a 9.2% recovery in CY 2021.



## 3.2 Indian steel sector

(Source: IBEF, Worldsteel, Joint plant committee, Ministry of Coal)

**2nd largest**
MANUFACTURER OF CRUDE STEEL

**2nd largest**
CONSUMER OF FINISHED STEEL

The steel industry has been one of the primary beneficiaries of India's rapid economic growth over the past couple of decades. However, steel demand remained subdued in CY 2019, largely due to lower consumption from construction, auto, infrastructure, real estate, and manufacturing industries. Further, the slowdown in the government's infrastructure investments and credit tightness impacted demand and consequently weighed on pricing.

### DEMAND

India became the second-largest consumer of finished steel products in the world, surpassing the US in CY 2019. While the government's thrust on infrastructure development provided a boost, it was largely offset by the continued weakness in the auto and real estate sectors. Finished steel consumption grew by 1.4% to 100.01 MnT during FY 2019-20, non-alloy steel accounting for 94% (94.06 MnT) and the rest being alloy steel (5.95 MnT). Within the non-alloy, non-flat segment, bars and rods consumption was up 9.6% y-o-y to 39.72 MnT, while the non-alloy flats were led by hot rolled coils (HRCs) which was 40.63 MnT, down by 2.7% during FY 2019-20.

India's per capita steel consumption, which has a direct correlation with economic growth, grew at a CAGR of 4.12% to 68.9 kg between FY 2007-08 and FY 2017-18, driven by rapid growth in the industrial sector and robust infrastructure development (railways, roads and highways). However, compared with the global average of 208 kg, there exists a significant growth potential. Keeping this in mind, the National Steel Policy (NSP) was introduced in CY 2017 to increase per capita steel consumption to 160 kg by FY 2030-31. The NSP also set a target of achieving 300 MnT of production capacity, which translates into additional investments of ₹ 10 lakh crore (~US$ 156.08 billion).

### PRODUCTION

According to the Joint Plant Committee, crude steel production declined by 1.5% y-o-y to 109.22 MnT in FY 2019-20, with a sharp contraction of 20% in March 2020 due to COVID-19 containment measures. Finished steel production grew 0.8% y-o-y to 102.06 MnT; non-alloy steel accounted for 96% (up from 93%), or 97.66 MnT, while alloy steel contributed the balance 4.4 MnT. In the non-alloy, non-flat finished steel segment, bars and rods grew by 3.6% y-o-y to 40.48 MnT, whereas in non-alloy flats, HRC grew by 2.6% y-o-y to 43.29 MnT.

**Steel exports and imports in FY 2019-20**

**8.36 MnT**
EXPORTS
31.4% Y-O-Y

**6.77 MnT**
IMPORTS
13.6% Y-O-Y

India remained a net exporter of finished steel during FY 2019-20, with exports of 8.36 MnT, up 31.4% y-o-y. Non-alloy HRC was the most exported product at 4.82 MnT, while bars and rods led the non-alloy, non-flat segment exports with 0.51 MnT.

Meanwhile, India imported 6.77 MnT of finished steel, down 13.6% y-o-y, with non-alloy HRC accounting for 34% of the total imports. Imports from Korea accounted for 40% of the total imports.

### GOVERNMENT INITIATIVES FOR STEEL INDUSTRY

(Source: IBEF)

One of the designated core industries, steel is key to the government's focus on driving growth in the infrastructure segment. Towards this end, the following initiatives have been rolled out in support of the steel industry:

- Implemented Steel Import Monitoring System (SIMS), which aids in monitoring real-time import data on quantity, quality and value; the system helps detect misclassification and mis-declaration regarding over/under-invoicing, preventing import of defective steel
- Imposed anti-dumping duty on galvalume products, ranging from US$ 28-200/tonne; imports from China, South Korea and Vietnam are subject to duties.
- To ensure iron ore availability for domestic manufacturing, it introduced a 30% export duty on export of high grade iron ore (lumps and fines).
- Other measures are underway like the proposed steel scrap policy, safety codes, proposal to reduce royalty to 5% on low grade iron ore fines; Remission of Duties or Taxes on Export Products (RoDTEP) to replace existing Merchandise Export from India Scheme (MEIS); and engagement with international agencies to promote steel-intensive design for roads, bridges and commercial and residential housing.



## National Infrastructure Pipeline (NIP)

The National Infrastructure Pipeline (NIP) is a noteworthy government initiative, which holds tremendous promises for the steel sector's growth. The NIP announced an investment of ₹ 102 lakh crore by FY 2024-25, of which roads, energy and urbanisation will contribute 60% of the total infrastructure build. For FY 2020-21, infrastructure spending is estimated at ₹ 19.5 lakh crore, up 43% from ₹ 13.5 lakh crore for FY 2019-20.



**RAW MATERIALS**

### Iron ore

India is world's

# 5th largest

**IRON ORE SUPPLIER**

Iron ore is one of the basic raw materials used in steel production. India is blessed with significant iron ore reserves and is the world's fifth largest supplier. Odisha, which accounts for over half of India's iron ore production, produced 120 MnT during FY 2019-20, up from 118 MnT in FY 2018-19. While the availability of iron ore remained a concern in the State of Karnataka due to closure of Donimalai mines, during CY 2019, there were a few hiccups at a global level also such as the Vale dam disruption which led to a sudden spike in global iron ore prices.

CY 2019 witnessed the successful auction of 20 iron ore blocks in India, with combined reserves of 583.06 MnT. Further, the Odisha government auctioned 22 (from about 25) iron ore merchant mines where leases were due to expire on 31 March 2020. Of these, 19 were auctioned at a premium of 91-154%.

Production of

# 1 tonne

**OF STEEL REQUIRES 1.6-1.7 TONNES OF IRON ORE**



**Coal**

**India is world's**

# 2nd largest

**COAL CONSUMER**

**India is world's**

# 3rd largest

**ENERGY CONSUMER**

India is the second largest consumer of coal and the third largest consumer of energy in the world. Steel industry depends on coking coal for iron making and thermal coal for captive power generation. While thermal coal is produced in India, coking coal is mostly imported, as the domestically available coal has high ash content with low calorific value. According to Steel Mint, India imported 57.1 MnT of coking coal till March 2020. In FY 2019-20, India produced 729.10 MnT of coal in FY 2019-20, as per the Ministry of Coal (coal.nic.in/content/production-and-supplies).

**OUTLOOK**

The World Steel Association (worldsteel) expects Indian steel demand to contract by 18% in CY 2020 on the back of pandemic induced abrupt halt of economic activities. CY 2021 demand is expected to sharply recover and expand by 15%.

While the domestic steel industry is likely to witness a decline in demand in the near term as the economy heads towards near normalcy level in the coming months. But a gradual recovery, especially in the second half of FY 2020-2021 is expected, mainly led by the government's thrust on infrastructure and construction related projects with improving consumer sentiment in other sectors.

India is looking to modernise, expand and accommodate the aspirations of a growing population where industrialisation, urbanisation, and access to technology are the key pillars of economic growth. Thus, steel consumption growth is expected to rise on account of government expenditures on infrastructure and fiscal stimulus to manufacturing industries in the long run.

## JSW Steel's view

With a long-term view, JSW Steel has initiated several cost-saving and backward integration measures to support margins. The Company also increasingly focused on exports till the domestic market picked up at the start of H2 FY 2019-20. However, the revival in domestic demand was short-lived owing to the significant disruption in economic activity caused by the pandemic containment measures. This has not only affected production targets for the next financial year but has also led to uncertainty in terms of availability of manpower and expertise to continue the capacity expansion projects.

JSW Steel is cognisant of the risks that may impact its capital expenditure plans and has decided to recalibrate its capital expenditure plan for FY 2020-21. The Company now plans to spend ~₹ 8,200 crore in FY 2020-21 on project capex and ₹ 800 crore to operationalise the seven mines acquired through auctions in Karnataka and Odisha, versus the earlier capex guidance of ₹ 16,340 crore.

In order to fortify its risk mitigation strategy, the Company has put in place a stringent monitoring process. JSW Steel has strong debt management practices in place which ensures that leverage ratios are monitored closely. It also has a varied liquidity profile to ensure that funding sources are well diversified.

Furthermore, as a response to the COVID-19-related impact, the Company is strategically focusing on:

- Ramping up capacity utilisation to near-normal run rate by end of Q1 FY 2020-21
- Exports to increase volumes including liquidation of existing inventory, to offset the loss of volumes in domestic market and improve cash flows
- Targeted cost-saving measures to recalibrate the cost base across all areas of operations and leveraging technology and digitalisation to drive value
- Conservation and broadening of additional line of liquidity
- Renewed thrust on technology and innovation to drive efficiencies

## Key focus areas for JSW Steel in a post-COVID world

### LEVERAGING DIGITALISATION TO ENSURE BUSINESS CONTINUITY

Even as the government announced a nationwide lockdown on 24 March 2020, and the impact on day-to-day operations became imminent, JSW Steel focused on calibrating its IT infrastructure to ensure continuity of business. The Company's digital journey that began in 2017 has helped build a strong base to initiate projects as a response to the evolving dynamics of the new normal. In FY 2020-21, JSW Steel will continue to focus on digital initiatives and use digital tools to access markets and various digital platforms to ensure consistent operational excellence.

### RAZOR SHARP FOCUS ON REDUCING COST BASE

The ongoing crisis also presented an opportunity to re-look at our cost base. The Company has embarked upon a cost reduction drive across its operations, including procurement, logistics and further optimising fixed overheads. The operational efforts complemented with the ongoing cost-saving initiatives aim to reduce fixed cost by at least 10% over the base of FY 2019-20. A cross-functional and large team is directly responsible and working with the Management to drive these programmes across the Company. Technology, analytics and innovation continue to be the key levers to further optimise cost and drive operational efficiencies.

### SUPPLY CHAIN REORGANISATION

Supply chain management is an important function for steel manufacturing companies. Owing to the temporary pause in movement of goods and materials due to COVID-19, JSW Steel foresees several risks to its supply chain network, which includes uncertainty around movement of global shipments and fluctuations in commodity costs. The Company will continue to study and analyse newer opportunities in terms of identifying sectors with increased steel consumption and focus on capitalising export opportunities in newer markets with minimal risks.

### SUSTAINABILITY IS MORE CRITICAL THAN EVER

JSW Steel continues to deliver on its environmental, social and governance (ESG) parameters to create sustainable value for all its stakeholders. The global pandemic has ensured that sustainability has now become more relevant than ever.

The Company outlined a comprehensive sustainability framework comprising 17 core focus areas, where it creates a significant impact. Going forward, JSW Steel's ESG performance will be gauged under these focus areas, with respect to progress made under their respective components.

JSW Steel remains committed in its efforts to reduce carbon footprints, as it is implementing plans to ensure zero usage of thermal coal, and thereby replacing coal with renewable source of energy for generating power in the steel operations. Further a lot of initiatives and ongoing research and development activities are underway to reduce the intensity of metallurgical coal usage in the Company's blast furnaces.

The safety and wellbeing of JSW Steel's people is of paramount importance. The Company's vision is to achieve 'Zero Harm'. To help the Company reach this vision, it has fully integrated Health & Safety (H&S) as one of its core Group values and is continuing to implement initiatives under the 'VISION 000' motto.

### ROBUST BALANCE SHEET AND LIQUIDITY MANAGEMENT

JSW Steel continues to focus on diversified sources of funding. While the Company has recalibrated its capacity expansion spends, it will focus on cost-saving initiatives and operational efficiency measures to ensure adequate liquidity buffer and to help strengthen the balance sheet. JSW Steel will continue to focus on maintaining a strong credit rating, healthy capital ratios and establish a capital structure that maximises returns to stakeholders through an optimum mix of debt and equity. The Company and its Board is determined to monitor working capital and has incorporated a stringent cash-flow management mechanism.



# 4.0 | BUSINESS REVIEW



~48%

SHARE OF VALUE ADDED SPECIAL PRODUCTS IN THE OVERALL SALES PORTFOLIO

## Resilient performance amid a slowdown

### GLOBAL SCENARIO

FY 2019-20 has been challenging for the world. During the year, global economic activities were down due to inward looking policies and further heightened by US-China trade actions, resulting in falling global trade and investments. GDP grew by 2.9% in CY 2019 as against initial forecast of 3.5% (Source: IMF WEO, Jan 2020) and from 3.6% in CY 2018.

Global trade for merchandise and services together is estimated to have come down to a growth of 0.9% in CY 2019 as against a growth of 3.6% in CY 2018. Global FDI reduced by 1% in CY 2019 to US$ 1.39 trillion along with cross border M&A, down by almost 40%, as reported by United Nations Conference on Trade and Development (UNCTAD). Global trade tensions continue to remain a major concern with trade embargos being increased by the US on imports from China at different times during FY 2019-20. As a response to the trade actions, many other countries implemented their own trade measures with a view to protect their domestic industry from diverted trade flows.

### THE INDIA STORY

The Indian economy slowed down from Q3 FY 2018-19 due to the slump in the automotive sector coupled with the slowing down of GFCF (gross fixed capital formation). Investments also reduced, compounded by a standstill during the general elections in May 2019. Economic activity, which was expected to pick up after the elections, did not materialise and slowed down further and worsened with the liquidity crunch caused by the continuing the NBFC crisis.

Weak economic activity, sharp fall in investments, drop in manufacturing, capital goods, consumer durables, automotive and construction & infrastructure sectors adversely impacted the steel demand, down from a growth of 8.2% in FY 2018-19 to 1.4% in FY 2019-20 as per the JPC .

The year FY 2019-20 was a very challenging year for JSW Steel. The business scenario in India was volatile and tough in the first half of FY 2019-20 due to a conservative economic environment and a resultant narrowing spread. The auto sector faced a severe downtrend with poor buyer sentiment leading to depressed steel demand, coupled with a slow momentum in the overall manufacturing, infrastructure investments and trade. To tide over this situation, the Company pursued a strong export-led strategy in the first half of the year.

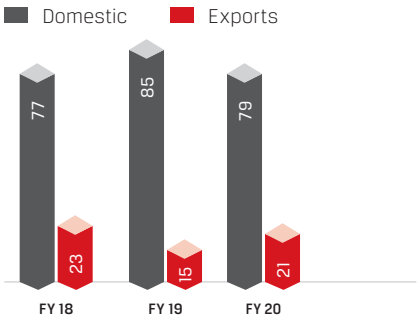
Amidst this weak economic scenario, the Company's crude steel production stood at 16.06 MnT, down 4% y-o-y. Domestic sales dropped 10.7% y-o-y, mainly due to a contraction in demand for flat steel in India. Sectors like construction & infrastructure as well as industrial and general engineering showed reduced trend due to lower government spend and tight liquidity. The pipes and tube segment sales also slowed down and were further accentuated with the import of pipes. The rerollers segment saw lower offtake due to lower sales to project customers. The automotive sector, which was experiencing a downtrend since H2 FY 2019-20, witnessed declining sales mainly due to contraction in sales of commercial vehicles, where JSW is exposed to a large extent in the HR and alloy longs category . Despite the challenges faced in the domestic market, the Company's domestic market share stood at 11.8%. JSW Steel's primary focus continued to be on the southern and western markets, which accounted for 82% of the total business. The share of high-margin VASP declined to around 50% of sales volume (to 7.2 MnT in FY 2019-20) from 53% a year earlier, attributed mainly to the slowdown in the auto sector and the liquidity impact in the second quarter.

The first half of FY 2019-20 was predominantly driven by exports amid muted domestic demand. A revival in domestic sentiment could be seen only in the third quarter. At the year-end, domestic markets accounted for 79% of JSW Steel's sales, compared with 86% in FY 2018-19. The first half domestic to exports ratio was 76:24 whereas the second half was better with domestic sales improving and the ratio changing to 82:18. JSW Steel's market share improved from 10.9% in H1 to 12.7% in H2 FY 2019-20. Apart from the automotive sector, which continued its downward trend in the second half, all other sectors such as pipe & tube, construction & infrastructure, consumer durables and retail showed improvements.

The prices started to bottom out towards the beginning of the second half of the year with an uptick in domestic demand. Taking the cue from this, JSW Steel re-focused on the domestic market with an enhanced presence in retail and in securing government project orders. However, some of the positive gains were offset by the outbreak of the COVID-19 pandemic, which resulted in a lockdown across the country, which subsequently led to a temporary pause in production and distribution of products.

### DOMESTIC AND EXPORT SALES BREAKUP

(%)

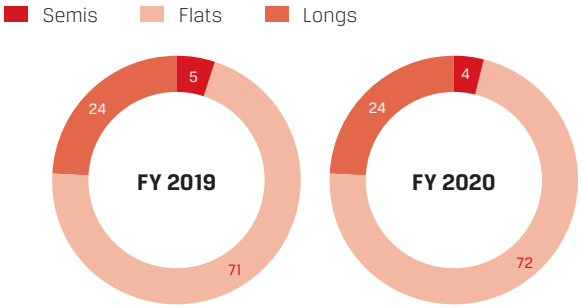


## 4.1 Product performance

JSW Steel's best-in-class technology and sustained R&D initiatives help deliver specialised and innovative offerings for its customers. The Company remained strategically focused on enriching its product mix by increasing the volume and share of high-margin VASP in its portfolio.

**PRODUCT MIX CHANGE y-o-y**

(%)




### 4.1.1 FLATS

JSW Steel produces flat sheet products that include, hot rolled coils, cold-rolled coils and coated products like galvanised, galvalume, tinplate and colour coated. The share of flat products increased to 72% in the product mix, with domestic sales of ~8.26 MnT.

#### 4.1.1.1 Hot rolled

A wide variety of grades of hot rolled (HR) products are manufactured in Hot Strip Mills (HSMs) of Vijayanagar (Karnataka) and Dolvi (Maharashtra). Vijayanagar Works has an installed capacity of 3.5 MTPA and 5 MTPA for HSM-1 and HSM-2, respectively. The capacity at Dolvi Works stands at 3.5 MTPA, where India's first CONARC process was implemented for steel manufacturing. In FY 2019-20, Hot Rolled Coils (HRCs) constituted 41% of the Company's product portfolio.

**Key sectors**

JSW Steel continues to cater to the construction and infrastructure, industrial and engineering goods, pipes and tubes, automotive, consumer durables, and energy sectors with its HR products.

#### 4.1.1.2 Cold rolled

Cold rolled (CR) steel products are manufactured at Vijayanagar Works. The CR products segment has a 16% share in the total product mix.

**Key sectors**

Cold rolled products in India are majorly consumed by the automotive, drums and barrels, industrial and engineering sectors.

#### 4.1.1.3 Electrical steel

Electrical steel finds application across sectors such as electric motors, generators, nuclear power stations, power generation plants, domestic appliances, transformers and automotive electricals. Electrical steel sales increased by 6% y-o-y driven by consumer durables, heavy industrial motors and traction motors.

#### 4.1.1.4 Galvanised

India's largest manufacturer and exporter of galvanised steel, JSW Steel is also the first supplier of products with higher coating (550 gsm) to the solar sector in the country. The Company's galvanised products are differentiated with high strength, resistance to corrosion, eco-friendly, durable and lighter weight. These products accounted for 8% of sales in FY 2019-20.

**Key sectors**

Galvanised products in India are largely consumed by the construction and infrastructure sectors, and consumer durables, appliances, panel and duct manufacturers. In FY 2019-20, sales to the solar sector was close to 58,000 MT.

#### 4.1.1.5 Galvalume

JSW Steel's Galvalume has played an important role in the development of India's renewable energy power generation capability. It has been the material of choice for use in solar mounting structures employed in various utility-scale solar projects across the country. In FY 2019-20, JSW Galvalume has been selected for use in prestigious solar project undertakings in India such as:

- 375 MW solar project for SoftBank Solar Energy Ltd. in Andhra Pradesh
- 290 MW solar project for Solaire Direct India LLP in Gujarat
- Ananthapuram (ultra-mega solar park)
- 2 GW Bhadla Project, Bikaner
- 2 GW ISTS at Rajasthan.

#### 4.1.1.6 Colour Coated

Colour coated products comprised 5% of the product portfolio in FY 2019-20, with domestic sales growth of 9% y-o-y.

**Key sectors**

The overall growth was driven by the construction and rural sectors, aided by the Company's brand building and consumer education drive to identify original JSW coated sheets.

### 4.1.2 LONGS

JSW Steel manufactures a variety of long products such as TMT bars, wire rods, and special alloy steel. The product segment comprised 24% of the product portfolio in FY 2019-20, same as last year. During the year, long products' domestic sales stood at 3.26 MnT.

#### 4.1.2.1 TMT

TMT rebars are manufactured in Vijayanagar Works and Dolvi Works. They comprise 17% of the product portfolio. JSW Neosteel, the TMT brand, increased penetration in semi-urban and rural areas. JSW Neosteel is one of the best-quality TMT bars available in various thickness ranges in India. Manufactured through the blast furnace route in

state-of-the-art rolling mills, they are free from impurities and have uniform properties.

**Key sectors**

JSW Neosteel was used in major projects in the country, ranging from critical atomic/nuclear power plant projects, aerospace, solar parks, major irrigation projects, metro rail, Indian Railways, bridges, mega housing, airports, defence, expressway and highway. JSW Neosteel also catered to prominent educational institutions, hospitals, IT parks and high-rises.

JSW Neosteel advocates the benefits of using Earthquake Resistant Bars viz. Fe 550D and Fe 600D grades over traditional bars/TMT and many projects have started upgrading to these grades. It also recommends the use of corrosion-resistant TMT in coastal areas, for projects that use epoxy coating over TMT. This results in various benefits including durability, where customers are finding utility. This has resulted in the Company receiving huge enquiries for the supply of corrosion resistance grade materials.

#### 4.1.2.2 Wire rods

Wire rods are manufactured at Vijayanagar Works and Salem Works comprising 5% of the product portfolio.

#### 4.1.2.3 Alloy steel

Alloy steel products are manufactured at JSW Salem Works. The Company is the largest domestic producer of spring steels flats, alloy steel rounds and bars and alloy steel wire rods.

## 4.2 Retail

The Group's diversified product range is supported by a widespread sales and distribution network throughout India. The Group distributes its products in the domestic market by selling directly to customers, retail traders and company stock yards. In the export markets, the Group uses a combination of direct sales to customers and sales to international trading houses.

| RETAIL CONCEPT | JSW EXPLORE | JSW SHOPPE | JSW SHOPPE CONNECT |
|---|---|---|---|
| Target areas | Metro and urban areas | Urban and semi-urban areas | Semi-urban and rural areas |
| Key features | Just-in-time service solutions for customers with in-house profiling lines and value-added services; franchisee model | Retail steel distribution | Small retail format; linked to JSW Explore and JSW Shoppe |
| Service focus | Multiple product service centre for steel solutions | Steel distribution, with emphasis on enhanced customer experience | Focus on sales to end customers and medium and small enterprises, with a focus on rural areas |




JSW Retail facilitates marketing and selling of steel products, including flat products (coated steel products) and long products (TMT). It was created to renew focus on branded products, network expansion and strengthen feet-on-the-street presence. With over 11,000+ exclusive and non-exclusive retail outlets, covering 575 districts across India, JSW Steel operates one of the largest retail steel networks in the country.

The Company has 5,300 influencers and more than 3,000 end consumers. JSW Steel also regularly participates in conferences and exhibitions to display product capabilities.

### 4.2.1 BRAND BUILDING

JSW Steel has been strategically investing in various brands, so that the market is able to take cognisance of its differentiated and superior product offerings. To engage various channels of customers, the Company has clearly differentiated its strategy for B2B and B2C segments. The B2B initiatives include various customer meets and plant visits, conferences, sponsorships and exhibitions; and product and brand advertisements across 12 major steel/trade magazines.

During the year, the Company also initiated a digital-first, purpose-driven campaign titled #RooftoDream and reached an audience of 13 million people. It also won the SAMMIE's Award and Global Digital Marketing Award for the Best Social Media Campaign.

The Company has been undertaking focused brand-building initiatives on JSW Neosteel (TMT Bars), JSW Colouron+ and JSW Pragati (Colour Coated), JSW Vishwas (GC Sheets), JSW Galveco (Lead free GC sheet) and JSW Everglow (Colour Coated).

### 4.2.2 CUSTOMER CONNECT

JSW Steel has a dedicated B2C channel, to ensure that its brand connects well with the end consumers. To strengthen its bond with the customers, the Company has launched several initiatives for the B2C segment such as Fabricator Loyalty Programme, advertisement hoardings, inflight magazine advertisements, JSW on Wheels and uniform product branding. It also participated in the flagship international exhibition, Made in Steel – Italy. The event helped promote and highlight JSW Steel Italy's presence and offerings. JSW Steel also participated in the Conference on Railway Excellence, which was attended by senior officials of Indian Railways.

The Company also undertakes regular influencer meets and engages with the customers with festival memorabilia. Its engagement on the digital front has also steadily increased and is maximising the brand's overall visibility.

The Company also educates its customers on identification of duplicate products and conducts counterfeit raids to protect its brand. Customer Engagement Program through Customer Focus Teams (CFT) is also initiated with select customers. It aims to understand their concerns, discuss on mutual growth plans and understand expectations from JSW Steel.

As a part of influencer engagement, JSW Steel launched a Fabricator Loyalty Program, which recorded over 6,500 enrolments and led to 13,000 MT sales registration. With this, the engagement between the JSW sales team and influencers have increased multifold and improved overall sales through scaled connect with 6,000+ loyal influencers across India. The Company also introduced JSW Eklavya-Skill Academy, which helped train over 1,000 fabricators on fabrication and welding. Through the year, the Company also conducted 55 Contractors' Meets and an Engineers Loyalty Programme covering 5,000 participants and generating leads.

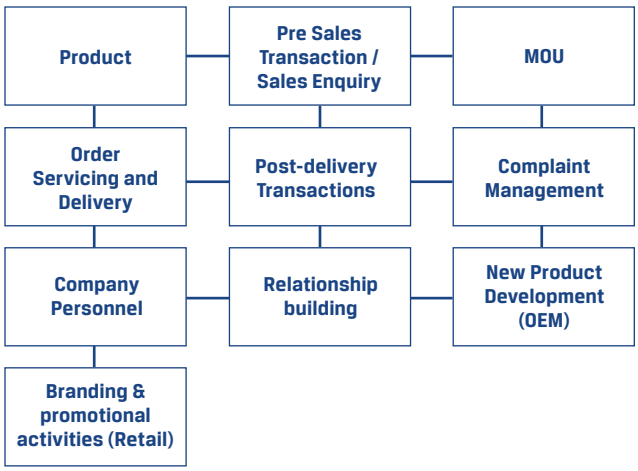
#### 4.2.2.1. Customer satisfaction

For monitoring customer satisfaction levels and assessing its service levels against industry benchmarks, customer Satisfaction Surveys are conducted through an external agency once in every two years. The results are reviewed at the Director/Plant Head levels, along with HODs, and action plans are formulated and implemented on continual basis.

The CSI survey includes mapping of loyalty segmentation, along with customers' experience. The latest survey was conducted in 2018. Compared to 2016, JSW Steel has emerged stronger on the three broad parameters of satisfaction, loyalty and experience, and leads on most counts when matched with its peers.

Under Strategic Competitor Benchmarking, customers were asked to rate JSW against specific competitors they deal with.

**Attributes of Customer Experience Index**




Based on the feedback from the survey, the Company has initiated several improvement measures in order servicing processes and On time in Full (OTIF). For complaint management, Customer Complaint Management System (CCMS) with Delegation of Power (DOP) is being implemented.

#### 4.2.2.2 Awards from OEM customers

JSW Steel has received the following awards from OEMs during FY 2019-20:

1. Samsung (Chennai): Best Support Dec'19 (for coated products)
2. Haier (Pune): Best Delivery Performance Award Jan'20 (for coated products)
3. JSW Steel honoured as 'Best Supplier' by BHEL (for electrical steel)
4. Best Raw material supplier award by Honda Motorcycle and Scooters India (for CR products)
5. Best Raw material supplier by Honda Cars India Ltd (for CR Products)
6. Certificate of Performance Award by Brakes India (for Salem product supplies)
7. Selected as Alliance and Strategic Partner by Timken (for Salem product supplies)



## JSW on Wheels

JSW Steel rolled out a unique initiative named 'JSW Chala Gaon Ki Aur', to connect more closely with the rural customers, who form a large proportion of its retail business. An industry-first initiative, this proved to be highly successful in building a lasting connect with customer groups.

**Key numbers**

**14 vans | 365 days | 105 district | 95,000 villages | 20,000 influencers | 15,000 end consumers | 15,000 MT leads with 25% conversion rate**

## Sustainability initiatives

As a steel manufacturing company that is heavily dependent on natural resources as raw material, JSW Steel is cognisant of the impact its business operations can have on the environment and communities. Sustainability is a core focus area for the Company, and over the years, it has driven various initiatives to reduce carbon emissions, conserve resources like water, energy and input materials, minimise waste and increase recirculation, recycling and enhance local biodiversity.

### CLIMATE ACTION GROUP

JSW Group has constituted a Climate Action Group (CAG) with cross-functional expertise, to develop a comprehensive plan with parameters and targets to help its businesses to mitigate the negative impact of operations on people, communities and the overall environment. The CAG meets at least once every month with the primary objectives of discussing actions on policy advocacy with external stakeholders, analysis of climate change risks and devising mitigation strategies for each operating unit, identifying R&D needs, developing targets and formulating long-term action plans

### SUSTAINABLE OPERATIONS

During FY 2019-20, JSW Steel launched several initiatives across its manufacturing units to minimise waste generation and responsible disposal of generated waste. The Company has implemented innovative technologies to recover iron from the waste slime generated, thereby reducing consumption of iron ore.

Preservation of biodiversity is also an important objective of the Company. Precautions are taken to reduce negative impacts on the ecosystem. The Company has various initiatives where it engages with the local population and government bodies to preserve biodiversity in its operations, especially in the eco-sensitive areas.

### ZERO HARM

Ensuring the health and safety of people at all its workplaces is also a key goal to the Company's business responsibility vision. JSW Group targets to achieve 'Zero Harm' across its businesses and continues to implement initiatives under the 'VISION 000' motto. As a step towards ensuring greater accountability and involvement in achieving the organisation's health and safety goals, JSW Steel has incorporated safety-linked targets in its mid- and senior-level management's annual performance metrics.

The Company has launched new safety rules and all employees; business associates and contractors are required to comply with the ten rules with respect to essential safety. These rules cover the most critical safety practices to achieve a notable reduction in injuries and illnesses.

# 5.0 | OPERATIONAL REVIEW



## 3.39 MnT
**IRON ORE TRANSPORTED THROUGH PIPE CONVEYOR**



## 5.1. Vijayanagar Works

JSW Vijayanagar Works, located in Karnataka, is the Company's largest manufacturing unit with an installed capacity of 12 MTPA. The unit plays a key role in contributing to India's steel sufficiency, and in feeding large-scale raw material requirements of various industries. The plant sets itself apart with its unique and innovative practices, globally recognised cost competitiveness and efficiency in logistics.

Vijayanagar Works is the Company's flagship plant and uses the Corex process, the first in India to do so as well as the conventional blast furnace route to achieve efficiency in conversion cost. Vijayanagar Works houses India's largest auto-grade steel facility with a capacity of 2.3 MTPA. It is also the only steel plant in India with pair cross technology and a twin-stand reversible cold rolling mill.

Vijayanagar Works has captive power generation capacity of 854 MW. It has a dedicated port and is well connected to the Goa, Krishnaptnam and Chennai ports to facilitate the import of raw materials and export of finished products. The Company has recently set up a pipe conveyor system with a 20 MTPA capacity (phase-1 with 10 MTPA capacity is operational). This is an environment-friendly system and will reduce transportation costs of iron ore. In addition, Vijayanagar Works has tie-ups for utilities with Linde India Ltd., Bellary Oxygen Company Pvt. Limited and wholly owned subsidiary JSW Industrial Gases Private Limited (previously known as JSW Praxair Oxygen Company Private Limited) and Praxair India Pvt. Ltd.

### 5.1.1 COMPETITIVE STRENGTHS

- Produces 800-plus tonnes of steel per person per annum, making it the most productive steel plant in India
- Has access to nine captive iron ore mines for raw material security
- Houses India's widest hot strip mill and one of India's largest blast furnaces
- Reuses more than 95% of process waste and is recognised for its 'zero-effluent discharge' status
- Has a low carbon footprint, with 96% of coke oven gas for power generation being recycled
- Uses mix of Blast Furnace and Corex technology for hot metal production
- Employs a large-scale, low-grade iron ore beneficiation process
- Uses pelletisation based on dry and wet process
- Only plant in India with pair-cross technology and twin-stand reversible cold-rolling mill

### 5.1.2 YEAR IN REVIEW

- 3.39 MnT of iron ore dispatched through pipe conveyor resulting in substantial reduction in logistics costs
- Optimised operating cost through key initiatives such as:
  - Increase in pulverised coal injection (PCI) in furnaces, thus replacing the need for high priced coke
  - Optimised coke oven blend with the introduction of coke fine
- The plant developed a beneficiation process to maximise the iron recovery and effective utilisation of banded hematite quartzite (BHQ) iron ore through roasting cum magnetic separation.

### 5.1.3 OPERATIONAL HIGHLIGHTS

#### 5.1.3.1 Key projects under implementation

- Capacity upgradation of blast furnace 3 (BF-3) from 3.0 MTPA to 4.5 MTPA, along with the associated auxiliary units, is under implementation
- Installation of a new 160 T Zero Power Furnace and 1 x 1.4 MTPA Billet Caster, along with associated facilities at SMS-3 to enhance steelmaking capacity
- Installation of a new Wire Rod Mill No.2 of 1.2 MTPA capacity to enhance plant capacity is also on track
- Two new lines of 0.45 MTPA each for construction grade galvanised products are under implementation
- A new 0.3 MTPA line for colour coated products is also underway in and is expected to be commissioned by March 2021
- Setting up of 8 MTPA pellet plant and 1.5 MTPA coke oven plant at Vijayanagar to bridge the current and expected gaps in the coke availability and drive significant cost savings

#### 5.1.3.2 Other key initiatives

- Downhill conveyors from newly acquired mines to the ore yard and remaining segments of the pipe conveyor system to ensure improved connectivity and seamless transport of iron ore to the plant
- De-dusting systems at different areas of the plant to control fugitive emissions
- Replacement of primary gas coolers in Coke Oven-4 to improve process efficiency
- A new Cut to Length (CTL) line to meet the demand of sized steel products
- Revamping and capacity upgradation of HSM-1 to 3.8 MTPA with modification of reheating furnace and the addition of new facilities
- Structural, equipment strengthening and debottlenecking of SMS-1 by replacing girders, some of the equipment and civil foundations

#### 5.1.3.3 R&D highlights

During FY 2019-20, Vijayanagar Works yet again proved its mettle in research and development and continued its focus on cost reduction and quality excellence.

For further information, please refer to Annexure A of the Directors' Report





### 5.1.3.4 Health and Safety

During the year, an array of health and safety initiatives and programmes were unveiled at JSW Vijayanagar Works. These are being undertaken with a view to reduce near-misses, occupational hazards, loss time injuries and workplace fatalities. Some key interventions are given below:

- President's Trophy for Safety launched for recognising best performing contractors
- Inauguration of Fire & Rescue Training Gallery
- Best Trainers from each Divisional Implementation Committee (DIC) were recognised as per 'Suraksha Shikshak Samman
- Training programme and awareness sessions on 'on-site traffic' for truck drivers; defensive driving; forklift safety and mySetu application
- WAH-RE (Work At Height Rescue) training for project contractors' employees introduced

### 5.1.3.5 Environmental initiatives

As one of the largest steel plants in the world, JSW Vijayanagar Works has assumed a definite commitment to continuously improve its environmental performance and reduce its overall environmental footprint. During FY 2019-20, as a part of its water management initiatives, the plant recovered makeup water through six RO plants (19,000 $m^3$/day) and reused 45,000 $m^3$/day treated blow down water routed through guard ponds for secondary applications, ensuring zero liquid discharge.

JSW Steel has signed two Memoranda of Understanding (MoUs) with Bombay Natural History Society (BNHS), Mumbai and People for Environment (PFE), New Delhi for biodiversity assessment in the JSW Steel complex and respective surroundings and the report has been duly completed.

For further information, please refer to Page 68

# 2.73 $m^3$/tcs

**SPECIFIC WATER CONSUMPTION AT JSW STEEL VIS-À-VIS WORLDSTEEL BENCHMARK OF 3.3 $m^3$/TCS**

### 5.1.4 KEY PRIORITIES FOR FY 2020-21

- Complete the announced projects for capacity expansion and cost savings
- Operationalise downhill conveyors from newly acquired mines up to the ore yard to reduce logistics cost
- Continue focusing on energy efficiency and improved waste management initiatives
- Install new Wire Rod Mill 2 of 1.2 MTPA capacity and Pellet Plant 3 of 6.14 MTPA net capacity to support overall plant capacity expansion of 13 MTPA
- Ensure sustained operational performance with focus on health and safety



## 5.2 Dolvi Works

Located on the west coast of Maharashtra, JSW Dolvi Works is the Company's second largest plant with a total installed capacity of 5 MTPA. The unit caters to customers in the automotive, industrial and consumer durables sectors. Dolvi Works is the first plant in India to adopt a combination of CONARC technology for steelmaking and compact strip production (CSP) for producing hot rolled coils, providing the unit with flexibility to use a combination of solid charge and liquid hot metal.

The plant is undergoing a large-scale capacity expansion and is expected to double its steelmaking capacity by H2 FY 2020-21. A substantial quantity of HR coils produced in Dolvi is sent to the facilities owned by one of the subsidiaries for value addition.

Dolvi Works has a 67 MW captive power plant and also has a long-term power purchase agreement with JSW Energy Limited, a Group company. It has a dedicated captive jetty as well as railway siding which connects the unit directly with India's railway network.

### 5.2.1 COMPETITIVE STRENGTHS

- Advantageous location in the west coast of India, enabling cost-efficient inbound and outbound logistics. The unit is well-connected to a jetty that can handle a cargo of up to 15 MTPA.
- Located ~80 km from Mumbai, the unit is also well connected via rail, road and sea.
- The only primary producer of long products in Western India.
- Caters to a wide array of industries, including automotive, infrastructure, construction, machinery, LPG cylinder-manufacturers cold rollers, oil and gas, and consumer durables.

### 5.2.2 YEAR IN REVIEW

- Three new and 31 customised products were developed to cater to the customers' requirements.
- Replacement of Natural Gas (NG) with Coke Oven Gas (COG) to reduce fuel consumption.

- Analytics-driven simulation of inbound logistics and raw material handling system (RMHS) to ensure consistent delivery of raw materials.
- Undertook revamping of Stove-4 in blast furnace and commissioned New Cyclone at BF-1 to improve productivity.
- Real-time monitoring of blast furnace operations to achieve optimum operating metrics.
- Made considerable progress in its total quality management (TQM) processes through implementation of 8,721 Kaizen at individual levels and deployment of 411 Quality Circles; 166 projects have been completed and 1,151 equipment cleared Jishu Hozen Step 3, which prevents deterioration of equipment and achieves cost savings in the production process
- Installation of de-dusting system of 350,000 $Nm^3$/hr capacity, with bag filters in stock house of blast furnace to improve the work zone area air quality.

### 5.2.3 OPERATIONAL HIGHLIGHTS

#### 5.2.3.1 Key projects under implementation

- Capacity expansion from 5 MTPA to 10 MTPA consisting major facilities like a blast furnace of 4.5 MTPA with a 5 MTPA Steel Melt Shop (SMS), a 5 MTPA HSM, a 5.75 MTPA Sinter Plant, 4 MTPA pellet plant and 4 kilns of 600 TPD lime calcination plants (LCPs).
- Set up a second line of 1.5 MTPA coke oven plant, along with coke dry quencher (CDQ) facilities to cater to the additional coke requirement for the crude steel capacity expansion to 10 MTPA at Dolvi
- Set up a 175 MW and 60 MW captive power plants to harness flue gases and steam from CDQ

#### 5.2.3.2 Other key initiatives

- Predictive maintenance with condition monitoring, advanced inspections, and data analytics to predict component or equipment failure in SMS cranes to ensure higher availability.

#### 5.2.3.3 R&D highlights

A research-driven facility, Dolvi is a hub for innovation and process improvements. During FY 2019-20, the plant undertook eight specific studies across various projects, to improve overall value creation.

For further information, please refer to Annexure A of the Directors' Report.

#### 5.2.3.4 Health and Safety

JSW Steel Dolvi Works has been continuously undertaking measures to improve health and safety of all personnel in its premises. During the year, Safety Performance and Progressive Motivation standards were launched and ~300 yellow cards and 24 red cards have been issued for procedure violations to different departments and projects.

Some of the other initiatives included:

- 71 Leaders' Audits were conducted cross functionally to bring safety excellence in the respective areas
- Monthly Safety Themes were undertaken to focus on respective areas mass communications, safety skits, training programme, review of incidents, inspections, survey and audits were carried out based on safety theme.
- Felt Leadership Programme was arranged for the senior management by M/s DuPont in March 2020.
- 1,135 Contractor Safety Field Audit (CFSA) is being carried out by trained professionals at every project site.
- Four speed monitoring cameras installed in the plant to monitor any violations.
- Four Defensive Driving Training programmes conducted for pool & truck drivers, with the help of an external agency.

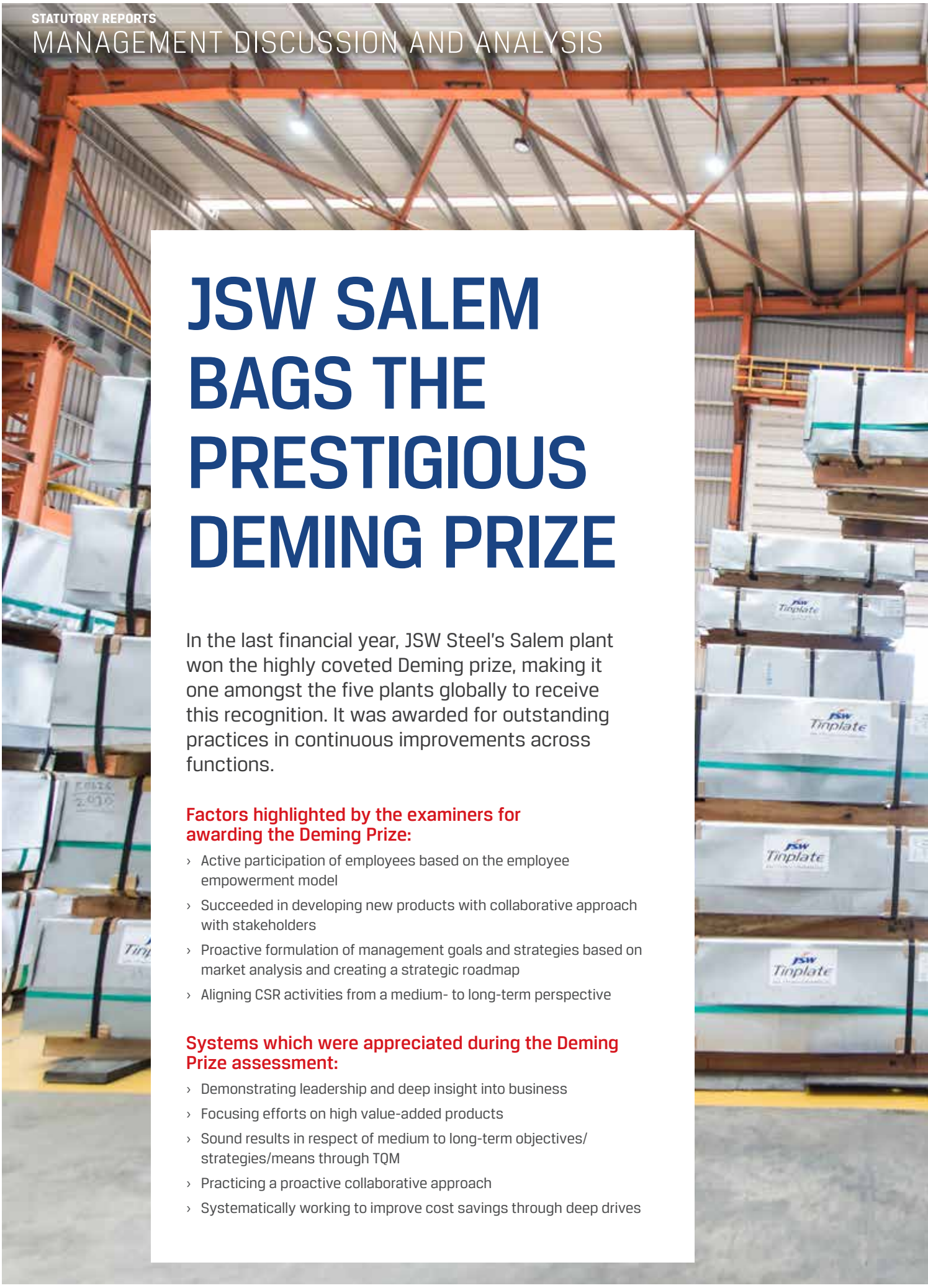
#### 5.2.3.5 Environmental initiatives

JSW Dolvi Works takes full cognisance of the climate change and the imminent need for environmental conservation. Towards this, the unit continuously invests in cutting edge technologies and best-in-class equipment for reducing environmental footprint and increasing conservation. The plant has been accredited with ISO 14001 for its Environment Management System for all units.

For further information, please refer to Page 68

### 5.2.4 KEY PRIORITIES FOR FY 2020-21

- Continue progress on capacity expansion projects and cost saving initiatives.
- Install effluent treatment plant (ETP) of 220 $m^3$/hr capacity for wastewater treatment.
- Install Maximum Emission Reduction to Sinter (MEROS) to reduce the dust emission up to 10 mg/$Nm^3$ for Sinter Plant II.
- Installation of de-dusting system of capacity 3,50,000 $Nm^3$/hr, with bag filters in stock house of blast furnace to improve the work zone area air quality




# JSW SALEM BAGS THE PRESTIGIOUS DEMING PRIZE

In the last financial year, JSW Steel's Salem plant won the highly coveted Deming prize, making it one amongst the five plants globally to receive this recognition. It was awarded for outstanding practices in continuous improvements across functions.

## Factors highlighted by the examiners for awarding the Deming Prize:

- Active participation of employees based on the employee empowerment model
- Succeeded in developing new products with collaborative approach with stakeholders
- Proactive formulation of management goals and strategies based on market analysis and creating a strategic roadmap
- Aligning CSR activities from a medium- to long-term perspective

## Systems which were appreciated during the Deming Prize assessment:

- Demonstrating leadership and deep insight into business
- Focusing efforts on high value-added products
- Sound results in respect of medium to long-term objectives/ strategies/means through TQM
- Practicing a proactive collaborative approach
- Systematically working to improve cost savings through deep drives


TOYOTA
TOYOTA
30
SAS



## 5.3 Salem Works

JSW Steel Salem Works is one of the largest facilities producing special steel in India. The plant is a major supplier to the auto components industry and is a market leader for manufacturing special grade steel used in gears, crank shafts and bearings. Products from this unit have received approvals from major Indian automotive original equipment manufacturers (OEMs).

The strategic location of the Salem plant allows it to cater to the needs of the major auto hubs in southern India. Located ~340 km from Chennai and 180 km from Bengaluru, it is well connected through railways, highways and ports, which facilitates the transportation of raw materials and finished products. The plant has a 90 MW captive power plant and a captive oxygen gas plant.

### 5.3.1 COMPETITIVE STRENGTHS

- Plant location catering to South and West zones, auto hub
- Large basket and wide range of products
- Market leadership in auto sector
- Market leadership in bearing and forging segments
- Single source supplier for many applications to various auto OEMs
- Only Indian supplier for rail steel to European market

### 5.3.2 YEAR IN REVIEW

- Addressing small-lot production for customer delight
- Systematic development of skill and competency development and achieve employee involvement, even among contract workers
- The facility improved load efficiency, which helped reduce dead freight in coal movement from Karaikal Port and resulted in overall cost savings
- 30 MW steam turbo generator was installed with air cooled condenser for increasing the captive power generation to reduce the power costs. air-to-air condenser technology adopted in this CPP to minimise the consumption of water
- Commissioned Bar Annealing with capacity of 18,000 TPA for producing value added products

### 5.3.3 OPERATIONAL HIGHLIGHTS

#### 5.3.3.1 Key projects under implementation

- Conveyor system for handling raw materials from wagon tippler
- Advanced Magnetic Particle Inspection (MPI) facilities with grinding station at Line 04
- Liquid Oxygen Backup system for emergency supply of

oxygen to SMS and oxygen facility for increasing oxygen enrichment in blast furnace

- Pulverised Coal Injection upgradation to increase coal injection in blast furnace
- Additional Cooling Bed and Abrasive saw at Blooming Mill to improve productivity

#### 5.3.3.2 R&D highlights

Salem Works continued to focus on R&D activities, developed several process improvements, and launched new processes and products to meet the ever evolving market dynamics. A total of seven new grades have been developed for various applications in auto/non-auto sectors.

For further information, please refer to Annexure A of the Directors' Report

#### 5.3.3.3 Health and Safety

Health and safety assumes paramount importance at JSW Salem Works. During the year, multiple initiatives were undertaken towards strengthening the health and safety practices at the plant, as illustrated here:

- Launch of mySetu online portal for Safety Observation and Incident tracking system.
- Introduction of Leaders SHHEE Walk Audit & Interaction at shop floor.
- Safety standards bilingual handbook prepared in English and Tamil and distributed among employees and associates.
- Thickness measurement test was conducted for entire length of the CO gas line (~4.5km) in the plant premises.
- Road Safety Survey was conducted by an external agency for identifying road safety risks and hazards.
- OSHAS 18001 surveillance and recertification audit conducted and certified.
- Hydra operators training imparted to all operators through OEM experts.
- Personalised Health Cards issued to employees and associates based on the respective annual health check-up reports.
- FAMFEST programme is being conducted on a quarterly basis for associate employees and their family to create awareness and emotively appeal on topics such as health, basic life support, safety, fire safety and environment aspects.
- ISO 45001 awareness training was conducted for internal auditors by external experts.

#### 5.3.3.4 Environmental initiatives

During the year, Salem Works continued to focus on various initiatives to conserve water. The wastewater from Ultrafiltration RO Plant and multi-grade filter was diverted to recycled water treatment plants (RWTP), which was then reused for plant makeup water. An ETP was also installed with a capacity of 125 KLD and a Zero Liquid Discharge (ZLD) system in acid pickling plant to treat the trade effluent.

For further information, please refer to Page 68

### 5.3.4 KEY PRIORITIES FOR FY 2020-21

- Consolidate position in the bearing segment, along with seamless tube application and exploring new avenues in non-auto sector to de-risk the dependency on the auto sector
- Enhancement of statistical problem-solving approach and sustenance of TQM initiatives
- Implementation of ISO 45001 system and of Process Safety Management System
- Interlocks and safety vigilance through digitalisation projects
- Development of Ultra High Strength Coil Spring Steel
- Development of Tungsten Containing Tool steel for card clothing application

# 6.0 | FINANCIAL REVIEW



## ₹5,291 crore
**PROFIT AFTER TAX IN FY 2019-20**

## 6.1 Standalone

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE (%) |
|---|---|---|---|
| Revenue from operations | 64,262 | 77,187 | -17 |
| Other income | 628 | 405 | 55 |
| Operating EBITDA | 12,517 | 18,512 | -32 |
| EBITDA margin (%) | 19% | 24% | -19 |
| Depreciation and amortisation expenses | 3,522 | 3,421 | 3 |
| Interest expenses | 4,022 | 3,789 | 6 |
| Profit before exceptional items | 5,601 | 11,707 | -52 |
| Exceptional items | 1,309 | - | N/A |
| Tax expense (credit) | (999) | 3586 | -128 |
| PAT | 5,291 | 8,121 | -35 |
| Earnings per share (diluted) (₹) | 21.89 | 33.60 | -35 |

FY 2019-20 was a year of two halves for the steel industry. The first half witnessed a weakened demand and subdued pricing environment. The second half saw improving business and consumer sentiment with higher demand and pricing, which was deflated by the coronavirus impact towards the end of March 2020.

Amidst the macroeconomic headwinds and operational challenges, the Company reported crude steel production of 16.06 MnT, down 4% y-o-y but achieved 97.3% of its revised production guidance of 16.50 MnT, as average capacity utilisation levels reached 89%.

The overall drop in production was due to severe extended monsoon, which impacted operations, and lower special steel demand due to automotive slowdown and weakened domestic demand. The outbreak of the coronavirus in India in March 2020 and consequent containment measures imposed by the government impacted business activities. The Company scaled down/suspended production across all facilities following the imposition of the first phase of nationwide lockdown on 24 March 2020.

Sales volume stood at 15.08 MnT, down 4% y-o-y but achieved 97.3% of its sales volume guidance of 15.50 MnT for FY 2019-20. The Company exported 2.64 MnT of steel, up 43% y-o-y, and accounted for 18% of total sales volume, as against 12% in FY 2018-19.

Revenue from operations fell 17% y-o-y to ₹ 64,262 crore due to lower sales volumes as well as a 14% decline in realisations. The impact on margins was partially offset by lower costs of raw materials like iron ore and coal, decrease in fuel and input costs, and source mix efficiencies. The Company also benefited from cost-reduction measures like optimising fuel consumption at blast furnaces, reducing coke moisture and utilisation of pipe conveyor system for transporting iron ore from mines.

However, owing to the disproportionate fall in realisations, which was not offset by lower prices of input costs, operating EBITDA decreased 32% y-o-y to ₹ 12,517 crore. Consequently, net profit was down to ₹ 5,291 crore from ₹ 8,121 crore a year earlier.

The Company's total net debt gearing was at 1.23x as on 31 March 2020 and net debt-to-EBITDA stood at 3.78x as on 31 March 2020.

### REVENUE ANALYSIS

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Domestic turnover | 52,326 | 67,185 | -14,860 | -22 |
| Export turnover | 9,989 | 8,025 | 1,964 | 24 |
| **Total turnover** | 62,315 | 75,210 | -12,895 | -17 |
| Other operating revenues | 1,947 | 1,977 | -30 | -2 |
| | **64,262** | **77,187** | **-12,925** | **-17** |

### PRODUCT-WISE QUANTITY BREAK-UP (MnT)

| | FY 2019-20 | FY 2018-19 | CHANGE (%) |
|---|---|---|---|
| Products | | | |
| Rolled products – Flat | 10.92 | 11.29 | -3 |
| Rolled products – Long | 3.52 | 3.69 | -5 |
| Semis | 0.63 | 0.78 | -19 |
| **Total Saleable Steel** | **15.08** | **15.76** | **-4** |

Saleable steel volume de-grew 4% y-o-y to 15.08 MnT, due to weak domestic demand.

Domestic steel demand was impacted by general liquidity tightness, a softer investment cycle and weakness in the automotive and consumer durables industries. During H1 FY2020, the Company strategically focused on exports, which contributed substantially to sales volumes.

During the second half, various supportive fiscal and monetary measures helped revive business and consumer sentiment to a large extent, resulting in demand improvements from the infrastructure and construction sectors.

The Company reported a 43% y-o-y increase in exports. Exports as a percentage of total sales increased to 18% from 12% in a year earlier. VASP sales accounted for ~48% of total sales volumes.

The Company recognised the following as other operating revenue for FY 2019-20.

- Grant income (investment-linked incentive) of ₹ 552 crore, including ₹ 466 crore related to previous years based on in-principle approval from the Government of Maharashtra for incentives on its investment for expansion from 3.3 MTPA to 5 MTPA at Dolvi Works
- Consideration received of ₹ 250 crore from a vendor as fee for assignment of a procurement contract pertaining to supply of industrial gases

However, overall other operating revenue was lower by ₹ 30 crore as the incentive period expired for the Dolvi Works expansion, which was partially offset by the grant income and assignment fee.

### OTHER INCOME

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Other income | 628 | 405 | 223 | 55 |

Other income rose due to higher interest income from cash and cash equivalents including bank deposits and increase in interest income on loans to subsidiaries. Cash and bank balances including deposits stood at ₹ 11,401 crore as on 31 March 2020 as against ₹ 5,813 crore as on 31 March 2019.

### MATERIALS CONSUMPTION

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Cost of materials consumed including traded goods and change in inventory | 33,466 | 39,498 | (6,032) | -15 |

The Company's expenditure on material consumption declined by 15% to ₹ 33,466 crore in FY 2019-20 from ₹ 39,498 crore in FY 2018-19 primarily on account of lower raw material prices, especially iron ore down 15% and coking coal down 17%, as well as a 4% reduction in production volumes. However, this was offset by unfavourable local currency movements - the Indian rupee depreciated by 9% against the US dollar, which increased imported raw material costs.

## EMPLOYEE BENEFITS EXPENSES

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Employees remuneration and benefits | 1,496 | 1,435 | 61 | 4 |

Employee benefits expenses rose 4% y-o-y to ₹ 1,496 crore, largely due to salary increments and higher headcount (13,159 as at 31 March 2020 versus 12,599 as at 31 March 2019).

## MANUFACTURING AND OTHER EXPENSES

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Other expenses | 16,783 | 17,742 | (958) | -5 |

Manufacturing and other expenses fell 5% y-o-y to ₹ 16,783 crore in FY 2019-20 from ₹ 17,742 crore in FY 2018-19, primarily due to a reduction in stores and spares consumption as well as lower power and fuel costs. Stores and Spares consumption decreased 14%, largely due to lower prices of electrodes and refractories, and reduced consumption of mechanical and electrical spares. Moreover, planned shutdown at Dolvi and Vijayanagar led to a decline in regular store consumption.

Power and fuel costs decreased 14% primarily due to lower steam coal prices and reduction in power purchases due to efficient operations of the captive power plants.

Freight expenses fell due to overall reduction in domestic sales.

Hedging costs and net loss on foreign currency transactions and translations were higher as the Indian rupee depreciated by 9% against the US dollar.

Royalty and other direct mining costs increased, as the Company mined 4.13 MnT in FY 2019-20, up from 1.33 MnT in FY 2018-19.

## FINANCE COST

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Finance cost | 4,022 | 3,789 | 233 | 6 |

Finance cost rose 6% y-o-y to ₹ 4,022 crore, primarily due to increased working capital requirements in light of a rise in inventories and increase in term loans. Overall, a tightened liquidity scenario and blockage of government receivables led to a rise in finance cost.

Total borrowings as on 31 March 2020 stood at ₹ 58,713 crore, up from ₹ 48,539 crore, as on 31 March 2019. However, the weighted average interest rate decreased by 56 basis points to 6.41%.

## DEPRECIATION AND AMORTISATION

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Depreciation and amortisation | 3,522 | 3,421 | 101 | 3 |

Depreciation and amortisation increased 3% y-o-y to ₹ 3,522 crore due to depreciation charged on asset capitalisation for projects and sustaining capex, as well as depreciation of assets recognised as Right of Use assets due to the adoption of Ind AS 116: Leases with effect from 1 April 2019.

### TAX EXPENSE/CREDIT

The Company received tax credit of ₹ 999 crore in FY 2019-20 as against tax expense of ₹ 3,586 crore in FY 2018-19 primarily on account of a reversal of deferred tax liability of ₹ 2,150 crore due to a change in the corporate tax rate and lower current tax liability due to the decrease in profit during the period under review.

### EXCEPTIONAL ITEMS

The Company made impairment provisions of ₹ 1,309 crore for the following:

1. ₹ 852 crore towards diminution in value of investments, loans and interests thereon relating to certain overseas subsidiaries; provisions were made based on increased uncertainty over restarting iron ore mining operations at Chile on account of the coronavirus outbreak
2. ₹ 377 crore towards interest receivables from an overseas subsidiary considered doubtful recovery relating to Baytown operations in the US
3. ₹ 80 crore towards the retirement of certain fixed assets in India

### PROPERTY, PLANT AND EQUIPMENT

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Tangible assets | 46,117 | 51,600 | (5,483) | -11 |
| Capital work-in-progress | 23,810 | 10,099 | 13,711 | 136 |
| Right to use asset | 4,102 | - | 4,102 | N/A |
| Intangible assets | 323 | 172 | 151 | 88 |
| Intangible assets under development | 331 | 344 | (13) | -4 |
| **Total** | **74,683** | **62,215** | **12,468** | **20** |

Net block of property, plant and equipment increased by ₹ 12,468 crore primarily due to capital expenditure incurred for capacity expansion from 5 MTPA to 10 MTPA at Dolvi, investments in CRM 1 expansion at Vijayanagar, and other capacity augmentation and cost-saving projects.

Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. 1 April 2019. The Company used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognised at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in balance sheet immediately before the date of initial application. This resulted in the recognition of right-of-use asset of ₹ 4,102 crore and lease liability (separately disclosed in balance sheet) of ₹ 3,489 crore as on 31 March 2020. An amount was recognised as finance lease asset of ₹ 4,122 crore and finance lease obligation of ₹ 3,990 crore under the erstwhile lease standard as on 31 March 2019.

### INVESTMENTS

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Investments in subsidiaries, associates and joint ventures | 4,757 | 3,980 | 777 | 20 |
| Other investments | 1,242 | 1,417 | (175) | -12 |
| | **5,999** | **5,397** | **602** | **11** |

The increase in investments was primarily due to additional investment of ₹ 750 crore in JSW Steel Coated Products Limited.

## LOANS AND ADVANCES

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Long-term loans and advances | 8,705 | 7,675 | 1,030 | 13 |
| Short-term loans and advances | 321 | 136 | 185 | 136 |

Loans and advances increased primarily due to loans extended to certain overseas subsidiaries for working capital, capital expenditure and other general corporate purposes.

## OTHER FINANCIAL ASSETS

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Other non-current financial assets | 562 | 48 | 514 | 1,072 |
| Other current financial assets | 2,794 | 2,644 | 150 | 6 |

Increase in non-current other financial assets was primarily due to classification of ₹ 326 crore GST incentive receivable from Dolvi as non-current and advance towards equity of ₹ 100 crore.

Current other financial assets increased primarily due to non-receipt of GST incentive benefits recognised during the year.

## OTHER NON-FINANCIAL ASSETS

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Other non-current assets | 2,378 | 3,475 | (1,097) | -32 |
| Other current assets | 1,795 | 1,991 | (196) | -10 |

Other non-current assets decreased ₹ 1,097 crore primarily due to lower capital advances and reclassification of non-current advances to suppliers to current. Other current assets decreased primarily due to utilisation of input tax credits during the year under review.

## INVENTORIES

Average inventory holding as on 31 March 2020 for finished goods was at 105 days. Overall inventory holding remained stable at 67 days for FY 2019-20 compared to 66 days for FY 2018-19. Value of inventories decreased by 11% primarily due to reduction prices of raw materials like iron ore, coal and spares.

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Raw materials | 4,110 | 5,108 | (998) | -20 |
| Work-in-progress | 414 | 477 | (64) | -13 |
| Semi-finished/Finished goods | 3,344 | 3,275 | 63 | 2 |
| Production consumables and Stores & Spares | 1,734 | 1,955 | (221) | -11 |
| Others | 22 | - | 22 | N/A |
| **Total** | **9,623** | **10,815** | **(1,192)** | **-11** |

### TRADE RECEIVABLES

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Total receivables | 3,319 | 6,852 | (3,533) | -52 |
| Less: Provision for doubtful debts | (153) | (82) | (71) | 86 |
| **Trade Receivables** | **3,166** | **6,770** | **(3,604)** | **-53** |

Average collection period as on 31 March 2020 was at 19 days, down from 33 days as on 31 March 2019, primarily on account lower domestic sales and fall in steel prices by 14%.

### CASH AND BANK BALANCES

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Cash and cash equivalents | 3,438 | 5,366 | (1,928) | -36 |
| Bank balances other than cash and cash equivalents | 7,963 | 447 | 7,516 | 1,681 |

To meet short-term cash commitments, the Company parks its surplus funds in short-term and highly liquid instruments which comprise cash and cash equivalents.

Other bank balances include borrowed funds and long-term customer advances funds parked in medium- and long-term deposits to meet capital expenditure and operating cash flow requirements.

### BORROWINGS

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Long-term borrowings (including current maturity of long-term debt) | 44,356 | 38,333 | 6,023 | 16 |
| Short-term borrowings | 6,813 | 5,371 | 1,442 | 27 |

Long-term borrowings (including current maturity of long-term debt) increased by ₹ 6,023 crore owing to availing of new loans for capacity expansion projects offset by reclassification of lease liabilities during the year under review.

### TRADE PAYABLES

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Acceptances | 8,056 | 8,937 | (881) | -10 |
| Other than acceptances | 5,298 | 4,191 | 1,107 | 26 |
| **Total Trade payables** | **13,354** | **13,128** | **226** | **2** |

Trade payables increased by 2% primarily due to increase in imported raw material creditors.

## OTHER FINANCIAL LIABILITIES

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Other non-current financial liabilities | 1,308 | 1,030 | 278 | 27 |
| Lease liabilities | 3,489 | - | 3,489 | N/A |
| Other current financial liabilities (excluding current maturities of long-term debt) | 6,871 | 4,804 | 2,067 | 43 |

Increase in other non-current financial liabilities was primarily due to higher allowance for financial guarantee.

Other current financial liabilities (excluding current maturities of long-term borrowings and finance lease obligations) increased mainly due higher payables for capital projects including capital acceptances.

## DEFERRED TAX LIABILITIES

₹ (in crore)

| | FY 2019-20 | FY 2018-19 | CHANGE | CHANGE (%) |
|---|---|---|---|---|
| Deferred tax liabilities | 5,511 | 7,747 | (2,236) | -29 |
| MAT Credit | (4,196) | (4,416) | 220 | -5 |

Consequent to the changes in the corporate tax regime, the Company assessed the outstanding deferred tax liability, and wrote back ₹2,150 crores to the profit and loss account, assuming that it would migrate to the new tax regime at a future date.

## CAPITAL EMPLOYED

Total capital employed decreased by 8% from ₹ 75,025 crore as on 31 March 2019 to ₹ 68,762 crore as on 31 March 2020

Return on average capital employed was at 12.5% for FY 2019-20.

## OWN FUNDS

Net worth increased from ₹34,893 crore as on 31 March 2019 to ₹ 38,362 crore as on 31 March 2020.

The book value per share was ₹158.70 as on 31 March 2020 as against ₹144.35 as on 31 March 2019.

## OTHER KEY FINANCIAL INDICATORS

| | FY 2019-20 | FY 2018-19 | CHANGE | VARIANCES DUE TO |
|---|---|---|---|---|
| Debtors turnover (Number of days) | 21 | 33 | -43 | Decrease was primarily on account of decrease in steel prices in FY2019-20 and lower sales in March 2020 due to COVID-19 and nation-wide lockdown. |
| Inventory Turnover (Number of days) | 68 | 67 | 1 | |
| Interest coverage ratio | 3.61 | 5.26 | -31 | The decrease is primarily due to the decrease in EBIDTA during the year |
| Current ratio | 0.83 | 0.78 | 5 | |
| Debt equity ratio | 1.33 | 1.25 | 6 | |
| Operating EBITDA margin (%) | 19.48 | 23.98 | -19 | Disproportionate fall in realisations, which was not offset by lower prices of input costs, impacted margins adversely. |
| Net profit margin (%) | 8.23 | 10.52 | -22 | Lower operating margin resulting into lower net profit margin. The EBIDTA decreased by ₹ 5,995 crore (32% decrease). This was offset by deferred tax reversal ₹ 2,150 crore due to reversal of deferred tax liability |
| Return on net worth (%) | 13.79 | 23.27 | -41 | Return on net worth is lower due to decrease in profitability in FY 2019-20 by 35% |

## 6.2 Subsidiaries and JV

### 6.2.1 INDIAN SUBSIDIARIES

#### 6.2.1.1 JSW STEEL COATED PRODUCTS

During the year, JSW Steel Coated Products registered a production (Galvanising / Galvalume products / Tin Product) of 1.77 MnT, an increase by 1% y-o-y. Its sales volume increased by 4% y-o-y to 1.86 MnT during FY 2019-20. Operating EBITDA for the year stood at ₹ 550 crores as compared ₹ 393 crores in FY 2018-19. The net profit after tax stood at ₹ 296 crores compared to ₹ 80 crores in previous financial year.

#### 6.2.1.2 AMBA RIVER COKE LIMITED (ARCL)

The Company's wholly owned subsidiary Amba River Coke Limited (ARCL) produced 1.01 MnT of coke and 3.55 MnT of pellet during FY 2019-20. For the year FY 2019-20, the operating EBITDA was at ₹ 388 crores compared to ₹ 434 crores in FY 2018-19. The profit after tax increased to ₹ 194 crores in FY 2019-20 from ₹ 176 crores in the previous year.

### 6.2.2 INTERNATIONAL SUBSIDIARIES

#### 6.2.2.1 US PLATE AND PIPE MILL

The US based plate and pipe mill facility produced 0.28 million net tonnes of plates and 0.07 million net tonnes of pipes, reporting a capacity utilisation of 30% and 12%, respectively, during the year. However, the global slowdown in the steel industry impacted its performance. The facility generated a negative EBITDA of US$ 31.69 million (₹ 214 crores) as against the previous year's positive EBITDA of US$ 26.09 million (₹ 190 crores). Net loss after tax for FY 2019-20 was US$ 117.82 million (₹822 crores) compared to Net loss after tax of US$ 53.40 million (₹363 crores) in FY 2018-19.

#### 6.2.2.2 ACERO AND JSW STEEL USA OHIO INC (JSWSUO)

The US based HR coil manufacturing company reported a total HRC production of 0.31 MnT during FY 2019-20. JSW Ohio took an inventory write down in the year and generated an EBITDA loss of US$ 113.07 million (₹ 792 crores) compared to EBITDA loss of US$ 41.62 million (₹ 294 crores) last financial year*.

Loss after tax for FY 2019-20 was US$ 144 million (₹ 1,011 crores) compared to loss after tax of US$ 45.74 million (₹ 323 crores) in FY 2018-19*.

*Performance for FY 2018-19 is calculated from date of acquisition on June 15, 2018.

#### 6.2.2.3 JSW STEEL ITALY PIOMBINO S.P.A. (JSW PIOMBINO) (FORMERLY KNOWN AS AFERPI S.P.A), PIOMBINO LOGISTICS S.P.A. – A JSW ENTERPRISE (FORMERLY KNOWN AS PIOMBINO LOGISTICS S.P.A.) AND GSI LUCCHINI S.P.A)

During FY 2019-20, the Italy based long rolled products manufacturing facility, reported an EBITDA loss of 31.91 million euros (₹ 236 crores) compared to 17.37 million euros (₹ 161 crores) last year. Loss after tax for the year amounted to 49.1 million euros (₹ 364 crores) against 15.3 million euros (₹ 139 crores) in FY 2018-19*.

*Performance for FY 2018-19 is calculated from date of acquisition on July 24, 2018.

### 6.2.3 JOINT VENTURE

#### 6.2.3.1 MONNET ISPAT & ENERGY LIMITED (MIEL)

In FY 2018-19, the Company, and AION Investments Private II Limited completed the acquisition of Monnet Ispat & Energy Limited (MIEL) through a jointly controlled entity. MIEL is a primary steel producer that manufacturer and sells sponge iron, steel, ferro alloys along with billets and pellets.

During FY 2019-20, MIEL undertook a major planned shutdown to convert its steel melting shop and rolling mills to enable production of special steels. This was done by strengthening the equipment and providing higher levels of automation. This resulted in addition to product basket with a variety of cast product sizes and an upgraded bar mill that can cater to various sectors like automobile, railways and general engineering.

During the year, MIEL produced around 0.83 MnT of sponge iron and 1.66 MnT of pellets, as compared to 0.72 MnT and 0.54 MnT, respectively in FY 2018-19.

In FY 2019-20, MIEL recorded an EBITDA loss of ₹ 46 crores crores, compared to EBIDTA loss of ₹ 15 crores in the previous year. MIEL's net loss for the year FY 2019-20 was at ₹ 492 crores crores as against a net loss of ₹ 282 crores in FY 2018-19*.

* Performance for FY 2018-19 is calculated from the date of acquisition on August 31, 2018.

## 6.3 Consolidated

The Company reported consolidated revenue from operations, operating EBITDA and net profit after tax of ₹ 73,326 crore, ₹ 11,873 crore, and ₹ 3,919 crore, respectively. Consolidated financial statements include the financial performance of the following subsidiaries and joint ventures.

### 6.3.1 SUBSIDIARIES

1. JSW Steel (Netherlands) B.V.
2. JSW Steel Italy S.r.L.
3. JSW Steel Italy Piombino S.p.A. (formerly known as Aferpi S.p.A)
4. Piombino Logistics S.p.A. – A JSW Enterprise (formerly known as Piombino Logistics S.p.A.)
5. GSI Lucchini S.p.A
6. JSW Steel (UK) Limited
7. Periama Holdings, LLC
8. JSW Steel (USA), Inc.

9. Purest Energy, LLC
10. Meadow Creek Minerals, LLC
11. Hutchinson Minerals, LLC
12. RC Minerals, LLC
13. Keenan Minerals, LLC
14. Peace Leasing, LLC
15. Prime Coal, LLC
16. Planck Holdings, LLC
17. Rolling S Augering, LLC
18. Periama Handling, LLC
19. Lower Hutchinson Minerals, LLC
20. Caretta Minerals, LLC
21. JSW Panama Holdings Corporation
22. Inversiones Eroush Limitada
23. Santa Fe Mining S.A.
24. Santa Fe Puerto S.A.
25. JSW Natural Resources Limited
26. JSW Natural Resources Mozambique Limitada
27. JSW ADMS Carvão Limitada
28. Acero Junction Holdings, Inc.
29. JSW Steel USA Ohio, Inc.
30. Nippon Ispat Singapore (PTE) Limited
31. Erebus Limited
32. Arima Holdings Limited
33. Lakeland Securities Limited
34. JSW Steel Coated Products Limited
35. Amba River Coke Limited
36. JSW Bengal Steel Limited
37. JSW Natural Resources India Limited
38. JSW Energy (Bengal) Limited
39. JSW Natural Resources Bengal Limited
40. JSW Jharkhand Steel Limited
41. Peddar Realty Private Limited
42. JSW Industrial Gases Private Limited
43. JSW Utkal Steel Limited
44. Hasaud Steel Limited
45. JSW Realty & Infrastructure Private Limited
46. JSW Retail Limited
47. Piombino Steel Limited (w.e.f. 6 June 2019)
48. Makler Private Limited (w.e.f. 6 June 2019)
49. JSW Vijayanagar Metallics Limited (w.e.f. 24 December 2019)
50. Vardhman Industries Limited (w.e.f. 31 December 2019)
51. JSW Vallabh Tin Plate Private Limited (w.e.f 31 December 2019)

**6.3.2 JOINTLY CONTROLLED ENTITIES**

52. Vijayanagar Minerals Private Limited
53. Rohne Coal Company Private Limited
54. Geosteel LLC (upto 28 January 2020)
55. JSW Severfield Structures Limited
56. JSW Structural Metal Decking Limited
57. Gourangdih Coal Limited
58. JSW MI Steel Service Center Private Limited
59. JSW Vallabh Tin Plate Private Limited (upto 31 December 2019)
60. Creixent Special Steels Limited
61. Monnet Ispat & Energy Limited



# 7.0 | PROCUREMENT

Steel is a highly resource intensive sector and is predominantly dependent on two raw materials – iron ore and coal. Basis this criticality of their availability and quality, JSW Steel maintains a strategic focus on raw material security and input cost optimisation.

## Iron ore

FY 2019-20 marks a milestone year for JSW Steel with regard to raw material security of iron ore. The Company won four mines in Odisha, as part of the open auctions being conducted for C-category mines in the state. Combined with its existing mining operations in the state of Karnataka, this brings the Company closer to its vision of sourcing at least 50% of iron requirements captively.

In FY 2019-20, the Company was declared a 'Preferred Bidder' for four iron ore mines in the state of Odisha, with iron ore reserves linkage of more than 1,100 MnT. The Company has also won three more iron ore mines in the auctions held in Karnataka, with an estimated resource of ~93 MnT.

In Karnataka, the Company has started mining operations on the available six captive mines. At the current production levels, these six mines contribute ~20% to the total iron ore requirement during FY 2019-20 for the Company's largest steel plant, JSW Vijayanagar Works. The rest of the demand from the plant is serviced from private miners within the state. With the operationalisation of captive mines by various players including JSW Steel, combined with the enhancement of 3-4 other mines in the state, the demand-supply equation in Karnataka is set to change, with a skew towards the latter. This is expected to have a measurable impact on the prices, which will augur well for the Indian steel industry.

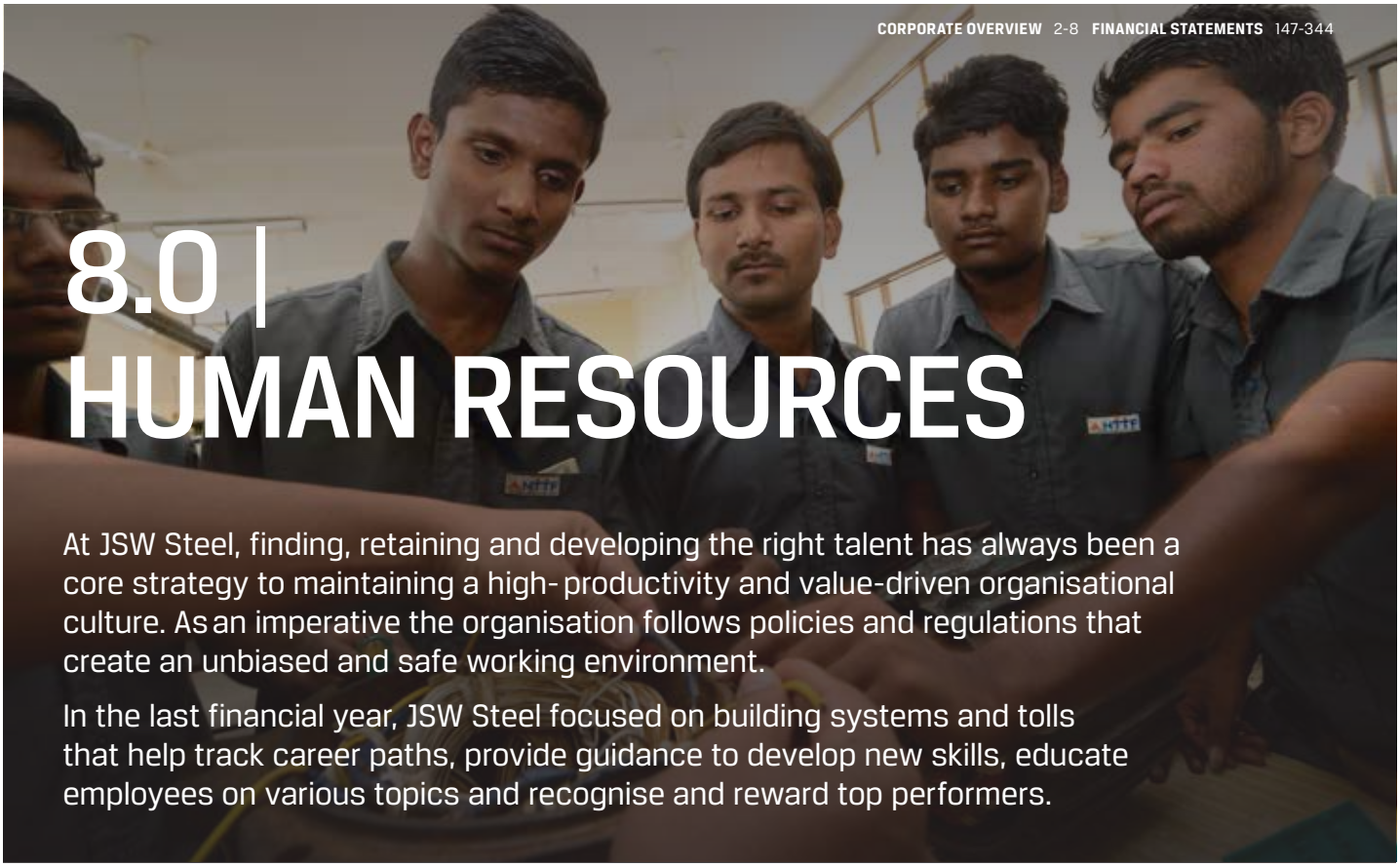
The Company's second largest unit, JSW Dolvi Works, is planning to source high-quality iron ore to the tune of 3.4 MnT from Chhattisgarh for its pellet, DRI and long steel production. The rest of the plant's requirement, is currently serviced by private miners in Odisha. However, with its acquisition of mines in Odisha, the Company is evaluating captive sourcing of iron ore for the Dolvi plant from FY 2020-21 onwards. With a focus on maintaining cost efficiency, the Company is also planning to explore setting up infrastructure facilities to structurally optimise logistics costs.

## Coal

High-quality coking coal continues to be imported by JSW Steel for the major part of its steelmaking requirements. At a broad ratio of 1:1 between coal (including different types of coals for coke making and PCI injection and Corex coal) and steel, the Company imported ~17 MnT of coal in FY 2019-20 from various sources. In recent years, the Company has been mindful of diversifying its coal sourcing mix geographically and reduce dependence on any one exporter country. As of FY 2019-20, the Company has sourced its coal requirements from Australia, Canada, USA, Russia, Mozambique, Indonesia and others.

At JSW Steel, its in-house and state-of-the-art blend management system ensures that the Company's dependence on coking coal is minimised. The process keeps the Company's operating parameters at optimum levels and blends other grade coals to be used in coke ovens in place of coking coal.

Apart from the imports, JSW Steel is also developing a coking coal mine in India. This serves the dual purpose of partial raw material security and cost efficiency.



# 8.0 | HUMAN RESOURCES

At JSW Steel, finding, retaining and developing the right talent has always been a core strategy to maintaining a high- productivity and value-driven organisational culture. As an imperative the organisation follows policies and regulations that create an unbiased and safe working environment.

In the last financial year, JSW Steel focused on building systems and tolls that help track career paths, provide guidance to develop new skills, educate employees on various topics and recognise and reward top performers.

## 8.1 Learning & Development

The Company has created a structured framework to help build skills and capabilities of employees.

### 8.1.1 FUTURE FIT LEADERS

JSW Steel launched the 'Future Fit Leaders' programme, to identify potential Future Fit Leaders or FFLs, nurture their talent and make a positive impact on their career progress. The programme involves a comprehensive leadership capability development journey that includes a structured framework to impart training and development.

### 8.1.2 IIM AHMEDABAD STRATEGIC LEADERSHIP PROGRAMME

JSW IIM Ahmedabad Executive Education programme is intended to develop analytic, strategic and leadership skills. The programme aims to help employees develop important skills that enable quick thinking, better decision-making and effective management. In FY 2019-20, 21 participants underwent training.

## 8.2 JSW Springboard

As a leading manufacturing company of India, JSW Steel has been consistently putting in efforts to create an empowering and safe working environment for women. The Diversity and Inclusion Policy for JSW Steel was unveiled in FY 2018-19 and has worked to achieve that each and every employee is treated with respect, dignity and fairness, thus creating an environment, which promotes positive working relationships.

### 8.2.1 IIM BANGALORE WOMEN LEADERSHIP JOURNEY – BATCH OF 2019

JSW Steel's IIM Bangalore Women Leadership programme saw a batch of 24 high-performing women employees being trained in self-awareness, career management, personal branding and in strategic subjects such as macroeconomics, industry analysis and design thinking.

## 8.3 JSW Campus Connect initiatives

JSW Group has been playing a key role in shaping the careers of young professionals across India. Its various internship programmes with their structured approach, strong mentorship and meticulous evaluation process act as a career launchpad for aspiring talent.

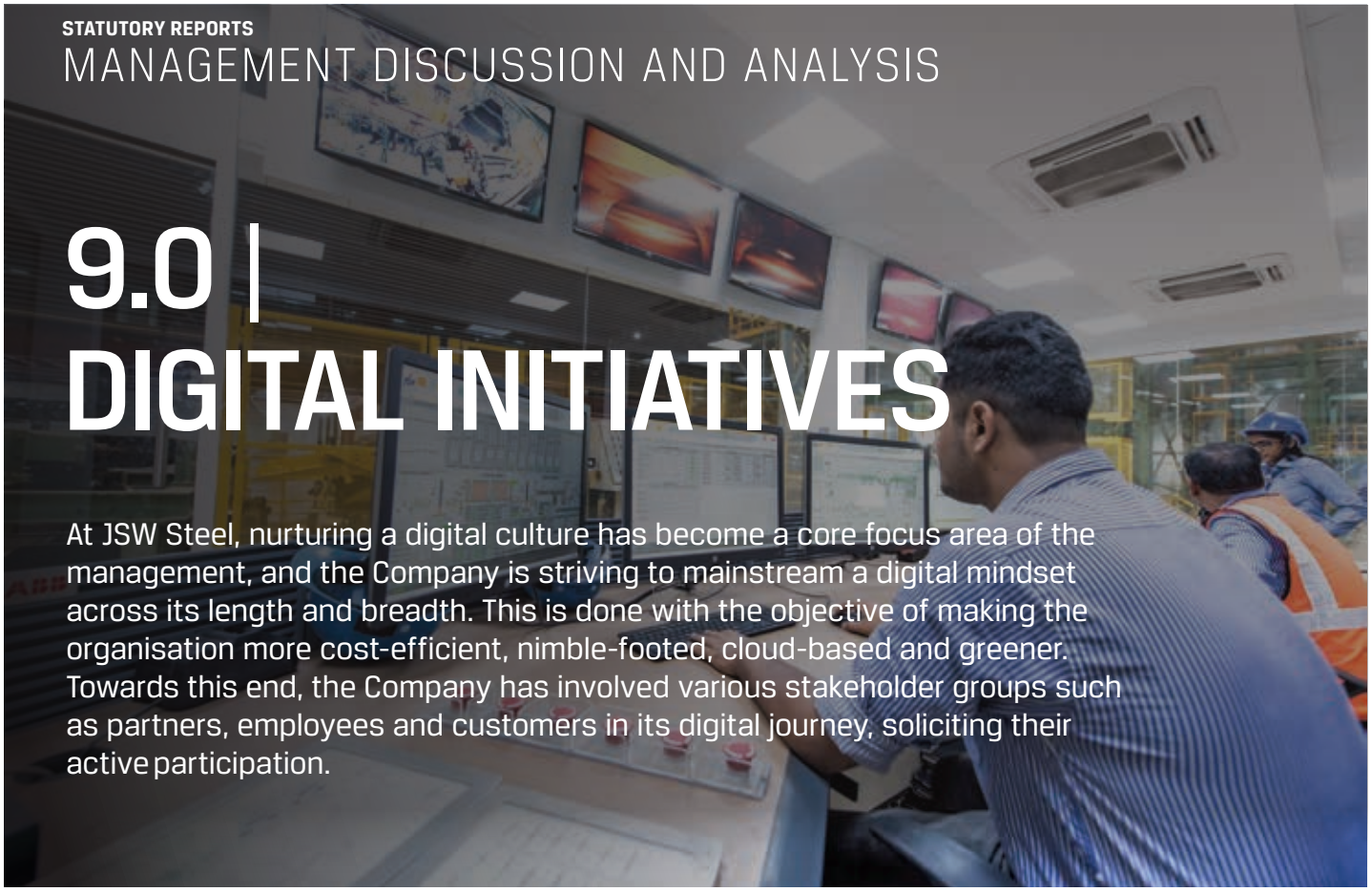
## 8.4 E-learning initiatives

To adapt to the dynamic business environment, JSW Steel has curated a wide spectrum of courses ranging from behavioural, interpersonal and functional skills. The employees have the flexibility to hone their skills and take up e-learning courses anytime and anywhere. This has been enabled by the launch of the app Percipio.

## 8.5 Way forward for FY2021

Multiple surveys and studies were conducted by internal and external bodies to ascertain from the feedback from employees to consider JSW Steel a Great Place to Work. While the feedback ranking is at par with the industrial average, the scope for being in the Top 100 in India does not elude the organisation. One of the key interventions taken to achieve this is enhanced employee recognition, where employees are rewarded and recognised for their various contributions in various ways.

As the organisation grows, it strives to ensure that it remains an attractive employment proposition for talented people. Towards this end, the organisation would strive to be more inclusive, more responsive and more engaging and ensure sustained employee delight.



# 9.0 | DIGITAL INITIATIVES

At JSW Steel, nurturing a digital culture has become a core focus area of the management, and the Company is striving to mainstream a digital mindset across its length and breadth. This is done with the objective of making the organisation more cost-efficient, nimble-footed, cloud-based and greener. Towards this end, the Company has involved various stakeholder groups such as partners, employees and customers in its digital journey, soliciting their active participation.

JSW Steel commenced its targeted digitalisation journey in 2017, with a wave-wise approach. In the first wave, the organisation created a Digital Centre of Excellence comprising 10 senior leaders who looked at the digital transformation of marketing, manufacturing and supply chain functions of the Company. This went a long way for the Company to establish the power of analytics and automation, while onboarding people to the digital bandwagon. Currently, in the third-wave of digitalisation, the Company is focused on procurement and project implementation.

## Being digital for employees

During the past three years, the organisation has rolled out an intranet service, which looks at the end-to-end management of employees, from hiring to career management to retirement. With a digital front, the HR systems have been made more efficient and smarter, with robust employee engagement levels. The intranet is also being used to disseminate any kind of information or announcements that the management would want to communicate with the employees.

## Being digital for suppliers and partners

FY 2019-20 saw JSW Steel install the Ariba platform, which is a state-of-the-art spend management and procurement assistance system. Seamlessly integrated with the organisation's SAP interface, Ariba connects the suppliers with the buyers to ensure transparent transactions with the least turnaround time.

For JSW Steel, the Ariba installation is aimed at achieving cost efficiencies, reducing redundancies and generating insights for effective negotiation and decision-making. It feeds into the Company's procurement strategy with directions on supplier ratings and past records, so that an informed call may be taken while availing various services from various vendors.

## Being digital for customers

As much as its employees and suppliers, JSW Steel has envisaged its customers are also onboard with its progress in digitalisation. Towards this end, it has established a state-of-the-art customer relationship management (CRM) system, powered by Salesforce. Through this, the Company gives a single window MIS to the customers, where they can view and manage their orders.

## Information technology and architecture

At an information technology level, the organisation has outsourced its IT infrastructure and management to multiple specialist organisations who are leaders in their respective fields. This ensures that a reliable IT system is maintained 24x7, with immediate support available to troubleshoot any issues.

## Outlook

As the Company implements its third wave of digitalisation and moves towards the next level, there is increasing evidence of benefits from its initiatives. For example, in FY 2019-20, the Company has saved ₹ 450 crore from its various digital interventions, apart from making it smarter and stronger. This gives it rationale and impetus to maximise its digital reach and involve more stakeholders into the digital journey.



# 10.0 | CSR

JSW Steel's commitment to nation-building is also reflected in its CSR policy, which is led by the Group's CSR entity: JSW Foundation.

The core philosophy of the Company's social intervention programmes is to work closely with communities living near its operations, and beyond. JSW Steel has deployed a strategic inclusive development approach that encompasses preserving and building drinking water resources, constructing better sanitation facilities, conserving environment, providing health and nutrition amenities, providing quality education, creating platforms for skill-building and livelihoods, promoting sports and art, culture and heritage.

# 11.0 | RISK MITIGATION

JSW Steel follows the globally recognised 'COSO' framework of Enterprise Risk Management. ERM brings together the understanding of the potential upside and downside of all those factors which can affect the organisation with an objective to maximise sustainable value to all the activities of the organisation and to its stakeholders.

The Company recognises that the emerging and identified risks need to be managed and mitigated to:

- protect its shareholders and other stakeholders' interests
- achieve its business objective
- enable sustainable growth

Pursuant to the requirement of Regulation 21 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 49 of the erstwhile Listing Agreement, the Company has constituted a sub-committee of Directors to oversee Enterprise Risk Management framework to ensure resilience such that:

- Intended risks, say growth, are taken prudently so as to plan for the best and be prepared for the worst
- Execution of decided strategies and plan with focus on action
- Unintended risks like performance, incident, process and transaction risks are avoided, mitigated, transferred (like in insurance) or shared (like through sub-contracting). The probability or impact thereof is reduced through tactical and executive management, policies, processes, inbuilt systems controls, MIS, internal audit reviews etc.

**To the Members of**
**JSW STEEL LIMITED,**

The Board of Directors present the Third Integrated Report on business and operations along with financial statements of the Company for the financial year ended March 31, 2020.

## 1. COMPANY PERFORMANCE

(₹ in crores)

| | | Standalone | | Consolidated | |
|---|---|---|---|---|---|
| | | **FY 2019-20** | FY 2018-19 | **FY 2019-20** | FY 2018-19 |
| **I** | **Revenue from operations** | **64,262** | **77,187** | **73,326** | **84,757** |
| **II** | **Other income** | **628** | **405** | **546** | **204** |
| **III** | **Total income (I + II)** | **64,890** | **77,592** | **73,872** | **84,961** |
| **IV** | **Expenses** | | | | |
| | Cost of materials consumed | **33,073** | 39,179 | **38,865** | 43,476 |
| | Purchases of stock-in-trade | **420** | 499 | **135** | 320 |
| | Changes in inventories of finished goods, work-in-progress and stock-in-trade | **(27)** | (180) | **(270)** | (590) |
| | Employee benefits expense | **1,496** | 1,435 | **2,839** | 2,489 |
| | Finance costs | **4,022** | 3,789 | **4,265** | 3,917 |
| | Depreciation and amortization expense | **3,522** | 3,421 | **4,246** | 4,041 |
| | Other expenses | **16,783** | 17,742 | **19,884** | 20,110 |
| | **Total expenses** | **59,289** | **65,885** | **69,964** | **73,763** |
| **V** | **Profit before share of profit / (loss) from joint ventures (net), exceptional items and tax (III-IV)** | **5,601** | **11,707** | **3,908** | **11,198** |
| **VI** | **Share of profit / (loss) from joint ventures (net)** | | | **(90)** | **(30)** |
| **VII** | **Profit before exceptional items and tax (V+VI)** | **5,601** | **11,707** | **3,818** | **11,168** |
| **VIII** | **Exceptional items** | **1,309** | **-** | **805** | **-** |
| **IX** | **Profit before tax (VII-VIII)** | **4,292** | **11,707** | **3,013** | **11,168** |
| **X** | **Tax expense/(credit)** | | | | |
| | Current tax | **789** | 2,356 | **943** | 2,473 |
| | Deferred tax | **(1,788)** | 1,230 | **(1,849)** | 1,171 |
| | **Total tax expense/(credit)** | **(999)** | **3,586** | **(906)** | **3,644** |
| **XI** | **Profit for the year (IX-X)** | **5,291** | **8,121** | **3,919** | **7,524** |
| **XII** | **Other comprehensive income / (loss)** | | | | |
| A | (i) Items that will not be reclassified to profit or loss | | | | |
| | a) Remeasurement losses of the defined benefit plans | **(19)** | (15) | **(23)** | (19) |
| | b) Equity instruments through other comprehensive income | **(255)** | 4 | **(304)** | (2) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | **6** | 5 | **7** | 7 |
| | **Total (A)** | **(268)** | **(6)** | **(320)** | **(14)** |
| B | (i) Items that will be reclassified to profit or loss | | | | |
| | a) The effective portion of gain /(loss) on hedging instruments | **(719)** | 31 | **(825)** | 85 |
| | b) Changes in Foreign currency monetary item translation difference account (FCMITDA) | **87** | (50) | **87** | (49) |
| | c) Foreign currency translation reserve (FCTR) | | | **(316)** | (60) |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | **221** | 7 | **253** | (12) |
| | **Total (B)** | **(411)** | **(12)** | **(801)** | **(36)** |
| | **Total other comprehensive income/(loss) (A+B)** | **(679)** | **(18)** | **(1,121)** | **(50)** |
| **XIII** | **Total comprehensive income/(loss) (XI+XII)** | **4,612** | **8,103** | **2,798** | **7,474** |
| | **Total Profit /(loss) for the year attributable to:** | | | | |
| | - Owners of the Company | | | **4,030** | 7,639 |
| | - Non-controlling interests | | | **(111)** | (115) |
| | | | | **3,919** | 7,524 |
| | **Other comprehensive income/(loss) for the year attributable to:** | | | | |
| | - Owners of the Company | | | **(1,076)** | (24) |
| | - Non-controlling interests | | | **(45)** | (26) |
| | | | | **(1,121)** | (50) |
| | **Total comprehensive income/(loss) for the year attributable to:** | | | | |
| | - Owners of the Company | | | **2,954** | 7,615 |
| | - Non-controlling interests | | | **(156)** | (141) |
| | | | | **2,798** | 7,474 |

## 2. RESULTS OF OPERATIONS

Global economic activity faced several challenges in CY 2019, resulting in a slowdown which was worse than the global financial crisis. The year started off on a weak note, with US-China trade tensions, Brexit-related uncertainty and other geopolitical issues continuing to be an overhang on economic growth. Overall, global trade was sluggish in the first half due to tepid investments and softening demand across advanced and emerging economies. Towards the second half, economic growth began to stabilise, as the US and China signed the 'phase one' of their trade agreement and some green shoots of recovery became visible.

Global crude steel production grew to 1,869.9 MnT in CY 2019 from 1,808.4 MnT in CY 2018, largely driven by growth in Asia and the Middle East. However, steel prices remained under pressure due to continued and extensive destocking across global steel markets, coupled with a slowdown in overall consumption. With raw material prices maintaining the uptrend, steel companies experienced significant margin pressure and thus lower profitability of steel companies.

Despite these headwinds, crude steel production in Asia grew 5.7% y-o-y to 1,341.6 MnT. China recorded the highest growth at 8.3% y-o-y to produce 996.3 MnT, in contrast developed markets of EU and North America reported a decline of 4.9% and 0.8% on y-o-y basis, respectively.

Even as the year began with dampened market conditions, growth seemed to have gradually stabilised at the close of CY 2019. However, CY 2020 began with the COVID-19 pandemic affecting the Chinese market in the month of February 2020 and then gradually spreading across most parts of the world. The nationwide lockdowns to break the chain of transmission brought economic activities to a near halt, affecting the steel demand in the month of March 2020.

In India, the steel industry experienced weakness in the first half of FY 2019-20 due to the slowing auto sector, dampened government spending on infrastructure, stress in the financial sector and tightening credit in light of the NBFC crisis. The government implemented a series of measures to revive the economy, with the Reserve Bank of India (RBI) complementing with policies to keep interest rates lower for longer. The government's planned outlay under the National Infrastructure Pipeline (NIP) provided a boost to steel industry demand. However, the Coronavirus-induced closure of economic activities in the month of March 2020 impacted the economy and the steel industry. In FY 2019-20, the crude steel production fell 1.5%, y-o-y to 109.22 MnT.

Finished steel consumption rose 1.4% y-o-y to 100.07 MnT. Steel imports decreased by 18.5%. And, steel exports from India increased by 30.9%, making India a net exporter of finished steel in FY 2019-20.

Given the volatile and competitive market environment, the Company continued to focus on improving exports in the first half of FY 2019-20. A gradual revival in domestic demand was visible from the third quarter following measures to step up government expenditure. The Company worked towards improving its share in the market by strategically focusing on increasing domestic sales volume. The global slowdown due to COVID-19 induced lockdown in China and across the world from the month of February 2020 and in India in the month of March 2020 impacted the Company's performance in the fourth quarter of FY 2019-20.

Despite the headwinds, the Company delivered steady operational performance, backed by a strong focus on cost reduction, backward integration and a healthy mix of value-added products.

### (A) STANDALONE RESULTS

FY 2019-20 was a year of two halves for the steel industry. The first half witnessed a weakened demand and subdued pricing environment. The second half saw improving business and consumer sentiment with higher demand and pricing, which was deflated by the Coronavirus impact towards the end of March 2020.

Amidst the macroeconomic headwinds and operational challenges, the Company reported crude steel production of 16.06 MnT, down 4% y-o-y but achieved 97.3% of its revised production guidance of 16.50 MnT, as average capacity utilisation levels reached 89%.

The Company also achieved 97.3% of its sales volume guidance of 15.5 MnT for FY 2019-20. Saleable steel sales volume stood at 15.08 MnT, down 4% y-o-y. The Company exported 2.64 MnT of steel, up 43% y-o-y and accounted for 18% of total sales, as against 12% in FY 2018-19.

Revenue from operations fell 17% y-o-y at ₹64,262 crores due to lower sales volumes as well as a 14% decline in realisations. The impact on margins was partially offset by the lower cost of raw materials, lower fuel costs and source mix efficiencies. Cost reduction strategies like optimising fuel consumption at blast furnaces, reducing coke moisture, utilisation of pipe conveyor system for the transport of iron ore from mines to reduce supply chain costs also helped the Company bring down costs.

Owing to the disproportionate fall in realisations, which was not offset by lower prices of input costs, the Company reported a 32% y-o-y decline in operating EBITDA to ₹12,517 crores.

The depreciation charge for the year was ₹3,522 crores a marginal increase of 3% over the previous year. The finance costs for the year was ₹4,022 crores an increase of 6% over the previous year.

Consequently, the profit before tax before exceptional items declined by 52% to ₹5,601 crores as compared to the previous year.

The Company made an impairment provision of ₹1,309 crores for the following:

1. ₹852 crores towards diminution in value of investments, loans and interest thereon relating to certain overseas subsidiaries. The provisions were recognised based on increased uncertainty over restarting iron ore mining operations at Chile on account of the coronavirus outbreak.
2. ₹377 crores on interest receivables from an overseas subsidiary in USA based on the assessment of recoverable value of the US operations.
3. ₹80 crores towards retirement of certain fixed assets in India.

The Government of India in order to promote growth and investment and attract fresh investments in manufacturing announced reduction in corporate tax rate for domestic companies. Consequent to the changes, the Company assessed the impact of the Taxation Law (Amendment) Ordinance 2019 and decided to continue with the existing tax structure until the utilisation of accumulated minimum alternative tax (MAT) credit. However, in accordance with the accounting standards, the Company also assessed the outstanding deferred tax liability, and wrote back ₹2,150 crores to the profit and loss account, assuming that it would migrate to the new tax regime at a future date.

Consequently, net profit was down to ₹5,291 crores from ₹8,121 crores a year earlier.

The Company's net worth stood at ₹38,363 crores as on March, 31 2020 vis-à-vis ₹34,893 crores as on March, 31 2019. Gearing (net debt-to-equity) was at 1.23x (as against 1.03x) and net debt to EBITDA stood at 3.78x (as against 1.97x).

## (B) CONSOLIDATED RESULTS

The Company's revenue from operations on a consolidated basis for FY 2019-20 was ₹73,326 crores. Operating EBITDA at ₹11,873 crores registered a decline of 37% y-o-y, in line with the reduction in EBITDA at the standalone entity and increase in losses at the overseas entities.

The Company made an impairment provision of ₹725 crores for iron ore mining operations at Chile and ₹80 crores for retirement of certain fixed assets in India.

On a consolidated basis, the Group has written back ₹2,225 crores on account of reversal of deferred tax liability following the changes in the corporate tax regime, assuming that the Company and one of its subsidiaries would later migrate to the new tax regime. Certain companies of the Group opted for the new tax rate from FY 2019-20, resulting in a reversal of deferred tax liabilities up to March 31, 2019 amounting to ₹98 crores for the year ended March 31, 2020.

The Company's net profit reduced 48% y-o-y at ₹3,919 crores for FY 2019-20 vis-à-vis a net profit of ₹7,524 crores in the last financial year.

The performance and financial position of the subsidiary companies and joint arrangements are included in the consolidated financial statement of the Company.

The Company's net worth on March 31, 2020 was ₹36,024 crores compared to ₹34,345 crores on March 31, 2019. Its gearing (net debt to equity) at the end of the year stood at 1.48x (as against 1.34x as on March 31, 2019) and net debt to EBITDA stood at 4.50x (as against 2.43x as on March 31, 2019).

In terms of Section 134(3) (l) of the Companies Act, 2013, except as disclosed elsewhere in this Report, no material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this Report.

## (C) OUTLOOK

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing a significant disruption and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services and the uncertainty associated with the lifting or reimposition of these restrictions, have further aggravated the business environment.

As a result, the IMF expects the global economy to contract sharply by 3% in CY 2020, in a baseline scenario, which assumes that the pandemic fades in the second half of CY 2020 and containment efforts can be gradually unwound. The IMF expects the global economy to grow by 5.8 percent in CY 2021 as economic activity normalises, helped by policy support by way of fiscal and monetary stimulus.

The recent PMI and IP prints unsurprisingly reflect plummeting economic activity across the US, EU and Japan. In China, economic activities are picking up from April 2020 onwards due to timely (and expected) fiscal and monetary measures which bodes well for the outlook for remainder of CY 2020. The synchronised policy measures across the globe, with about US$ 19 trillion (G-20 countries) of announcements (both monetary and fiscal), is expected to aid economic recovery. The partial lifting of lockdown restrictions is underway, and a possible re-emergence of contagion in such areas pose risks to the outlook.

The phased easing of restrictions in India also augurs well for the economic revival. Further, India unleashed policy stimulus equivalent to 10% of GDP or ₹20 trillion to revive the economy.

Workforce remobilisation will be a key challenge for the core sectors of the economy. However, lower energy

prices and expectations of a normal monsoon are positive for consumption outlook. With this a gradual recovery in economic activities is expected in the second half of FY 2020-21.

India's crude steel production declined 1.5% during the year and finished steel consumption grew by 1.4% in FY 2019-20. While there are headwinds in the domestic markets, but the likely supply side adjustments and elevated levels of exports should partially mitigate the weaker domestic demand. A gradual recovery in domestic demand is expected in the second half of FY 2020-21.

India's annual consumption of steel is now 100 MnT. Given the large market size it attracts imports of steel from various countries notably FTA nations (South Korea, Japan, ASEAN). As on March 2020, about 64% of steel imports originates from the FTA countries where the import duty is nil. This poses a threat to the health of domestic steel industry necessitating close monitoring and effective remedial measures.

India's growing urban infrastructure and manufacturing sectors indicate that demand for steel is likely to remain robust in the coming years. Several government initiatives, such as providing affordable housing, expanding road and railway networks, developing the domestic shipbuilding industry, opening up the defence sector to private participation, and growth in the automobile sector are expected to create significant demand for steel in the country. The National Steel Policy 2017 envisages construction & infrastructure to grow at a CAGR of 7%. from FY 2015-16 to FY 2030-31.

In the Union Budget 2020-21, the government announced its plan to invest ₹100 trillion in infrastructure over the next five years. The government is also targeting to attract ₹50 trillion investments in the railways sector via public-private partnerships by FY 2029-30. Blueprints are also being prepared for the development of gas-grids, water-grids, i-ways (communication networks) and regional airports, on the lines of 'One Nation-One Grid' for power.

For India to become a U.S.$5 trillion economy, the infrastructure sector will serve as a critical pillar of economic growth. Accordingly, demand for steel is projected to remain robust in the coming years. Under the New Steel Policy, the government targets to increase steel production capacity to about 300 MTPA by 2030.

To participate in the strong India growth story, the Company laid out an expansion plan.

## 3. BUSINESS IMPACT OF COVID-19

Coronavirus 2019 (COVID-19), an infectious disease with leads to acute respiratory symptoms and can also lead to loss of life, was first identified in December 2019. Since then the health hazard spread to most parts of the world, with the World Health Organisation terming it as an ongoing pandemic.

The growing influence of the disease led to nationwide lockdowns across the globe, which in turn severely impacted economic activity. The International Monetary Fund has drastically slashed the global economic growth forecast for 2020 and even alluded that the economic downturn induced by the pandemic could be worse than the 2008–09 financial crisis. It has particularly drawn attention to the fallout in emerging and developing countries, which are expected to be the hardest hit.

Following the COVID-19 outbreak in India, the government announced the first phase of the nationwide lockdown for 21 days from March 25, 2020 to contain the spread of the infection.

Under the circumstances, the Company forthwith decided to temporarily scale down or suspend operations at various locations to support government efforts. Since steel is a continuous flow process industry and steel is classified as an essential service under the Essential Services and Management Act (ESMA), the guidelines issued by Ministry of Home Affairs (MHA) permitted steel plants to continue their operation during lockdown. However, the constrained movement of people and materials, the shutting down of operations in supplier plants and customer business, affected the Company's plant operations.

During the second phase of the nationwide lockdown that lasted till May 3, certain additional activities in non-containment zones were permitted. The Company resumed operations at all locations with permission from the local administration to begin work. It put in place comprehensive protocols on social distancing in all its plants and offices in compliance with MHA guidelines.

While extending the lockdown on May 4, MHA issued revised guidelines under which industries/industrial establishments, including continuous process ones and their supply chain components, could operate in urban and rural areas. Inter-state transport of goods and materials were also permitted without any interruption. In keeping with these guidelines, the Company has been continuing its operations and gradually ramping up the capacity.

The Company is making all efforts to expand capacity utilisation. The domestic demand is expected to remain subdued in the near term with a vast majority of its customers across the automotive, construction, engineering and capital goods sector still unable to resume full operation. The Company intends to focus more on the export markets to improve capacity utilisation, defray fixed costs over a higher base, generate cash flows and liquidate stocks. It is also working on multiple initiatives to boost liquidity through tie-up of additional term debt and short-term loans to strengthen working capital.

As a responsible corporate citizen, JSW Steel has also acted with alacrity in the emergency situation. JSW Group has committed ₹100 crores to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM-CARES Fund) to support its relief efforts.

The Group has also pledged assistance to following initiatives in addition to the above contribution:

- Earmarked funds to source and import ventilators for immediate use and enable funding of testing Kits as well as Personal Protective Equipment (masks, gloves etc.) for healthcare workers.
- Provided communities around the JSW Group facilities with food and staples.
- Converted a number of facilities across JSW Group locations to isolation wards, thereby reducing the stress on community hospitals in the areas.

## 4. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profit in the profit and loss account. Accordingly, the Company has not transferred any amount to the 'Reserves' for the year ended March 31, 2020.

## 5. DIVIDEND

The Board of Directors of the Company has approved a Dividend Distribution Policy on January 31, 2017, in accordance with the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is available on the Company's website: www.jsw.in/investors/investor-relations-steel.

In terms of the Policy, Equity Shareholders of the Company may expect Dividend if the Company has surplus funds and after taking into consideration relevant internal and external factors enumerated in the policy for declaration of dividend. The policy also enumerates that efforts will be made to maintain a dividend payout (including dividend distribution tax and dividend on preference shares, if any) in the range of 15% to 20% of the consolidated net profits of the Company after tax, in any financial year, subject to compliance of covenants with Lenders / Bond holders.

In line with the said policy, the Board has, subject to the confirmation of the Members at the ensuing Annual General Meeting, paid dividend at the stipulated rate of 0.01% per share on the 48,54,14,604 0.01% Cumulative Redeemable Preference Shares (proportionately considering seven instalments of redemption (₹0.00028861 per share) for the period April 1, 2019 up to the date of its redemption, that is March 13, 2020.

The Board considering the Company's performance and the financial position for the year under review, has also recommended payment of dividend at ₹2 per equity share on the 241,72,20,440 equity shares of ₹1 each for the year ended March 31, 2020, subject to the approval of the Members at the ensuing Annual General Meeting. The total outflow, on account of equity dividend, will be ₹483 crores, vis-à-vis ₹1195 crores (including Dividend Distribution Tax) paid for FY 2018–19.

## 6. PROSPECTS

A report on the Management Discussion and Analysis covering prospects is provided as a separate section in the Annual Report.

## 7. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion & Analysis is provided as a separate section in the Annual Report.

## 8. PROJECTS & EXPANSION PLANS

With a strategic objective of incremental capacity creation at a low specific investment cost so that it remains return-accretive, the Board of Directors had approved key projects to:

- Expand overall steelmaking capacity from 18 MTPA to 24 MTPA
- Enrich the product mix with additional downstream capacity
- Acquire and develop iron ore mines to achieve raw material security
- Achieve cost reduction through backward integration

The Company is currently implementing a capex plan of ₹48,715 crores over a five-year period from FY 2017-18 to FY 2021-22.

In October 2019, the Company revised down the planned capex for FY 2019-20 to ₹11,000 crore (from ₹15,700 crore as announced in May 2019). The actual cash spend for the year stood at around ₹10,200 crore.

The lockdown announced by the government in March 2020 brought its own challenges. Its subsequent extensions to contain the spread of COVID-19, constrained project activity at various sites owing to the non-availability of requisite labour, material and restrictions on movement.

Work at Dolvi resumed soon after permission to restart the project activities was received towards the end of April 2020, but with the steady outflux of contractual labour back to their homes and the uncertainty about their return, operations remain challenging. Foreign experts from the Company's technology and equipment suppliers have been unable to visit the site owing to international travel restrictions, thus impacting the commissioning schedule. The Company is working on mitigation plans to overcome these challenges.

The Company has undertaken a detailed exercise to prioritise all planned and discretionary spends with the twin objective of conserving liquidity while ensuring that key ongoing strategic projects that are in advanced stages are completed and commissioned on priority.

Update on all key projects are as below:

**(A) Upstream Projects – Augmenting crude steel capacity at Vijayanagar and Dolvi**

1) In Vijayanagar, the Company is installing a new 160T Zero Power Furnace and 1 x 1.4 MTPA Billet Caster along with associated facilities at SMS-3 to enhance steelmaking capacity. Installation of a new Wire Rod Mill No.2 of 1.2 MTPA capacity to enhance plant capacity is also on track. Capacity upgradation of BF-3 from 3.0 MTPA to 4.5 MTPA, along with the associated auxiliary units, is also under implementation.

2) Owing to limited availability of manpower and non-availability of foreign experts due to travel bans across the globe, the expansion project at Dolvi from 5 MTPA to 10 MTPA is likely to get delayed into the second half of FY 2020-21. The major facilities included in the project are 4.5 MTPA Blast furnace with a 5 MTPA Steel Melt Shop, a 5 MTPA Hot Strip Mill, 8 MTPA pellet plant and 4 kilns of 600 TPD LCPs.

**(B) Enriching product mix**

1) A new 1.2 MTPA continuous pickling line, as a part of the capacity expansion of CRM-1 complex from 0.85 MTPA to 1.80 MTPA, was commissioned at Vijayanagar in the first quarter of FY 2019-20 to improve the quality of HRPO products for automotive sector. Two new lines of 0.45 MTPA each for construction grade galvanised products are also under implementation. The entire CRM-1 complex capacity expansion at Vijayanagar from 0.85 MTPA to 1.80 MTPA is expected to be commissioned progressively in Q2 and Q3 of FY 2020-21.

2) A new 0.3 MTPA line for colour coated products is also underway in Vijayanagar and is expected to be commissioned during second half of FY 2020-21.

3) Modernisation and capacity enhancement at Vasind and Tarapur by increase in GI/GL capacity by 0.9 MTPA and increase in colour coating capacity by 0.3 MTPA. The projects are expected to be commissioned in phases during second half of FY 2020-21.

4) Capacity enhancement of Pre-Painted Galvalume line (PPGL) at Kalmeshwar by 0.22 MTPA. The project is expected to be commissioned during second half of FY 2020-21.

Certain projects comprising the continuous annealing line at Vasind, additional tin plate line of 0.25 MTPA at Tarapur and colour coated line at Rajpura, which are part of the Company's plan to enhance its product-mix, have been put on hold for recalibration of the total capital outlay.

**(C) Cost reduction projects and manufacturing integration**

1) Setting up of 8 MTPA pellet plant and 1.5 MTPA coke oven plant at Vijayanagar:

With a view to reduce its dependence on expensive lump iron ore, the Company has decided to set up an 8 MTPA pellet plant at Vijayanagar. The Company has also decided to set up a 1.5 MTPA coke oven plant at Vijayanagar to bridge the current and expected gaps in the coke availability. Both these projects are expected to provide significant cost savings. Pellet plant is likely to be commissioned by the second half of FY 2020-21.

2) Phase-2 coke oven plant of 1.5 MTPA at Dolvi:

The Company is setting up a second line of 1.5 MTPA coke oven plant along with Coke Dry Quencher (CDQ) facilities to cater to the additional coke requirement for the crude steel capacity expansion to 10 MTPA at Dolvi. This project is expected to be commissioned by the second half FY 2020-21.

3) Setting up 175 MW and 60 MW power plants at Dolvi:

The Company is setting up 175 MW Waste Heat Recovery Boilers (WHRB) and a 60 MW captive power plant to harness flue gases and steam from CDQ. These power plants are expected to be commissioned in the second half of FY 2020-21.

All the projects stated above are part of the Company's cumulative capex spend of ₹48,715 crores over FY 2018-2022. The cumulative cash outflow in the last three years has been ₹23,928 crores. The strategic plan is to spend about ₹8,200 crores in FY 2020-21 on project capex, while spending a dedicated ₹800 crores towards operationalising the seven mines acquired through auctions in Karnataka and Odisha. Thus, the total planned capex for FY 2020-21 is being revised to about ₹9000 crores.

## 9. ACQUISITION OF MINES

Backward integration and raw material security are key components of the Company's future strategy. This backward integration would secure critical raw materials for direct use at its facilities, that would help protect the Company from variations in raw material prices.

The Company successfully bid for six iron ore mines in Karnataka at auctions conducted in October 2016 and October 2018. All these mines were made operational during the fiscal year 2019-20. The aggregate iron ore from the six iron ore mines was 4.1 MTPA. The Company has also been declared as a "preferred bidder" for three additional mines in the auction held by the Government of Karnataka in July 2019. These mines have estimated iron resources of 93 MnT. These nine mines are expected to contribute approximately 30% to the ~22 MnT annual iron ore requirement for the Company's largest steel plant, Vijayanagar Works.

The Odisha Government successfully completed auction of 22 (from about 25) iron ore mines which were due to expire on March 31, 2020. In FY 2019-20, the Company was declared a "Preferred Bidder" for four iron ore mines in the state of Odisha, with Iron ore reserves linkage of more than 1,100 MnT. These four mines in Odisha are expected to contribute the entire iron ore requirements of Dolvi and Salem.

## 10. TECHNICAL COLLABORATION WITH JFE STEEL CORPORATION, JAPAN (JFE)

JSW's technical collaboration with JFE Steel Corporation, Japan (JFE) which started in 2010 enters its 10th successful year in FY 2019-20. This year witnessed strong working ties between the technical members of both the companies to drive improvements not just in product quality and operational efficiency but also in establishing new products and enhancing customer value.

The strategic technical collaboration with JFE Steel has added significant value to the Company, both in terms of products and services, thereby enriching the product mix of the Company. The Company has developed a wide range of steel for critical auto end use applications such as outer body panels, bumper beams and other crash resistant components with strength levels up to 980 MPA. The continuous support received from JFE in the form of technical assistance has resulted in expeditious resolution of issues observed during commercial production/approval of stipulated licensed grades.

The collaboration with JFE has immensely helped the Company in imbibing the technological best practices. It has further created a culture of continuous learning and process improvements, which ensure medium to long-term value creation.

During this year, there has been several visits of JFE Steel's problem solving experts to different plant locations of the Company that has helped quick resolution of many important operational problems. At market front, JFE Steel's experience and understanding about automotive and electrical segments have also been successfully leveraged to gain customer satisfaction. This has helped the Company to consolidate its leadership position in value added user industries in India like Automotive Steel and Electrical Steel with wide mix of product offerings, best-in-class product quality, shorter lead time and expert application support.

## 11. SUBSIDIARY and JOINT VENTURE (JV) COMPANIES

The Company has 51 direct and indirect subsidiaries and eight JVs as on March 31, 2020 and acquired or incorporated certain domestic subsidiaries during the year. On December 27 ,2019, the Group also entered into an agreement for the sale of 39% stake in Geo Steel LLC to Georgian Steel for US$ 23.08 million. The transaction was completed during FY 2019-20 and following the sale, Geo Steel ceased to be a JV of the Company. There has been no other material change in the nature of the business of the subsidiaries.

As per the provisions of Section 129(3) of the Act, a statement containing the salient features of the financial statements of the Company's subsidiaries and JVs in Form AOC-1 is attached to the financial statements of the Company.

In accordance with provisions of Section 136 of the Act, the standalone financial statements and consolidated financial statements of the Company, along with relevant documents and separate audited accounts in respect of the subsidiaries, are available on the website of the Company. The Company will provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company on specific request made to it in this regard by the shareholders.

The details of the major subsidiaries and JVs are given below:

### (A) INDIAN SUBSIDIARIES

#### 1) JSW STEEL COATED PRODUCTS LIMITED (JSW STEEL COATED)

JSW Steel Coated Products Limited is the Company's wholly-owned subsidiary and caters to both domestic and international markets. With three manufacturing facilities at Vasind, Tarapur and Kalmeshwar in the state of Maharashtra, this Company is engaged in the manufacture of value-added flat steel products comprising tin plates, galvanised and Galvalume coils/sheets and colour-coated coils/sheets.

JSW Steel Coated reported a production (Galvanising / Galvalume products / Tin Product) of 1.77 MnT, an increase by 1% y-o-y this year. Its sales volume increased by 4% y-o-y to 1.86 MnT during FY 2019-20.

The revenue from operations for the year under review was ₹11,675 crores. The operating EBITDA during FY 2019-20 was ₹550 crores as compared to ₹393 crores in FY 2018-19. The operating EBITDA margin during FY 2019-20 was

higher as the fall in realisations was more than compensated by the fall in the input prices of Hot Rolled Coils, Zinc and paints. The operating EBITDA margin was 5% as compared to 3% in FY 2018-19. The net profit after tax stood at ₹296 crores compared to ₹80 crores in last financial year.

**2) AMBA RIVER COKE LIMITED (ARCL)**

Amba River Coke Limited (ARCL) is a wholly-owned subsidiary of the Company and has set up a 1 MTPA coke oven plant and a 4 MTPA pellet plant. ARCL produced 1.01 MnT of coke and 3.55 MnT of pellet during FY 2019-20. The coke and pellets produced are primarily supplied to the Dolvi unit of the Company. The operating EBITDA for the year under review was ₹388 crores compared to ₹434 crores in FY 2018-19. Its profit after tax increased to ₹194 crores in FY 2019-20 from ₹176 crores in the previous year.

**3) JSW INDUSTRIAL GASES PRIVATE LIMITED (JIGPL)**

JSW Industrial Gases Private Limited (JIGPL) is a wholly owned subsidiary of the Company. JSW Steel sources oxygen, nitrogen and argon from JIGPL for its Vijayanagar plant. The profit after tax was ₹44 crores in FY 2019-20 vis-a-vis ₹28 crores in FY 2018-19.

**4) JSW VALLABH TINPLATE PRIVATE LIMITED (JSWVTPL)**

The Company's stake in JSWVTPL increased to 73.55% in FY 2019-20 due to acquisition of Vardhman Industries Limited. The Company produces tin plates and has a capacity of 1.0 lakh tonnes. With a production of 0.84 lakh tonnes during FY 2019-20, its EBITDA for the year was ₹47 crores compared to ₹23 crores the previous year. Its net profit after tax for FY 2019-20 was ₹12 crores against a net loss of ₹4 crores in FY 2018-19.

**5) OTHER PROJECTS TO BE UNDERTAKEN BY DOMESTIC SUBSIDIARIES**

The Company had announced a few greenfield projects in the states of West Bengal, Jharkhand and Odisha but is not certain when they will be fully operational:

- JSW Bengal Steel Limited (JSW Bengal Steel)- As a part of its overall growth strategy, the Company had planned to set up a 10 MTPA capacity steel plant in phases through its subsidiary, JSW Bengal Steel. However, due to uncertainties in the availability of key raw materials such as iron ore and coal after the cancellation of the allotted coal blocks, the JSW Bengal Steel Salboni project has been put on hold.
- JSW Jharkhand Steel Limited (JJSL)- was incorporated in relation to the setting up of a 10 million tonne steel plant in Jharkhand. The Company is currently in the process of obtaining approvals and clearances necessary for the project.
- JSW Utkal Steel Limited (JUSL) was formed for setting up an integrated steel plant of 12 MTPA steel capacity and a 900 mw captive power plant in Odisha. The Group is in the process of obtaining the necessary approvals and licenses for the project.

**(B) OVERSEAS SUBSIDIARIES**

**1) PERIAMA HOLDINGS LLC AND ITS SUBSIDIARIES VIZ. JSW STEEL (USA) INC – PLATE AND PIPE MILL OPERATION AND ITS SUBSIDIARIES – WEST VIRGINIA, USA-BASED COAL MINING OPERATION**

**a) Plate and pipe mill operation**

JSW Steel (USA) is in the process of modernising the existing facilities at Baytown, Texas. Phase 1 of the project is expected to be operational by the first half of FY 2020-21.

The unit produced 0.28 million net tonnes of plates and 0.07 million net tonnes of pipes during the year with capacity utilisation of 30% and 12%, respectively. However, the global trade war and slowdown in the US market impacted its performance. During FY 2019-20, JSW Steel (USA) generated negative EBITDA of US$ 31.69 million (₹214 crores) compared to the previous year's positive EBITDA of US$ 26.09 million (₹190 crores). Net loss after tax for FY 2019-20 was US$ 117.82 million (₹822 crores) compared to Net loss after tax of US$ 53.40 million (₹363 crores) in FY 2018-19.

**b) Coal mining operation**

Periama Holdings LLC has 100% equity interest in coal mining concessions in West Virginia, US along with permits for coal mining and owns a 500 TPH coal-handling and preparation plant.

During the year the total production stood at 123,458 NT as against 84,743 NT during FY 2018-19. Its coal mining operations generated EBITDA of US$ 4.23 million (₹30 crores) for the year compared to EBITDA of US$ 5.44 million (₹35 crores) the previous year. Loss after tax stood at US$ 11.31 million (₹80 crores) vis-a vis Loss after tax of US$ 16.65 million (₹116 crores) in FY 2018-19.

**2) ACERO JUNCTION HOLDINGS, INC (ACERO) AND ITS WHOLLY OWNED SUBSIDIARY JSW STEEL USA OHIO INC (JSWSUO)**

JSWSUO has steelmaking assets consisting of 1.5 million net tonnes per annum (MNTPA) electric arc furnace (EAF), 2.8 (MNTPA) continuous slab caster and a 3.0 (MNTPA) hot strip mill at Mingo Junction, Ohio in USA.

It reported a total HRC production of 0.31 MnT during FY 2019-20. Due to global trade war and a slowdown in the metal sector that led to declining steel prices, JSW Ohio took an inventory write down in the year and generated an EBITDA loss of US$ 113.07 million (₹792 crores) compared to EBITDA loss of US$ 41.62 million (₹294 crores) last financial year*. Loss after tax for FY 2019-20 was US$ 144 million (₹1,011 crores) compared to Loss after tax of US$ 45.74 million (₹323 crores) in FY 2018-19*.

*Performance for FY 2018-19 is calculated from date of acquisition on June 15, 2018.

**3) JJSW STEEL ITALY PIOMBINO S.P.A. (JSW PIOMBINO) (FORMERLY KNOWN AS AFERPI S.P.A), PIOMBINO LOGISTICS S.P.A. – A JSW ENTERPRISE (FORMERLY KNOWN AS PIOMBINO LOGISTICS S.P.A.) AND GSI LUCCHINI S.P.A**

JSW Piombino produces and distributes special long steel products, viz. rails, wire rods and bars. It has a plant at Piombino in Italy, comprising a Rail Mill (0.32 MTPA), Bar Mill (0.4 MTPA), Wire Rod Mill (0.6 MTPA) and a captive industrial port concession.

PL manages the logistics infrastructure of Piombino's port area. The Port managed by PL has the capacity to handle ships up to 60,000 tonnes.

During FY 2019-20, operations generated an EBITDA loss of Euro 31.91 million (₹236 crores) compared to EBITDA loss of Euro 17.37 million (₹161 crores) last year. Loss after tax for the year amounted to Euro 49.1 million (₹364 crores) against loss after tax of Euro 15.3 million (₹139 crores) in FY 2018-19*.

*Performance for FY 2018-19 is calculated from date of acquisition on July 24, 2018.

**(C) JOINT VENTURE COMPANIES**

**1) MONNET ISPAT & ENERGY LIMITED (MIEL)**

Pursuant to the Corporate Insolvency Resolution process under the Insolvency Bankruptcy Code, 2016, initiated on July 18 2017, the National Company Law Tribunal (NCLT) on 24 July 2018 (order date) approved (with modifications) the resolution plan submitted by the consortium of JSW Steel Ltd. and AION Investments Private II Limited. The consortium completed the acquisition of Monnet Ispat & Energy Limited (MIEL) through their jointly controlled entity, Creixent Special Steels Limited (CSSL) on August 31, 2018. The Company has made an investment of ₹375 crores through equity and redeemable preference shares in CSSL to acquire joint control in MIEL and has an effective shareholding of 23.1% in MIEL.

MIEL has steel plants in the state of Chhattisgarh with blast furnace and DRI facility of 1.5 MTPA.

The operating EBITDA loss was ₹46 crores whereas the net loss after tax was ₹492 crores in FY 2019-20.

**2) JSW SEVERFIELD STRUCTURES LIMITED AND ITS SUBSIDIARY JSW STRUCTURAL METAL DECKING LIMITED (JSSL)**

JSW Severfield Structures Limited (JSSL) is operating a facility to design, fabricate and erect structural steel work and ancillaries for construction projects. These projects have a total capacity of 55,000 TPA at Bellary, Karnataka. JSSL produced 95,738 tonnes (including job work) during FY 2019-20. Its order book stood at ₹1,012 crores (76,311 tonnes), as on March 31, 2020 and EBITDA in FY 2019-20 increased to ₹102 crores from ₹63 crores in FY 2018-19. The profit after tax for FY 2019-20 was ₹50 crores, as compared to ₹28 crores in FY 2018-19.

JSW Structural Metal Decking Limited (JSWSMD), a subsidiary company of JSSL, is engaged in the business of designing and roll forming of structural metal decking and accessories such as edge trims and shear studs. The plant's total capacity is 10,000 TPA. EBITDA in FY 2019-20 increased to ₹12 crores from ₹5 crores in FY 2018-19. The profit after tax for FY 2019-20 was ₹9 crores from ₹2 crore in FY 2018-19.

**3) JSW MI STEEL SERVICE CENTRE PRIVATE LIMITED (MISI JV)**

JSW Steel Limited and Marubeni-Itochu Steel signed a JV agreement on 23 September 2011 to set up steel service centres in India.

The JV Company had started the commercial operation of its steel service centre in western India (near Pune), with 0.18 MTPA initial installed capacity in March 2015. MISI JV has also commissioned its steel service centre in Palwal, Haryana, with 0.18 MTPA initial capacity. The service centre is equipped to process flat steel products, such as hot-rolled, cold-rolled and coated products. Such products offer just-in-time solutions to automotive, white goods,

construction and other value-added segments. EBITDA in FY 2019-20 was ₹21 crores as compared to ₹24 crores in FY 2018-19. MISI JV earned a profit after tax of ₹4 crores during FY 2019-20 as compared to ₹6 crores during FY 2018-19.

**(D) MERGER OF WHOLLY-OWNED SUBSIDIARIES**

The Board of Directors of the Company at its meeting held on October 25, 2018, considered and approved the Scheme of Amalgamation pursuant to Sections 230-232 and other applicable provisions of the Companies Act, 2013, providing for the merger of its wholly owned subsidiaries, Dolvi Minerals and Metals Private Limited, Dolvi Coke Projects Limited, JSW Steel Processing Centre Limited, and JSW Steel (Salav) Limited with the Company (Scheme).

The Mumbai Bench of the National Company Law Tribunal (NCLT), through its order dated June 6, 2019, and the Ahmedabad Bench of the NCLT, through its order dated August 14, 2019, approved the Scheme. Accordingly, the Company has accounted for the merger under the pooling of interest method retrospectively, as prescribed in IND AS 103 – Business Combinations of entities under common control. The previous year's numbers have been accordingly restated.

**(E) ACQUISITION DURING THE YEAR**

**VARDHMAN INDUSTRIES LIMITED (VIL)**

The Company submitted its Resolution Plan for acquisition of VIL under the Insolvency and Bankruptcy Code, 2016 ("IBC") and the Company's resolution plan was approved by the committee of creditors of VIL on August 10, 2018. Thereafter, the Hon'ble National Company Law Tribunal ("NCLT") by its orders dated December 19, 2018 and April 19, 2019, and the Hon'ble National Company Law Appellate Tribunal ("NCLAT"), by its orders dated December 4, 2019 and December 11 2019, approved the resolution plan submitted by the Company ("Approved Resolution Plan"). Pursuant to the Approved Resolution Plan, the Company infused ₹63.50 crores in VIL and issued equity shares and compulsorily convertible debentures of VIL in lieu thereof. The funds have been utilised in accordance with the resolution plan to pay-off the financial and operational creditors of VIL. The Company has successfully implemented the Approved Resolution Plan as on December 31, 2019, and holds 100% of the equity shares and the compulsorily convertible debentures issued by VIL.

VIL manufactures colour coating products. VIL has its manufacturing unit at Rajpura, District, Patiala in Punjab. VIL has a colour coating line with a capacity to produce 40,000 tonnes per annum and a small service center to cater to white goods customers in North India.

VIL also owns 23.55% of equity of JSW Vallabh Tinplate Private Limited (JSWVTPL). Consequent to the acquisition of VIL, JSWVTPL has become a subsidiary of the Company. VIL's strategic presence in the North India makes it easier for the Company to service this market.

**(F) ON-GOING ACQUISITION**

**BHUSHAN POWER AND STEEL LIMITED (BPSL)**

The Company has submitted a resolution plan for the acquisition of Bhushan Power and Steel Limited ("BPSL") ("Resolution Plan"), a company currently undergoing corporate insolvency resolution process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code 2016 ("IBC"). The committee of creditors of BPSL ("CoC') unanimously approved the Resolution Plan. Subsequently, the National Company Law Tribunal approved the Resolution Plan on 5 September 2019, but made material changes amounting to modification of the Resolution Plan and did not grant protection to BPSL from criminal and financial liability ("NCLT Order").

The NCLT Order was therefore challenged by the Company before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") ("JSW Appeal"). NCLAT passed the final judgement dated February 17, 2020, allowing the JSW Appeal ("NCLAT Order") and held that the protection under the Section 32A of the IBC is available to BPSL and its assets, and therefore, the attachment of assets by the Enforcement Directorate was illegal and without jurisdiction.

- CoC filed an application on February 27, 2020, in CoC's Special Leave Petition pending before the Hon'ble Supreme Court ("SC") seeking a declaration that the attachment by Enforcement Directorate and all the consequential proceedings stand quashed and discharged against BPSL. The Company filed an Additional Affidavit on March 5, 2020, seeking speedy disposal of the CoC's application to enable the Company to implement the Resolution Plan. The erstwhile promoters and Operational Creditors challenged the NCLAT Order before SC. These appeals along with the CoC's Petition (collectively referred to as "SC Appeals"), is pending to be heard before the SC. Closure of the transaction is subject to Company getting satisfactory clarifications/reliefs.

BPSL is a fully integrated steel making company with a steelmaking capacity of 2.75 MTPA. BPSL manufactures and markets flat and long products from its units in Odisha, Kolkata, and Chandigarh in India. The products manufactured by these units cover the entire steel value chain, ranging from

pig iron, sponge iron, billets, hot rolled coils, cold rolled coils, galvanised sheets, precision tubes, black pipe, cable tapes, to carbon and special alloy steel wire rods and rounds conforming to IS and international standards. BPSL serves agriculture and irrigation, fire-fighting/HVAC, construction, gas/oil pipelines, cement/sugar/paper, automobiles, white goods, bicycles, steel/power projects, and general engineering industries. The company is strategically located in the mineral rich state of Odisha with close proximity to iron ore mines. This acquisition enables deeper access to the markets of East and North India, enabling quick servicing of customer orders and savings in freight cost.

**ASIAN COLOUR COATED ISPAT LIMITED (ACCIL):**

JSW Steel Coated Products Limited ("JSWSCPL") had submitted a Resolution Plan for Asian Colour Coated Ispat Limited ("ACCIL"), a company undergoing insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 ("IBC"). The Committee of Creditors of ACCIL has approved the Resolution Plan submitted by JSWSCPL and issued a Letter of Intent ("LOI") dated July 6, 2019, to JSWSCPL.

The closure of the transaction is subject to obtaining necessary approval from the National Company Law Tribunal, New Delhi ("NCLT"). The Resolution Professional of ACCIL has filed the Resolution Plan before the NCLT for its approval and the same is pending before NCLT.

ACCIL manufactures downstream steel products and has two manufacturing units located at Bawal, Haryana and Khopoli, Maharashtra.

## 12. ENVIRONMENTAL INITIATIVES

In its commitment to conserve natural resources, reduce emissions and hazardous discharges to the environment and preserve biodiversity, the Company has undertaken extensive planning and investments to reduce long-term environmental impact and risks. The business has proactively harnessed innovation, technology adoption and process changes in keeping with this objective. The efforts have been reinforced by set targets and goals that will aid the creation of lasting value for all stakeholders.

The approach has resulted in several environmental initiatives to reduce carbon emission, conserve resources like water, energy and input materials, minimise waste and increase recirculation, recycling and enhancement of local biodiversity.

The Company has established a Board-level Business Responsibility Reporting Committee which reviews the sustainability parameters every quarter.

In light of the rapid developments related to climate change viz. technology, regulations, taxation, investors' growing expectations, disclosures and so on, the Company has constituted a Climate Action Group (CAG) with cross-functional expertise, encompassing R&D, strategy, operations, communications etc. Facilitated by the Corporate Sustainability Team, the CAG operates as a central think-tank, to formulate and drive the climate change mitigation strategy and actions for the Company towards a low carbon road ahead.

With a seamless mechanism in place to review stakeholder issues periodically, the Company has been undertaking extensive planning, process optimisation and investments in technology and innovation to limit environmental risks.

### REDUCTION OF EMISSIONS AND DISCHARGES

**Air emissions**

The Company continues to upgrade and implement better pollution control systems while seeking expansion and improvement in its plans. FY 2019-20 saw many initiatives to reduce emission and dust.

- In Vijayanagar, Online Continuous Emission Monitoring Systems (OCEMS) were installed in 71 stacks for measuring 95 parameters that provide accurate and continuous information on particulate matter or gaseous emission.
- Upgradation of SMS-1 primary and secondary fume extraction systems and SMS-2 primary fume extraction systems to reduce roof top emission at Vijayanagar.
- Installation of Maximised Emission Reduction of Sintering (MEROS) to treat process gases of Sinter Plant 4 at Vijayanagar, which help reduce emissions.
- Installation of dedusting systems at Vijayanagar's RMHS, pellet plant, BF-1 & 2 and Sinter Plant. The system is designed to achieve a work zone guarantee of ‹2mg/m3.
- In Dolvi, 12 dust extraction systems were installed at RMHS to reduce fugitive emission during transfer of raw material from belt conveyor and transfer points.
- RMHS open yards in Dolvi were fully covered with conventional/space frame covered shed to prevent dust emission during operation of the yard.
- Replacement of duct bends and plug duct leakages in proportioning house at the Dolvi plant to avoid dust leakage from damaged ducts. This increases efficiency of ESPs and reduces emissions.

### CONSERVATION OF NATURAL RESOURCES

**A) Water conservation and waste water treatment**

Water is a crucial input in steel manufacturing operations. Hence the Company has undertaken focused water management initiatives to promote responsible water use for better conservation and reuse.

The following initiatives were carried out during the year:

- In Vijayanagar, 18 effluent monitoring devices were installed at six locations.
- The plant also began treatment of blast furnace recirculation water at SMS Gas Cleaning Plant. This helps reduce the pH of the water and hardness. It also reduces the total dissolved solids (TDS) in outlet effluent, resulting in lower water consumption.
- Vijayanagar uses six RO plants for recovery of makeup water and reuses treated blowdown water for secondary applications, thereby ensuring zero liquid discharge.
- In Salem, wastewater from Ultrafiltration RO Plant and Multigrade Filter is diverted to recycled water treatment plants. The recycled water is reused for plant makeup water.
- Effluent Treatment Plant installed at the Salem facility with a capacity of 125 KLD and a Zero Liquid Discharge system in Acid pickling plant to treat the effluent. This will help reduce fresh water consumption by approximately 85 KLD. The plant has also installed a Zero Liquid Discharge Effluent Treatment Plant with a capacity 30 KLD to treat the effluent from Air Cooled Condenser cooling tower.

## B) Biodiversity

In the reported fiscal year, Vijayanagar undertook plantation activities in the adjoining reserve forest areas along with the Karnataka Forest Department across 434 acres of land. In all, 33% land has been planted. Till date 17,58,200 trees have been planted in the Vijayanagar Steel plant complex.

JSW Steel has also signed two MOUs with Bombay Natural History Society (BNHS), Mumbai and People for Environment (PFE), New Delhi for biodiversity assessment in the surroundings of the Complex. In Vijayanagar, the Company had also carried out aquifer mapping and hydrogeological studies of the aquifers in a 10 Km radius as a part of groundwater water conservation and recharge initiative.

## C) Recycling of solid waste

The steel industry is the best place to implement circular economy principles and the Company's primary focus has been to maximise the consumption of waste.

The Company's integrated steel plants generate various types of solid waste as byproduct, such as fine dust from the pollution control systems, coke fines, slags, mill scales from other processes of steel manufacturing. The Company has built-in processes and capabilities to help the plants recycle and reuse the waste generated across processes.

Following are the key waste management measures undertaken during the year:

- Vijayanagar expanded its slag sand plant with an additional capacity of 125 tonnes per hour.
- The plant also supplied dry pit slag for road construction, and produced DRI Briquettes in Mill Scale Briquetting plant.
- In order to reduce bentonite use in iron ore palletisation, Vijayanagar Works replaced 25% of activated bentonite binder with fly ash in its Micro Pellet Plant.
- In Vasind, revamping of pickling line with the installation of granite pickling baths and covers has reduced effluent generation from 140 to about 70 cubic meter per day.
- Installation of 150 KL/day Acid Recovery Plant at Kalmeshwar has resulted in 90% sludge reduction.

### Slag utilisation

Dolvi Works handles approximately 1.3 MTPA of Blast Furnace slag and 0.8 MTPA of Conarc Slag. The BF slag is 100% utilised in cement making and Conarc Slag is completely used in Land Reclamation of the ongoing expansion project.

For steel slag utilisation on various applications, the Company has engaged with several institutes/ research organisations like:

1. Central Road Research Institute (CRRI) for using steel slag instead of natural aggregated in highway road making.
2. Central Building Research Institute (CBRI) for using steel slag as construction material, replacing natural aggregates.
3. DR Slag Consultancy, Australia for utilisation of steel slag in various infrastructure projects.
4. A marine Infrastructure company for construction of break water structures using steel slag.

Dolvi Works is using steel slag in all upcoming internal roads. It continues to manufacture Paver Blocks using steel slag by which the waste is converted into a value added product.

### Mangroves Restoration Project

The Company has initiated a voluntary Mangroves Restoration Project for strengthening the embankment and avoiding saline water ingression into farm lands.

Various measures were undertaken throughout the year that saw the involvement of 158 self-help groups (SHG) and covered six gram panchayats. The Company also initiated an 'Ornamental fishery' project in collaboration with the Mangrove Cell Foundation and launched a fish product processing training in collaboration with the Central Institute of Fisheries Education (CIFE).

Since 2016, a total of 10,55,435 mangrove saplings have been planted, with 3,50,000 saplings planted during the year.

**Million Trees Plantation Mission**

The Company has set a goal to plant one million trees in collaboration with the Forest Department in nearby degraded forest areas at Dolvi and Karav.

## 13. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company is committed to empowering communities and creating sustainable livelihoods. This is achieved through the thought leadership and implementation by JSW Foundation, the organisation entrusted with the mandate of CSR for entire JSW Group. Over the years, the Company has consistently invested in initiatives that help improve living conditions, promote social development, address social inequalities & environmental issues, preserve national heritage, promote sports and support rural development projects.

In the last three financial years, JSW Steel has consistently increased the share of CSR expenditure. This is in line with the CSR committee's vision to build robust CSR capabilities that enable the organisation to create long-term and far-reaching impact.

The Company has been continuously increasing its spend on CSR initiatives every year and has spent an amount of ₹43 crores, ₹53 crores, and ₹63 crores in the financial year 2016-17, 2017-18 and 2018-19 respectively. This reflects a year on year increase of 23%, 19%, and 14% respectively.

During the current financial year 2019-20, JSW Steel has spent an amount of ₹139.73 crores towards CSR expenditure, which is an increase of over 100% as compared to the previous year. While the implementation of programmes remains closely linked to the local context, the alignment with UN SDGs and dovetailing of best practices is also taken care while implementing CSR programmes. The overall approach is to provide holistic life cycle based interventions catering to all sections of society, age groups and those requiring extra attention. The strategy is to find the key connect amongst the various CSR thematic thrust areas to attain better complementarity, e.g. water interventions linked to agribusiness and livelihoods initiatives.

A significant part of CSR philosophy is community and employee driven. The Company's employees are actively invested in providing more technical, financial and emotional support for the programmes in the vicinity of the plants. This ranges from support to the neonatal care unit at Bellary Government Hospital, waste collection drive in the localities, sanitation drives, mangrove plantation, awareness building programmes for local communities and other such activities.

The Company's CSR interventions have reached out to communities across more than 255 villages in 4 states of India with special focus on:

- Strengthening public health and nutrition with special focus on mothers, children & adolescent girls.
- Comprehensive water management leading not only to sustainable environment but also sustained agri-livelihoods, in turn affecting nutrition and poverty.
- Empowerment of women through JSW Shakti initiatives, i.e. (Rural BPO for women, promoting Self-Help Groups etc.). JSW Shakti is now registered as a Section 8 company to provide scaled up support to rural entrepreneurs, especially women across the country.
- Improving quality education in rural schools through infrastructure, training methodology and capacity building initiatives.
- Sanitation and waste management, single use plastic waste in particular.
- Well though environment upgradation programmes such as mangrove restoration etc.

The Company has also embarked on a number of long-term and multi-year programmes. The initiatives are focused in the areas of water, environment, agriculture, nutrition and education. With a view to bring together a number of stakeholders including the State governments of Maharashtra and Karnataka, the JSW Foundation has already initiated focused field studies, reviews and consultations with the communities. These programmes are still in the initial stages of implementation and expenditure will be ramped up accordingly in the coming months. In adherence to the CSR policy of the Company, all the interventions are formulated based on need assessment using different quantitative and qualitative methods. Moreover, social intervention programmes are adopted based on comprehensive evaluation.

The CSR programmes are monitored by both internal and external experts. As per the CSR policy, progress of the programmes is reviewed periodically by the Board-level CSR Committee, as well as the management at the sites. The Company through its Board and the CSR Committee follows a comprehensive approach to deliver socially inclusive and holistic interventions that help create equitable opportunities for the underprivileged and contribute to nation building.

In view of the sturdy foundation laid for the long-term projects in this fiscal and the envisioned scaling up of on-going CSR projects, the Company will continue to create value for its communities.

The disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report as Annexure D.

## 14. INNOVATION AND TECHNOLOGY

The Company has always taken conscious efforts to adopt digital technologies to achieve business efficiencies, thus creating value for the business and keeping the Company ahead of its peers.

Keeping in with the Digital Vision, the Company has focused on boosting sales, enhancing throughput, reducing defects, increasing availability of assets and improving safety with the seamless adoption of innovative processes like Industry 4.0, Computer Vision, IoT, Robotics and Big-Data Analytics.

In the past year, the Company has launched over 200 projects on digital themes across manufacturing, sales and procurement (including critical raw materials such as iron ore and coal). With the expanded coverage of the program in its third year, the accruals for FY 2019-20 from digital projects was approximately ₹450 crore, which is an increase of over 100% as compared to the previous year.

The Company's digital strategy is a holistic one that aims to address a number of key themes critical to all stakeholders. The Company will continue to utilise technology to ensure higher productivity from existing assets in the most cost-effective manner, and to oversee that new assets are built to plan while also enhancing safety and providing a world-class experience to customers and vendors alike.

## 15. HUMAN RESOURCES

The Company's Human Resources (HR) management practices ensure fair and reasonable process that are compliant with regulatory and governance requirements. The Company has developed a management framework that focuses on holistic growth of employees and aids them with tools that help in continuously learning and the development of new skills.

As a growing steel manufacturing enterprise, the Company's HR policies and industry-leading remuneration practices aim to attract and retain top talent, thus supporting the Company's long-term strategy and driving a sustainable performance.

Finding, retaining and developing the right talent has always been a core strategy in order to maintain high-productivity and a value-driven organisational culture. The Company finds it imperative to follow policies and regulations that produce an unbiased and safe working environment.

In the last fiscal, the Company focused on building systems and tolls that help track career paths, provide guidance to develop new skills, educate employees on varied topics and recognise and reward top performers.

A detailed report on Human Resource Management and initiatives implemented through the fiscal is part of the Management Discussion and Analysis.

## 16. INTEGRATED REPORT

The Securities and Exchange Board of India (SEBI), in its circular dated February 6, 2017, has advised the top 500 listed companies (by market capitalisation) to voluntarily adopt Integrated Reporting (IR) from FY 2017-18.

The Company published its first Integrated Report the same year in line with the International Integrated Reporting ⟨IR⟩ Framework laid down by the International Integrated Reporting Council (IIRC). The framework pivots the Company's reporting approach around the paradigm of value and its various drivers. It also reflects the Company's belief in sustainable value creation while balancing the utilisation of natural resources and social development in its business decisions.

An Integrated Report intends to give a holistic picture of an organisation's performance and prospects to the providers of financial capital and other stakeholders. It is thus widely regarded as the future of corporate reporting.

The previous Integrated Reports of the Company have been well-received by various stakeholders and recognised internationally for its disclosures. Over the past three years, the reporting approach of the Company has further evolved. Together with the ⟨IR⟩ Framework, its disclosures have been mapped with other leading frameworks and guidelines. These include:

- Global Reporting Initiative (GRI) Standards
- United Nations Sustainable Development Goals (UN SDGs)
- Carbon Disclosure Project (CDP)
- Principles under United Nations Global Compact (UNGC)
- National Guidelines on Responsible Business Conduct (NGRBC)

Accordance and attribution to disclosures under these guidelines, together with the articulation of Company's approach to long-term value creation, continue to truly better the Company's corporate reporting practices.

## 17. CORPORATE GOVERNANCE

The Company constantly endeavors to follow the corporate governance guidelines and best practices sincerely and disclose the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company.

The Company has complied with the requirements of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 regarding corporate governance. A report on the Corporate Governance practices and the Auditors' Certificate on compliance of mandatory requirements thereof are given as an annexure to this report and also available on the website of the company at https://www.jsw.in/investors/investor-relations-steel.

## 18. BUSINESS RESPONSIBILITY/ SUSTAINABILITY REPORT

The Company is committed to pursuing its business objectives ethically, transparently and with accountability to all its stakeholders. The Company believes in demonstrating responsible behaviour while adding value to the society and the community, as well as ensuring environmental well-being with a long-term perspective.

The Business Responsibility Report (BRR) of the Company was being presented to the stakeholders as per the requirements of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 describing the environmental, social and governance initiatives taken by the Company. Further, SEBI in its circular dated February 6, 2017, has advised the top 500 listed companies (by market capitalisation) to voluntarily adopt Integrated Reporting (IR) from FY 2017-18.

As stated earlier in the report, the current financial year marks the third year of the Company transition towards Integrated Reporting, focusing on the 'capitals approach' of value creation. The Company's third Integrated Report, includes the Company's performance as per the IR framework for the period April 1, 2019 to March 31, 2020.

The Company has adopted an integrated approach towards addressing biological diversity at various sites. The Company was among the pioneers to sign up and commit to the Indian Business and Biodiversity Initiative (IBBI), an initiative by the Confederation of Indian Industry (CII) in partnership with India's Ministry of Environment, Forest & Climate Change. Million Tree Plantation Project has been initiated in nearby degraded forest areas at Dolvi and Karav in a vision to achieve 1 million Tree plantation, in collaboration with forest department.

The Company has also provided the requisite mapping of principles of the National Guidelines on Responsible Business Conduct to fulfill the requirements of the Business Responsibility Report as per directive of SEBI, as well as between the Integrated Report and the Global Reporting Initiative ('GRI'). The Report, along with all the related policies, can be viewed on the Company's website (http://www.jsw.in/investors/investor-relations-steel).

## 19. DIRECTORS AND KEY MANAGEMENT PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Dr. Vinod Nowal (DIN 00046144) retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

Mr. Malay Mukherjee (DIN 02861065) and Mr. Haigreve Khaitan (DIN 00005290) who were appointed as Directors of the Company in the category of Independent Director, hold office up to the conclusion of the ensuing Annual General Meeting of the Company ("first term" in terms of Section 149(10) of the Companies Act, 2013). The Company has received a notice under Section 160 of the Companies Act, 2013 from a shareholder of the Company proposing the re-appointment of Mr. Malay Mukherjee for the Office of Director of the Company in the category of Independent Director for a second term of upto July 27, 2025 or upto the conclusion of the 31st Annual General Meeting of the Company in the calendar year 2025, whichever is earlier and from another shareholder of the Company proposing the re-appointment of Mr. Haigreve Khaitan for the Office of Director of the Company in the category of Independent Director for a second term of upto September 29, 2025 or upto the conclusion of the 31st Annual General Meeting of the Company in the calendar year 2025, whichever is earlier. Further, in the opinion of the Board, Mr. Malay Mukherjee and Mr. Haigreve Khaitan are persons of high integrity, expertise and experience and qualify to be appointed as Independent Directors of the Company.

In terms of the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have enrolled themselves on the Independent Directors Databank and will undergo the online proficiency self-assessment test within the specified timeline unless exempted under the aforesaid Rules.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 22, 2020, has, subject to the approval of the members at the forthcoming 26th Annual General Meeting of the Company scheduled on July 23, 2020, approved the re-appointment of Mr. Seshagiri Rao (DIN 00029136), as a Whole-time Director of the Company, designated as 'Joint Managing Director & Group CFO' for a period of 3 (three) years, with effect from April 6, 2020.

The proposals regarding the re-appointment of the aforesaid Directors are placed for the approval of the Shareholders.

There were no changes in the Board of Directors and Key Managerial Personnel of the Company, during the year under review.

## 20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Matching the needs of the Company and enhancing the competencies of the Board are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board.

The current policy is to have a balanced mix of executive and non-executive Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As at March 31, 2020 the Board of Directors comprises 12 Directors, of which eight are non-executive, including two women directors. The number of Independent Directors is six, which is one half of the total number of Directors.

The policy of the Company on Directors' appointment, including criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is governed by the Nomination Policy. The remuneration paid to the directors is in accordance with the remuneration policy of the Company.

More details on the Company's policy on director's appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms a part of this report.

## 21. DECLARATION OF INDEPENDENT DIRECTORS

The Company has received necessary declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 22. BOARD EVALUATION

The Board carried out an annual performance evaluation of its own performance, the performance of the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. Details of the same are given in the Report on Corporate Governance annexed hereto.

## 23. AUDITORS AND AUDITOR'S REPORT

### (A) STATUTORY AUDITOR

At the Company's 23rd AGM held on June 29, 2017, M/s S R B C & CO LLP (324982E/E300003), Chartered Accountants, has been appointed as the Statutory Auditor of the Company for a term of 5 years to hold office from the conclusion of the 23rd Annual General Meeting until the conclusion of the 28th Annual General Meeting of the Company.

The Notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark, or disclaimer.

No fraud has been reported by the Auditor under section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

### (B) COST AUDITOR

Pursuant to Section 148(1) of the Companies Act, 2013 the Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained.

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is also required to get its cost accounting records audited by a Cost Auditor. Accordingly, the Board, at its meeting held on May 22, 2020 has on the recommendation of the Audit Committee, re-appointed M/s. Shome & Banerjee, Cost Accountants to conduct the audit of the cost accounting records of the Company for FY 2020–21 on a remuneration of ₹ 17 Lakhs plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed before the Shareholders for ratification. The due date for filing the Cost Audit Report of the Company for the financial year ended March 31, 2019 was September 30, 2019 and the Cost Audit Report was filed in XBRL mode on August 19, 2019.

### (C) SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. S. Srinivasan & Co., a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith

as Annexure 'C'. The report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

During the period under review, the Company has complied with the applicable Secretarial Standards notified by the Institute of Company Secretaries of India.

The Company has also undertaken an audit for the FY 2019-20 pursuant to SEBI Circular No. CIR/CFD/CMO/I/27/2019 dated February 08, 2019 for all applicable compliances as per the Securities and Exchange Board of India Regulations and Circular/Guidelines issued thereunder. The Report (Annual Secretarial Compliance Report) has been submitted to the Stock Exchanges within 60 days of the end of the financial year ended March 31, 2020.

As per the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Vanita Sawant & Associates, Practicing Company Secretaries, had undertaken secretarial audit of the Company's material subsidiary i.e., JSW Steel Coated for the FY 2019–20. The Audit Report confirms that the material subsidiary has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.

The Board, at its meeting held on May 22, 2020, has re-appointed M/s. S. Srinivasan & Co., as Secretarial Auditor, for conducting Secretarial Audit of the Company for FY 2020–21.

## 24. RISK MANAGEMENT

The Company follows the globally recognised 'COSO' framework of Enterprise Risk Management (ERM).

ERM brings together the understanding of the potential upside and downside of all those factors which can affect the organisation with an objective to add maximum sustainable value across all activities of the organisation and create to various stakeholders.

The Company recognises that emerging and identified risks need to be managed and mitigated in order to-

- protect its shareholders' and other stakeholder's interest,
- achieve its business objective and
- enable sustainable growth.

Pursuant to the requirement of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the company has Risk management framework in place. It has constituted a sub-committee of Directors to oversee Enterprise Risk Management framework to ensure resilience such that –

- Intended risks, say growth, are taken prudently so as to plan for the best and be prepared for the worst.
- Execution of decided strategies & plan with focus on action.
- Unintended risks like performance, incident, process and transaction risks are avoided, mitigated, transferred (like in insurance) or shared (like through sub-contracting). The probability or impact thereof is reduced through tactical and executive management, policies, processes, inbuilt systems controls, MIS, internal audit reviews etc.

## 25. INTERNAL CONTROLS, AUDIT AND INTERNAL FINANCIAL CONTROLS

### (A) OVERVIEW

The Company has a robust system of internal control, commensurate with the size and nature of its business and complexity of its operations.

### (B) INTERNAL CONTROL

The Company has a proper and adequate system of internal control. Some significant features of the internal control systems are:

- Preparation of annual budgets and its regular monitoring
- Control over transaction processing and ensuring integrity of accounting system by deployment of integrated ERP system
- Well documented authorisation matrix, policies, procedures and guidelines covering all important operations of the company
- Deployment of compliance tool to ensure compliance with laws, regulations and standards
- Ensuring reliability of financial information by testing of internal financial controls over reporting by internal auditors and statutory auditors
- Adequate insurance of company's assets / resources to protect against any loss
- A comprehensive Information Security Policy and continuous updation of IT systems
- Oversight by Board appointed Audit Committee which comprises of Independent Directors who are experts in their respective field. The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls and monitors implementation of audit recommendations.

**(C) INTERNAL AUDIT**

The Company has a strong and independent internal audit function that inculcates global best standards and practices of international majors into the Indian operations. The Internal Audit team consists of professionally qualified accountants and engineers. The Chief Internal Auditor reports directly to Chairman of Audit Committee. The team has successfully integrated the COSO framework in its audit process to enhance the quality of its financial reporting, compatible with business ethics, effective controls and governance.

The Company extensively practices delegation of authority across its team, which creates effective checks and balances within the system to arrest all possible gaps. The internal audit team has access to all information in the organisation – this is largely facilitated by ERP implementation across the organisation.

**(D) AUDIT PLAN AND EXECUTION**

At start of the year, Internal Audit Department prepares an Annual Audit Plan after considering Business and Process Risks. The frequency of the audit is decided by risk ratings of areas/functions. The audit plan is carried out by the internal team and reviewed periodically to include areas that have assumed significant importance in line with the emerging industry trend and the aggressive growth of the Company. In addition, the Audit Committee also places reliance on few internal audits carried out by the external firms.

**(E) INTERNAL FINANCIAL CONTROLS**

As per Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented a robust system and framework of internal financial controls.

The Company had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity-level policies, processes controls, IT General Controls and Standard Operating Procedures (SOP).

The entity-level policies include antifraud policies (such as code of conduct, conflict of interest, confidentiality and whistle blower policy) and other polices (such as organisation structure, insider trading policy, HR policy, IT security policy, treasury policy and business continuity and disaster recovery plan). The Company has also prepared risk control matrix for each of its processes such as procure to pay, order to cash, hire to retire, treasury, fixed assets, inventory, manufacturing operations, etc.

These internal controls are reviewed by Internal Auditors every year. The Company has carried out evaluation of design and effectiveness of these controls and noted no significant material weaknesses or deficiencies which can impact financial reports.

## 26. FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public. Therefore, it is not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

## 27. SHARE CAPITAL

The Company's Authorised Share capital during the financial year ended March 31, 2020 remained at ₹9015,00,00,000 (Rupees Nine Thousand Fifteen crores only) consisting of ₹6015,00,00,000 (Rupees Six Thousand Fifteen crores only) equity shares of ₹ 1/- (Rupee One only) each and 300,00,00,000 (Three Hundred crores) preference shares of ₹10/- (Rupees Ten only) each.

The Company's paid-up equity share capital remained at ₹241,72,20,440 comprising of 241,72,20,440 equity shares of ₹1 each.

During the financial year, the Company has fully redeemed the balance amount of its 48,54,14,604, 0.01% cumulative redeemable preference shares of ₹10 each fully paid up, in four equal instalments of ₹1.25 per share on June 15, 2019, September 15, 2019, December 15, 2019 and March 13, 2020.

Thereby, the preference share capital as at the financial year ended March 31, 2020 is Nil.

## 28. FOREIGN CURRENCY BONDS

During FY 2014-15, the Company had issued 4.75% Fixed Rate Senior Unsecured Notes, due in November 2019, aggregating to US$ 500 million, to eligible investors. These Notes have been redeemed on the due date as per the terms of issue.

In April 2017, the Company issued 5.25% Fixed Rate Senior Unsecured Notes, due in April 2022, aggregating to US$500 million, to eligible investors.

In April 2019, the Company further issued 5.95% Fixed Rate Senior Unsecured Notes, aggregating to US$500 million, due in April 2024.

Also, in October 2019, the Company further issued 5.375% Fixed Rate Senior Unsecured Notes aggregating to US$400 million, due in April 2025.

All of the aforesaid Notes issued by the Company in the International Market are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

## 29. ISSUANCE OF NON-CONVERTIBLE DEBENTURES

During the year under review, the Company issued and allotted 10,000, 8.90% Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (NCDs) of ₹10,00,000 each of the Company, aggregating to ₹1,000 Crores (Rupees One thousand crores) and 20,000, 8.79% Rated, Listed, Secured, Redeemable, Non- Convertible Debentures (NCDs) of ₹10,00,000 each of the Company, aggregating to ₹2,000 Crores (Rupees Two thousand crores) to Investors on private placement basis.

## 30. CREDIT RATING

In April 2020, Moody's Investors Service has placed Ba2 Corporate Family Rating and Senior Unsecured Bond Rating due in 2022, 2024 and 2025, respectively, under review for downgrade.

Also in May 2020, Fitch Ratings has downgraded the Company's long-term Issuer Default Rating (IDR) and Senior Unsecured Bond rating due in 2022, 2024 and 2025, respectively, to BB -, with negative outlook.

The short term debt / facilities of the Company continues to be rated at the highest level of "A1+" by ICRA Ltd. and CARE Ratings. In March 2020, the domestic credit rating for long term debt facilities/ NCD's have been revised to "CARE AA-" with Stable Outlook by CARE Ratings and "ICRA AA- "Negative Outlook by ICRA Ltd. India Ratings has assigned long term issuer rating and rating for the outstanding non-convertible debentures of the Company as "IND AA" with Negative Outlook.

## 31. EMPLOYEE STOCK OPTION PLAN

The Board of Directors of the Company, at its meeting held on January 29, 2016, formulated the JSWSL Employees Stock Ownership Plan – 2016 (ESOP Plan), to be implemented through the JSW Steel Employees Welfare Trust (Trust), with an objective of enabling the Company to attract and retain talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company, which will reflect their efforts in building the growth and the profitability of the Company. The ESOP Plan involves acquisition of shares from the secondary market.

A total of 2,86,87,000 (Two Crores Eighty-Six Lakhs Eighty-Seven Thousand) options were available for grant to the eligible employees of the Company and its Director(s), excluding independent directors, and a total of 31,63,000 (Thirty-One Lakh Sixty-Three Thousand) options were available for grant to the eligible employees of the Indian Subsidiaries of the Company and their Director(s), excluding independent directors, under the ESOP Plan.

Accordingly, 1,59,44,271 options have been granted over a period of three years under this plan by the JSWSL ESOP Committee to the eligible employees of the Company and its Indian Subsidiaries, including the Whole-time Directors of the Company. The details of the ESOPs granted to Mr. Seshagiri Rao M.V.S, Dr. Vinod Nowal and Mr. Jayant Acharya, Whole-time Directors of the Company is as given in the table below. The grant of ESOPs to the Whole-time Directors of the Company has been approved by the Nomination and Remuneration Committee and the Board.

| JSWSL ESOP Committee Meeting | Total options granted | Options Granted to Whole-time Directors of the Company | | |
|---|---|---|---|---|
| | | Mr. Seshagiri Rao M.V.S | Dr. Vinod Nowal | Mr. Jayant Acharya |
| May 17, 2016 (1st Grant) | 7,436,850 | 192,680 | 179,830 | 179,830 |
| May 16, 2017 (2nd Grant) | 5,118,977 | 127,968 | 127,968 | 119,436 |
| May 15, 2018 (3rd Grant) | 3,388,444 | 87,841 | 87,841 | 81,985 |
| **Total** | **15,944,271** | **408,489** | **395,639** | **381,251** |

As per the ESOP Plan, 50% of these options will vest at the end of the third year and the balance 50% at the end of the fourth year.

During the financial year under review, JSWSL ESOP Committee in its meeting held on December 5, 2019 has made a supplementary grant, accordingly 3,69,751 options have been granted under this plan by the JSWSL ESOP Committee to the eligible employees of the Company.

The applicable disclosures relating to ESOP plan of 2016, as stipulated under the ESOP Regulations, pertaining to the year ended March 31, 2020, is posted on the Company's website at http://www.jsw.in/investors/investor-relations-steel and forms a part of this Report.

Voting rights on the shares, if any, as may be issued to employees under the aforesaid ESOP Plans are to be exercised by them directly or through their appointed proxy, hence, the disclosure stipulated under Section 67(3) of the Companies Act, 2013 is not applicable.

There is no material change in the aforesaid ESOP Plans and the same are in compliance with the ESOP Regulations.

The Certificate from the Statutory Auditors of the Company certifying that the Company's Stock Option Plans are being implemented in accordance with the ESOP Regulations and the resolution passed by the Members, would be available for inspection during the meeting in electronic mode and same may be accessed upon log-in to https://evoting.karvy.com/.

## 32. JSWSL EMPLOYEES SAMRUDDHI PLAN 2019

The JSWSL Employees Samruddhi Plan 2019 ("Plan") was approved by a special resolution passed by the shareholders of the Company by way of a postal ballot on May 17, 2019. The Plan was effective from April 1, 2019. The

scheme is a one-time scheme applicable only for permanent employees of the Company, working in India (excluding an employee who is a promoter or a person belonging to the promoter group, a probationer and a trainee) in the grade L01 to L15 ("Eligible Employee"), who were not covered under the earlier JSWSL Employees Stock Ownership Plan – 2016. The Indian Subsidiary companies have a similar scheme to cover its employees. The Company in terms of the applicable provisions of the Companies Act, 2013 ("Act"), the rules framed thereunder and all other applicable rules and regulations including those issued by the SEBI, to the extent applicable, has implemented the Plan wherein the Eligible Employee will be eligible to acquire the Equity Shares of face value ₹1 each directly from the open market. The Eligible Employee will be able to purchase the Equity Shares from the open market by availing a loan provided by a bank / non-banking financial institution ("Lending Agency") and a broker identified by the Company to facilitate acquisition of Equity Shares by the Eligible Employees under the Plan. The Equity Shares bought by the Eligible Employee will be subject to a lien in favour of the Lending Agency for a period of two years. After expiry of the said period of two years, the Eligible Employee can either repay the entire loan amount, after which the Equity Shares will become free of the lien, or the Lending Agency will recover the principal amount by selling the Equity Shares and will transfer the difference, if any, between the principal amount and the sale value (i.e. market price as on the date of the sale x. no. of Equity Shares sold) to the Eligible Employee. The interest on the loan will be serviced by the Company and the Eligible Employee in the ratio of 3:1 (the Company will bear 75% of the total interest liability owed to the Lending Agency and the balance 25% will be borne by the Eligible Employee). The Plan is being through the existing JSW Steel Employee Welfare Trust in accordance with Applicable Laws.

The number of Equity Shares that are the subject matter of the Plan in terms of the approval accorded by the Members by way of a postal ballot on May 17, 2019, shall not be more than 1,24,97,000 representing 0.517% of the issued equity share capital of the Company. Under the aforesaid Plan, as on March 31, 2020, 5,806 employees of the Company have subscribed to 69,07,000 shares.

## 33. AWARDS

### VIJAYANAGAR

1. IIM -Tata Gold Medal for significant contributions to Metallurgical Industries.
2. IIM-Essar Gold Medal for outstanding contributions to Metallurgical Industries in general and in the field of Secondary Steelmaking, Electrometallurgy in particular.
3. Won second prize in IIM Sustainability Awards and was recognised for best quality, registering highest product development, profit making in terms of rupees per tonne, HRD and environmental performances during the year under review.
4. 40 teams consisting of 190 employees bagged all 40 gold medals during chapter convention on Quality Convention on Quality Concept (CCQC) 2019 held at Bengaluru.
5. At the 33rd National Convention on Quality Concepts (NCQC) in CY 2019, hosted by Quality Circle Forum of India (QCFI), out of the 25 participating teams:
   - 18 were Quality Circles (QCs), out of which 13 bagged Par Excellence Award and five bagged Excellence Award.
   - 7 Allied Teams (4 Lean Six Sigma Teams – LSS, 2 Lean Quality Circles – LQC and 1 5S Allied Team – 5S) won Par Excellence Award.
   - Vijayanagar Works once again recorded the highest participation and highest number of Par Excellence awards (from a single location) among all the other Indian organisations.
   - QC team from Steel Melting Shop 2 was given the opportunity to present their model that received the Best Model Award.
6. At the International Convention on QC Circles (ICQCC) 2019, hosted by the Union of Japanese Scientists and Engineers(JUSE), following accolades were won:
   - A team from BF-4 presented their project on 'Improving MTBF of Hopper LSV Seal at Bell Less Top' and bagged a Gold Award.
   - A team from Sinter Plant-3 presented their project on 'Increasing availability of Sinter Machine' and bagged a Gold Award.
   - A team from SMS-1 presented their project on 'Minimisation of un-planned sequence break due to sub entry nozzle failure at casting platform' and bagged a Silver Award.
   - Lean Quality Circles (LQCs) from Steel Melting Shop 1 presented their project on 'Reduction in BOPS Alarm at Continuous Caster' and bagged a Gold Award.

### DOLVI

1. Platinum level recognition in CII Exim Bank Awards for Business Excellence in CY 2019: The EFQM – an internationally recognised Business Excellence framework, is being used by CII for the last 25 years. Dolvi Works has been using this framework since 2016. In its third year of participation, Dolvi Works scored "576-599 band", just below the 600 points required for the coveted CII Exim Bank Award.
2. Gold Award in JH category in "International Convention on QC Circles" 2019 at Tokyo Japan: Coke Oven team was the only team amongst 500+ to win Gold Award in this category.

3. Nine Par Excellence and Nine Excellence awards to the Dolvi teams in NCQC 2019 held at Varanasi.
4. Digitalisation Programme at Dolvi Works bagged National Level Award in Frost & Sullivan PERP-2019 competition under digital modelling in manufacturing category.
5. Adjudged National winner in 7th CII National Excellence Practices in the category of Digital Modelling.
6. Six Sigma project from CSP Caster (Reduction in scratch marks) emerged as winner in 13th CII National Competition held at Bangalore.
7. Grow Care India Environment Management Award.
8. Sustainability 4.0 Awards, 2019 (Recognising Excellence in Sustainable Development) by Frost & Sullivan and TERI.

**SALEM**

1) Deming Prize from JUSE.
2) IIM Sustainability Award in the alloy steel category by the Indian Institute of Metals.
3) Performance Award in Raw Material category from M/s Brakes India.
4) Alliance & Strategic Partner Award from M/s TIMKEN.
5) Received the following Safety Awards from Government of Tamil Nadu:
   - Reported 'lowest frequency rate' for the year 2016 - Third prize.
   - Longest Accident-free period in man-hours for the year 2016 - Third prize.
   - Highest reduction in accident rate for the year 2014 - First prize.
6) Received Gold Trophy Award for Best ITI Skill development through PPP scheme in India from ASSOCHAM in CY 2019.
7) ICQCC: Three teams participated in the International Convention on Quality Control Circle 2019 competition held in Tokyo, Japan and all the three teams won the Gold Awards.
8) NCQC: Seven teams participated in National Convention on Quality Concepts 2019 held in Varanasi and won the Par Excellence awards.
9) ABK-AOTS DOSOKAI: Kaizen competition was conducted by ABK-AOTS DOSOKAI Tamil Nadu Centre in Chennai, where three of the Company's teams participated, and won two Platinum Awards and one Diamond Award.

## 34. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134, sub-section 3(c) and sub-section 5 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state and confirm that:

a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures.

b) Such Accounting Policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as on March 31, 2020 and of the Company's profit or loss for the year ended on that date.

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) The annual financial statements have been prepared on a Going Concern Basis.

e) Internal financial controls were laid down to be followed and that such internal financial controls were adequate and operating effectively.

f) Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 35. RELATED PARTY TRANSACTION

All Related Party Transactions (RPT) that were entered into during the financial year were on an arm's length basis and in the ordinary course of business.

The policy on dealing with RPT as approved by the Board is uploaded on the Company's website (https://www.jsw.in/investors/investor-relations-steel). The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This policy specifically deals with the review and approval of RPT, keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All RPT are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for RPT that are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. All RPT are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of RPT

under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The disclosure of material RPT is required to be made under Section 134(3)(h) read with Section 188(2) of the Companies Act, 2013 in Form AOC 2. The details of the material RPT, entered into during the year by the Company as per the policy on RPTs approved by the Board, is given in Annexure E to this Report.

Your Directors draw your attention to Note No 44 to the Standalone financial statements, which sets out related party disclosures.

## 36. DISCLOSURES

**(A) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the year, five Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Regulations 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulation, 2015.

**(B) AUDIT COMMITTEE**

The Audit Committee comprises of one Executive Director and three Non-Executive Independent Directors. Mr. Seturaman Mahalingam is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

There are no recommendations of the Audit Committee that have not been accepted by the Board.

**(C) EXTRACT OF ANNUAL RETURN**

The extract of annual return in Form MGT 9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached as Annexure B hereto and forms a part of this Report. The same is also available on the Company's website at http://www.jsw.in/investors/investor-relations-steel.

**(D) WHISTLE BLOWER POLICY / VIGIL MECHANISM**

The Company has a vigil mechanism named Whistle Blower Policy / Vigil Mechanism to deal with instances of fraud and mismanagement, if any. Details of the same are given in the Corporate Governance Report.

**(E) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SEC. 186**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**(F) DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant or material orders passed by the Regulators/ Courts/ Tribunals that could impact the going concern status of the Company and its future operations.

However, Members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

**(G) PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in the statement annexed (Annexure A) hereto and forms a part of this Report.

**(H) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has also complied with the provisions related to constitution of Internal Complaints Committee (ICC) under the said Act to redress complaints received regarding sexual harassment. The Company received no complaints pertaining to sexual harassment during FY 2019-20.

**(I) OTHER DISCLOSURES / REPORTING**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.

3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOPs referred to in this Report.

4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

## 37. ACKNOWLEDGMENT

Your Directors take this opportunity to express their appreciation for the cooperation and assistance received from the Government of India, Republic of Chile, Mauritius, Mozambique, Italy, the US and the UK, the State Governments of Karnataka, Maharashtra, Tamil Nadu, West Bengal, Jharkhand and Odisha and the financial institutions, banks as well as the shareholders and debenture holders during the year under review. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by all employees of the Company.

**For and on behalf of the Board of Directors**

**Place:** Mumbai
**Date:** May 22, 2020

**Sajjan Jindal**
**Chairman**

# ANNEXURE – A TO DIRECTORS' REPORT

**INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013, READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

## A. ENERGY CONSERVATION

The Company has always been a frontrunner in continually improving its operational performance in all areas, like yield, plant utilisation and minimising waste and its utilisation etc. while reducing the consumption of fuel, power, stores and others. This is done by adopting an approach of continual improvement of process metrics across all energy consuming facilities.

The Energy departments renewed its efforts by carrying out energy benchmarking with the best-in-class steel players and adopting some of the relevant best practices. Energy conservation was taken up as a key improvement theme during the year and the new approach attempted to prioritise actions through a three-pronged strategy:

1. **Prevention / minimisation –** i.e., Preventing wastage / minimisation of energy usage by relentless optimisation of process parameters to achieve lower values of fuel / energy consumption.
2. **Improving Recovery –** deploying innovative methods of recovering higher amount of unused fuel heat in various process exhausts / recovery systems.
3. **Higher Re-use / Re-cycling –** studying available potential of recovered energy from various sources and doing a cost-benefit analysis of practices required.

**STEPS TAKEN FOR ENERGY CONSERVATION:**

**VIJAYANAGAR**

- Achieved gross power generation of 65 MW through Coke Oven Coke Dry Quenching (CDQ).
- Blast Furnace top recovery power generation.
- Steam generation through sinter cooler waste heat recovery boiler.
- Reduced solid fuel consumption at blast furnaces by 1.8 kg/Thm, y-o-y.
- Debottlenecking of SMS-1 gas export system by installation of high capacity boosters which increased the LD gas recovery.
- Attained lower specific gaseous fuel rate at HSM i.e. 105 Nm3 per tonne of liquid steel, a reduction by 4.3%, on a y-o-y basis.
- Achieved lower specific gaseous heat rate at WRM, a reduction by 5.4%, on a y-o-y basis and at BRM, a reduction by 4.2%, on a y-o-y basis.
- Augmented CPP- 2 power plant power generation by 10MW in FY 2019-20 by installing additional Blast Furnace gas fired boiler.
- By-product gas supplied to power plants was around 782 KNm3/hr.
- Steam losses in BF-1 steam line reduced to zero by installing Inverted Bucket (IB) traps.

**DOLVI**

- Usage of Coke Oven Gas (COG) in place of Natural Gas (NG) in several operational areas.
- Reduction in specific power consumption at SMS by 27% in FY 2019-20 by conversion of Shell-1 to 100 % hot metal usage.
- Recovery of 10000 NM3/hr TOP Gas from SIP and injection into BF Gas line resulting in saving of NG.
- Enhancement of steam generation capacity from 67 TPH to 106 TPH through waste heat recovery
- Reduction in solid fuel in Blast furnace by 1.6% after commissioning of BF Level 2 systems through effective monitoring.
- Reduction in solid fuel heat rate in sinter plant by 9.4% in FY 2019-20 by optimising use of recycled material.
- Reduction in specific consumption of power at Sinter Plant by 7.5%.
- Blast Furnace power rate reduced by 3.7%.
- Online air fuel ratio monitoring and control at CPP reduced gaseous heat rate by 10.4% from baseline.

**SALEM**

- Improved waste heat recovery from 24 ovens of Coke Oven Battery 3 by augmenting the boiler Induced Draft (ID) fan and flue gas exit chimney.
- Reduction in BF gas consumption through Installation of top gas analyser at BF-1.
- Reduction in power consumption for sinter production through augmentation of waste gas fan and increased volume handling.
- Reduction in power consumption through installation of VFD in BF-2 SGP cooling water pump.
- Energy savings at blooming mill through installation of VVVF drive for ICW/DCW pumps, fixed load optimisation & LED's conversion.
- Increase in usage of Pulverised coal in blast furnace and there by reduced coke consumption.
- Improved waste heat recovery from Coke Oven Battery 2 resulted in energy savings.

**THE STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY:**

**VIJAYANAGAR**

- 1% increase in by-product gas supply y-o-y to power plants resulted in coal equivalent saving of 22 TPD.
- HSM waste heat recovery for steam generation is under progress.

**DOLVI**

The Company is evaluating the option of installing solar panels at the location and a Centralised Committee has been constituted to undertake the feasibility study

**SALEM**

The Company is considering the proposal to use wind energy as an alternate source of energy.

**EXPENDITURE ON ENERGY CONSERVATION PROJECT**

**VIJAYANAGAR**

Capital expenditure of ₹ 36.4 crores was incurred on energy conservation projects, resulting in a reduction of 0.014 Gcal / tcs.

**DOLVI**

Capital expenditure of ₹ 31.11 crores was incurred on energy conservation projects, resulting in a reduction of 0.111 Gcal / tcs.

**SALEM**

Capital expenditure of ₹ 2.81 crores was incurred on energy conservation projects, resulting in a reduction of 0.04 Gcal/ tcs.

**RESEARCH AND DEVELOPMENT (R&D)**

**1. Specific areas in which R&D activities were carried out by the company**

The Company's Research and Development (R&D) activities involve new process and product development, process improvements for maximisation of quality, cost and energy optimisation, waste utilisation and conservation of natural resources.

The key focus areas include:

- Optimisation of resource utilisation.
- Quality, productivity and cost optimisation through process efficiency improvements.
- Product development, customisation and new applications.
- Recycling and reuse of process waste and conservation of natural resources.
- New application developments and promotion of slag usage in the country.
- New process technology development for process intensification and productivity.

The Company's R&D is actively involved in Industry- Institute partnership and has initiated collaborative projects with leading academic and research institutes in India - IIT Roorkee, IIT Bombay, IMMT Bhubaneswar, PSG Coimbatore, Sona College of Engineering (Tamil Nadu), and NITK Surathkal.

The Company is also associated with advanced research programmes with partial funding from Ministry of Steel and Ministry of Human Resources Development and these initiative are under development.

**2. Benefits derived as a result of R&D efforts**

**A) VIJAYANAGAR**

**Key projects**

- Feasibility study is being carried out on reduction roasting cum magnetic separation of banded hematite quartzite (BHQ) iron ores of JSW mines.
- Improvement in sinter productivity by selective granulation using sinter return fines.

  Introduced selective mixing and granulation of sinter return fines up to 35% of total return fines. This improved the sinter productivity by ~7% due to increase in size of granules by 6-8% leading to improved sinter bed permeability.
- Impact of classified size green pellet layers on indurated pellet properties

  A new method of classified size green pellet layers on induration machine pellet bed has been developed. This helps in achieving the improved physical and mechanical properties in pellets like tumbler index, cold crushing strength and reduction in unfired pellets.
- Optimisation of usage of new coal in coke making

  In the light of rising cost of coking coal, use of suitable coal blend to reduce the operating cost. A systematic approach of new coal selection methodology and introducing new coal in coke making based on pilot scale carbonisation studies have resulted in significant annual savings.
- Development of a Blast Furnace Raceway Model for fuel rate optimisation

  "Blast Furnace Raceway Model" has been developed which provides information about raceway size and flow property distributions such as velocity, temperature, pressure, reaction rates, and unburnt char concentration in raceway zone. The model helps the furnace operators in optimising the fuel consumption.

- Use of DRI fines briquettes in steel making.

  The DRI fines generated are normally less than 5 mm in size and the iron content varies in the range of 78-84%. The high Fe containing fines are cold bonded through briquetting and are effectively utilised in BOF in as coolant. This has led to substantial techno-economic benefits.

- Study on the effect of mould parameters on inclusion flotation and slag entrapment using physical modelling

  Water modeling experiments were conducted to identify mould flow profile under different casting speeds and submerged entry nozzle immersion depths. Subsequently plant scale nail board experiments were conducted for validation and optimised casting parameters matrix has been developed for guidance to the operators.

- Development of non-slag sticking coatings for steel making vessels to increase ladle availability

  During steel making operations, slag mixed with metal droplets splash and sticks to the ladle mouth. The mouth jamming needs to be cleaned by lancing frequently, thereby reducing the ladle availability. A non-stick coating has been developed to avoid the sticking of splashed material to the ladle thereby reducing the cleaning time by ~50% and increase the ladle availablity.

- Development of Dry Slag granulation technology for BF slag

  The technology of dry granulation of BF slag has been developed jointly by the Company and a third party. Dry granulated slag properties are found to meet all the requirements for cement making. This technology is expected to save 0.5-0.6 m3 of water for every tonne of slag produced.

- Development of a process to reduce free lime in BOF slag for aggregate applications

  A new technology has been developed for ageing the slag online. Pilot scale experiments were conducted to reduce the expansion to 1.5% and making the slag suitable for direct aggregate application.

  Other important developments carried out at R&D

  - Optimisation of balling disc parameters at Pellet Plant-1
  - Development for micropelletised sinter making with enhanced coke coating
  - Studies on impact of high manganese oxide in iron ore in sintering process
  - Reduction in Tundish loss at SMS-2 billet caster
  - Development of Fire resistant steel for structural applications
  - Improvement of permeability in 50C600 electrical steel grade
  - Development of high carbon wire rod grade steel

  **New products developed / customised**

  - Development of new generation high strength steels mainly for automotive and electrical applications have been the major focus at Vijayanagar Works.
  - The new developments include incremental improvements in product properties to match the customer requirements and new grades for new applications.
  - A total of 38 numbers of new steel grades have been developed/customised consisting of flat and long rolled products.

**B) DOLVI**

**Key projects**

- "Study on effect of pellet bed temperature profile on properties of pellets" helped in understanding of mechanism of pellet induration and factors affecting layer wise property variation across the bed height. A model was developed and validated with plant scale data that helped in optimising pellet induration cycle.
- "Study of effect of quicklime addition methods on Balling Index in iron ore sintering" explored various methods of quick lime addition on sinter properties. The findings are being implemented for improving yield of the sinter plant.
- "Study on effects of magnesium oxide (MgO) & basicity on pellet properties for high pellet BF operation" led to critical know-how generation for pellet with high B2 & MgO. This understanding will be useful during pellet process optimisation using fluxed pellet.
- "Study of cleanliness of Al-killed, Al-Si-killed and Si-killed steel grades" resulted in know-how generation of various direct and indirect methods of measurement of steel cleanliness. The knowledge gained from this project will be helpful in improving the steel cleanliness.

- "Optimisation of casting parameters to reduce severity and occurrence of Longitudinal Cracks in Thin Slabs" resulted in development of customised mould powder for Compact Strip Process (CSP) caster operating at high casting speed.
- "Study of the effect of manganese (Mn) content on macro segregation behaviour in thin slab casting" resulted in understanding of correlation between defects in hot rolled strips and macro segregation in thin slabs.
- "Mathematical modelling of thin slab hot rolling for different Carbon manganese (C-Mn) and micro-alloyed grades" helpful in optimising the rolling schedule for new product development.
- "Effect of Chromium on corrosion resistance properties of CRS TMT rebar" would help in optimisation of corrosion resistance element of CRS TMT rebar.

Other important developments carried out at R&D

- Setting up of infrastructural facilities like software packages such as ThermoCalc, HSMM and ANSYS for support in Process Modelling.
- Setting up of Advanced characterisation laboratory for product characterisation, process improvisation and new product development.

**New products developed / customised**

- Total 3 new products and 31 customised products have been developed to cater to the customers' requirements.
- New products included development of thinner gauge (2.5 mm) E350 and E410 grade steel through CSP route for structural application and development of corrosion resistant TMT rebar with minimum UTS/YS ratio of 1.15 for seismic zone application.

**C) SALEM**

**Key focus areas**

- Product development (Automotive, Agro, Textile, and General Engineering).
- Waste management (Utilisation of flue dust in paver block manufacturing).
- Process improvement (Ladle furnace, Casting and Rolling).

**Key projects**

- Development of steel grade for track chain application.
- Development of high hardness free cutting steel for textile application.
- Control of decarburisation level in spring steel.
- Process development for making paver blocks from steelmaking slags with addition of flue dust.

**New products developed / customised**

- A total of 9 new grades have been developed / customised for various applications like automotive, rail, textile, general engineering etc. Out of 9 grades, 2 grades are new development which are not in the market and are introduced for the first time in the country.

**3. Expenditure on R&D (2019-20)**

| Item | (₹ in crores) |
|---|---|
| Capital | 24 |
| Revenue | 32 |
| Total | 56 |
| **Total as % PAT** | **0.92%** |

## B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

**VIJAYANAGAR**

- Maximum Emission Reduction of Sintering (MEROS) and Waste Gas Recirculation (WGR) system at Sinter Plant 4.
- Upgradation of Continuous Pickling Line 2 at CRM-1.
- Commissioning of Hot Forming Press, Drop Weight Tester and Horizontal Tube Furnace at R&D Department.
- Installation of Simulia 3D Experience platform at R&D unit.

**DOLVI**

- Revamping of Stove-4 in BF-1.
- Commissioning of new cyclone at BF-1.

**SALEM**

- Installation of Plate charging mechanism in Coke Oven Pusher Car-1 has resulted an increase in Gross Coke Production and improved machine availability.
- Commissioned 25 kg melting capacity Induction Furnace

- Online size measurement device for bar products and Garret Coiler wire rod products

**INTELLECTUAL PROPERTY**

**1. PATENTS**

**VIJAYANAGAR**

Patents filed - 25 Nos.

1. Processed steel slag sand and a process for producing the same.
2. A process for micropelletisation using fly-ash as binder partially replacing bentonite and micropellets obtained thereof as sinter feed.
3. Iron oxide pellets comprising iron ore ultra-fines and process of producing the same.
4. A centralised control system for movement of furnace roofs involving hydraulic controlled auto balancing.
5. System for in-situ real-time continuous measurement of material discharged in blast furnace.
6. Iron ore blend for sintering including specular iron ore and sintering process using such blend.
7. Method of improving blast furnace productivity by controlling fine generation in the upper stack region.
8. An improved tundish adapted to reduce the skull loss at the end of casting sequence in multi strand billet caster.
9. A process of extracting enriched iron and carbon product from dust and sludge of steel plant and a system thereof.
10. Continuous leakage current monitoring system for electric arc furnace (EAF) to prevent EAF roof water leakages.
11. A process for iron oxide green pellets firing/ heat-hardening in straight grate induration furnace.
12. A process to produce good quality pellet product from green pellets including high LOI iron ores and a system to carry out such process.
13. A process for sintering involving improved productivity by selective mixing and granulation of return fines with raw sinter mix.
14. Development of a technique to prevent the coil collapse in hot strip rolling to elliptic shapes with simultaneous productivity improvement.
15. A novel process to use non-coking coal in coal blend for coke making.
16. Briquettes of DRI fines and a process for producing such briquettes for effective utilisation in steel making.
17. Old rolled ultra-high strength steel sheet with improved hole expansion and method of its manufacturing.
18. A three-stage beneficiation process for recovery of iron values from ultra-fine size slime/wastes.
19. A process for sintering involving hearth layer comprising blend of lump iron ore and recycled sinter for improving sinter productivity.
20. A method for beneficiation of spent magnesia-chromite refractories from RH degasser using three-stage magnetic separation.
21. A method to quantify melt behavior of iron ore charge for sintering process.
22. An insulation castable comprising hazardous waste from steel plant and process to produce the same.
23. Cold rolled high strength steel sheet with improved hole expansion and method of its manufacturing.
24. Cold rolled high strength galvanized steel sheet with improved corrosion resistance and method of manufacturing the same.
25. Modified steel slag adapted for use as construction aggregate and process for producing thereof.

**Patents Granted - 11 Nos.**

1. A method for reheating of individual ovens after shut down for non-recovery coke oven.
2. A method for improving productivity of cold rolling mills avoiding stickiness between wraps of coil.
3. A grade separator device and a process for continuous casting of metals involving such separator device.
4. A process for sintering of iron ore using biological oxidation depenalisation (BOD) plant treated contaminated water from coke oven.
5. A system for shower cleaning of ladle shroud and a method of such cleaning.
6. DRI and its process of manufacture from iron ore fines eliminating induration.
7. A connector/bend adapted for transporting materials including granular materials and a system using the same.
8. A sinter charge for higher productivity and a method for its manufacture.
9. Coke dry quenched (CDQ) fine enriched agglomerate composition and a process for producing the same using silica based activated mineral binder.

10. A method for pre-heating of bustle main before blowing-in of blast furnace and system thereof.
11. Method and system for gasifying carbon carriers and further treating the produced gases.

**DOLVI**

**Patents Filed - 5 Nos.**

1. Pellet charging system in a muffle furnace to generate effective sample pellet quality.
2. Low carbon high strength API 5CT J55 grade steel and method of its manufacture.
3. High strength cold rolled galvanized steel sheet and method of its manufacture.
4. A process of grinding soft iron ore to achieve desired PSD and Blaine number involving ball mill in series and sieving ground material.
5. Converter cum electric arc (CONARC) furnace adapted for enhanced number of heats workability of 100% hot metal.

**SALEM**

**Patents Filed - 2 Nos.**

1. Spherodised soft bearing steel and a process for producing the same using warm deformation.
2. Paver blocks comprising EOF slag, flue dust and slag cement and process for its production.

**2. PUBLICATION OF TECHNICAL PAPERS**

**VIJAYANAGAR**

Total numbers of 18 technical papers have been published (15 publications in international and national journals and three in international conference proceedings).

**DOLVI**

One paper published in conference proceedings.

**SALEM**

Three papers have been published in international journals.

i. The benefits derived like product improvement, cost reduction, product development or import substitution

The R&D developments in process improvement, energy optimisation and cost reduction have helped in substantial savings in operational costs.

**Savings** **(₹ In Crores)**

| Vijayanagar | Dolvi | Salem | Total |
|---|---|---|---|
| 54 | 11 | 13 | **78** |

**ii. Information regarding imported technology (imported during the last three years reckoned from the beginning of the financial year)**

| Innovation / Technology | Year of Import | Status |
|---|---|---|
| **VIJAYANAGAR** | | |
| Six strand billet caster at SMS-3 | 2017-18 | Commissioned |
| HR Slitter line of 0.75mtpa capacity at HSM-2 | 2017-18 | Commissioned |
| Maximum Emission Reduction of Sintering (MEROS) and Waste Gas Recirculation (WGR) system at Sinter Plant No.4. | 2019-20 | Commissioned |
| Commissioning of Drop weight Tester at R&D Dept. | 2019-20 | Commissioned |
| Commissioning of Horizontal Tube Furnace at R&D Dept. | 2019-20 | Commissioned |
| **DOLVI** | | |
| Six strand Billet Caster | 2017-18 | Commissioned |
| 500 TPD VPSA plant | 2017-18 | Commissioned |
| Commissioning of Waste Heat Recovery System in Sinter Plant-2 | 2017-18 | Commissioned |
| 2200 TPD Oxygen Plant | 2018-19 | Commissioned |
| Coke Oven Battery A&B | 2018-19 | Commissioned |
| Commissioning of LCP-4 | 2018-19 | Commissioned |
| Revamping of Stove-4 in Blast furnace | 2019-20 | Commissioned |
| BF-1 New Cyclone commissioning | 2019-20 | Commissioned |
| **SALEM** | | |
| Instrumented Impact testing machine | 2017-18 | Commissioned |
| Sliding strand in Bar and Rod Mill | 2017-18 | Commissioned |
| Annealing facility for coils | 2017-18 | Commissioned |
| CCM-3 ( Continuous casting machine) | 2017-18 | Commissioned |
| Simufact simulation software | 2017-18 | Commissioned |
| Bar Annealing Furnace | 2018-19 | Commissioned |

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign exchange used and earned during the year:

(₹ In Crores)

| | FY 2019 – 20 | FY 2018 – 19 |
|---|---|---|
| Foreign Exchange earned | 9,677 | 7,699 |
| Foreign Exchange used | 22,680 | 28,603 |

# ANNEXURE – B TO DIRECTORS' REPORT

## FORM NO. MGT- 9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| 01. | CIN:- | L27102MH1994PLC152925 |
| 02. | Registration Date | 15.03.1994 |
| 03. | Name of the Company | JSW Steel Limited |
| 04. | Category / Sub-Category of the Company | Indian Public Company limited by shares |
| 05. | Address of the Registered office and contact details | JSW Centre, Bandra Kurla Complex,<br>Bandra (East), Mumbai 400 051<br>Tel. No. 022-42861000<br>Fax. No. 022-42863000<br>Website: www.jsw.in |
| 06. | Whether listed company Yes / No | Yes |
| 07. | Name, Address and Contact details of Registrar and Transfer Agent, if any | KFintech Technologies Private Limited<br>Karvy Selenium Tower B, Plot 31-32,<br>Gachibowli, Financial District,<br>Nanakramguda, Hyderabad – 500 008<br>Tel. No. 040 33211500<br>Fax. No. 040 23001153 |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| SN | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1 | Hot Rolled Steel Strips /Sheets/Plates | 241 | 52.9% |
| 2 | Bar & Rods | | 22.5% |
| 3 | MS Cold Rolled Coils/Sheets | | 13.4% |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

| SR. NO | NAME OF THE COMPANY | ADDRESS OF THE COMPANY | CIN/GLN | % of shares held |
|---|---|---|---|---|
| | **SUBSIDIARY (APPLICABLE SECTION : 2 (87)(II))** | | | |
| 1 | JSW Steel (UK) Limited | Roxburghe House,273-283 Regent Street, London WIB 2HA, UK. | Not applicable | 100% |
| 2 | JSW Natural Resources Limited | C/o, International Financial Limited, IFS Court, Twenty Eight Cybercity, Ebene Mauritius. | Not applicable | 100% |
| 3 | JSW Natural Resources Mozambique Limitada | 3rd Floor, Rua Desidane No. 60, Opp. Polana Shopping Complex, Polana Cimento "A", Maputo, Mozambique | Not applicable | 100% |
| 4 | JSW ADMS Carvão Limitada | 3rd Floor, Rua Desidane No. 60, Opp. Polana Shopping Complex, Polana Cimento "A", Maputo, Mozambique | Not applicable | 100% |
| 5 | JSW Steel (Netherlands) B.V | Hoogoorddreef, 15,1101, BA, Amsterdam | Not applicable | 100% |
| 6 | Periama Holdings, LLC | 2711, Centreville Road, Suite 400, City of Wilminton Country of New Castle Delaware 19808. | Not applicable | 100% |
| 7 | JSW Steel (USA), Inc. | 5200 E, Mckinney Road, Baytown, Texas 77523 | Not applicable | 90% |
| 8 | Purest Energy, LLC | 407 Prosperity Road, Prosperity, WV, 25909 | Not applicable | 100% |
| 9 | Planck Holdings, LLC | 407 Prosperity Road, Prosperity, WV, 25909 | Not applicable | 100% |
| 10 | Prime Coal, LLC | 407 Prosperity Road, Prosperity, WV, 25909 | Not applicable | 100% |
| 11 | Rolling S Augering, LLC | 407 Prosperity Road, Prosperity, WV, 25909 | Not applicable | 100% |
| 12 | Caretta Minerals, LLC | 407 Prosperity Road, Prosperity, WV, 25909 | Not applicable | 100% |

| SR. NO | NAME OF THE COMPANY | ADDRESS OF THE COMPANY | CIN/GLN | % of shares held |
|---|---|---|---|---|
| 13 | Periama Handling, LLC | 407 Prosperity Road, Prosperity, WV, 25909 | Not applicable | 100% |
| 14 | Lower Hutchinson Minerals, LLC | 407 Prosperity Road, Prosperity, WV, 25909 | Not applicable | 100% |
| 15 | Meadow Creek Minerals, LLC | 407 Prosperity Road, Prosperity, WV, 25909 | Not applicable | 100% |
| 16 | Keenan Minerals, LLC | 407 Prosperity Road, Prosperity, WV, 25909 | Not applicable | 100% |
| 17 | Hutchinson Minerals, LLC | 407 Prosperity Road, Prosperity, WV, 25909 | Not applicable | 100% |
| 18 | R.C. Minerals, LLC | 407 Prosperity Road, Prosperity, WV, 25909 | Not applicable | 100% |
| 19 | Peace Leasing, LLC | 407 Prosperity Road, Prosperity, WV, 25909 | Not applicable | 100% |
| 20 | JSW Panama Holdings Corporation | 48th East Street, Bella, Vista, P.O. Box No. 0816-01832, Panama. | Not applicable | 100% |
| 21 | Inversiones Eurosh Limitada | Juan Franciscvo Gonzalez 562, Sector Placilla, Morales Copiapo, Chile | Not applicable | 100% |
| 22 | Santa Fe Mining S.A. | Juan Franciscvo Gonzalez 562, Sector Placilla, Morales Copiapo, Chile | Not applicable | 70% |
| 23 | Santa Fe Puerto S.A. | Apoquindo 3650 Oficina 803, Las Condes, Santiago. | Not applicable | 70% |
| 24 | JSW Jharkhand Steel Limited | JSW Centre, Bandra –Kurla Complex, Bandra East, Mumbai 400 051 | U27310MH2007PLC171405 | 100% |
| 25 | JSW Bengal Steel Limited | JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51. | U27106MH2007PLC170160 | 98.69% |
| 26 | JSW Natural Resources India Limited | JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51. | U14200MH2007PLC173687 | 98.69% |
| 27 | JSW Energy (Bengal) Limited | JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51. | U40300MH2010PLC199844 | 98.69% |
| 28 | JSW Natural Resources Bengal Limited | JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51. | U10300MH2010PLC200871 | 98.69% |
| 29 | JSW Steel Coated Products Limited | JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51. | U27100MH1985PLC037346 | 100% |
| 30 | Amba River Coke Limited | JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51. | U23100MH1997PLC110901 | 100% |
| 31 | Peddar Realty Private Limited | JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51. | U45200MH2002PTC137214 | 100% |
| 32 | Arima Holdings Limited | 42 Hotels Street, 3rd Floor, Gfin Tower, Cybercity, Ebene, Mauritius | Not Applicable | 100% |
| 33 | Lakeland Securities Limited | 42 Hotels Street, 3rd Floor, Gfin Tower, Cybercity, Ebene, Mauritius | Not Applicable | 100% |
| 34 | Erebus Limited | 42 Hotels Street, 3rd Floor, Gfin Tower, Cybercity, Ebene, Mauritius | Not Applicable | 100% |
| 35 | Nippon Ispat Singapore (PTE) Ltd | 17 Philip Street # 05-01 Grand Building, Singapore 048695. | Reg No.199303132W | 100% |
| 36 | Acero Junction Holdings, Inc | 1500 Commercial St, Mingo Junction , OH 43938-1096, United States | Not applicable | 100% |
| 37 | JSW Steel (USA) Ohio, Inc | 1500 Commercial St, Mingo Junction , OH 43938-1096, United States | Not applicable | 100% |
| 38 | JSW Industrial Gases Private Limited | JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51 | U85110MH1995PTC293892 | 100% |
| 39 | JSW Steel Italy S.r.l. | Largo Caduti Sul Lavoro 21 PIOMBINO (LI), 57025, Italy | Not Applicable | 100% |
| 40 | JSW Steel Italy Piombino S.p.A | Largo Caduti Sul Lavoro 21 PIOMBINO (LI), 57025, Italy | Not applicable | 100% |
| 41 | Piombino Logistics S.p.A- A JSW Enterprise | Largo Caduti Sul Lavoro 21 PIOMBINO (LI), 57025, Italy | Not applicable | 100% |
| 42 | GSI Lucchini S.p.A | Largo Caduti Sul Lavoro 21 PIOMBINO (LI), 57025, Italy | Not applicable | 69.27% |
| 43 | JSW Utkal Steel Limited | JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai 400 051. | U27209MH2017PLC301887 | 100% |
| 44 | Hasaud Steel Limited | Grand Palladium, 6th Floor, 175, CST Road, Santacruz East, Mumbai 400 098 | U27209MH2018PLC305033 | 100% |
| 45 | JSW Retail Limited | JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai 400 051. | U27300MH2018PLC314290 | 100% |
| 46 | Vardhaman Industries Limited | Village Beopror, GT Road, Shambhu, Tehsil Rajpura, Patiala, Punjab 140417 | L74899DL1984PLC019492 | 100% |

# ANNEXURE - B TO DIRECTORS' REPORT

| SR. NO | NAME OF THE COMPANY | ADDRESS OF THE COMPANY | CIN/GLN | % of shares held |
|---|---|---|---|---|
| 47 | JSW Vallabh Tinplate Private Limited | Flat No. 1309,13th Floor Vikram Tower, Rajendra Place, New Delhi 110008 | U28112DL1995PTC204971 | 73.55% |
| 48 | JSW Vijayanagar Metallics Limited | JSW Center, Bandra Kurla Complex, Bandra East, Mumbai 400 051 | U27300MH2019PLC334944 | 100% |
| 49 | Makler Private Limited | NTH Complex, 4th Floor, A-2 Shaheed Jeet Singh Marg Qutab Institutional Area New Delhi - 110067 | U27100DL2017PTC318039 | 100% |
| 50 | Piombino Steel Limited | National Trust for Handicapped, Shaheed Jit Singh Marg, USO Road, Qutab Institutional Area, Delhi - 110067 | U27320DL2018PLC339250 | 100% |
| **Joint Ventures (Applicable Section 2(6))** | | | | |
| 51 | Creixent Special Steels Limited | QR No. 50-51,Park Avenue colony, Jindal Road, Dhimrapur, Raigarh, Chattisgarh 496001 | U272090CT2018PLC008397 | 48% |
| 52 | Monnet Ispat & Energy Limited | Naharpali, Tehsil, Kharsia, Raigarh | L02710CT1990PLC009826 | 23.10% |
| 53 | Vijayanagar Minerals Private Limited | Toranagallu Village, Sandur Taluk, Bellary | U13100KA1997PTC022398 | 40% |
| 54 | Rohne Coal Company Private Limited | A-2, Shaheed Jeet Singh marg, Qutub Institutional Area, New Delhi 110 016 | U10300DL2008PTC176675 | 49% |
| 55 | JSW Severfield Structures Limited | 401, Grande Palladium, 175 CST Road, Kalina, Santacruz (East) Mumbai Mumbai City, MH 400098 | U28112MH2009PLC191045 | 50% |
| 56 | JSW Structural Metal Decking Limited | Office no. 601, 6th Floor, Gujral House, Plot No. 167, C.S.T. Road, Kalina, Santacruz (E) Mumbai Mumbai City, MH 400098 | U28112MH2009PLC197954 | 33.33% |
| 57 | Gourangdih Coal Limited | 5B, Nandalal Basu Sarani, Kolkata Kolkata, WB 700071 | U10100WB2009PLC1393007 | 50% |
| 58 | JSW MI Steel Service Center Private Limited | JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai, MH 400051 | U74900MH2011PTC222152 | 50% |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

1 Category-wise Share Holding: -

| CATEGORY CODE | CATEGORY OF SHAREHOLDER | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01.04.2019 | | | | NO. OF SHARES HELD AT THE END OF THE YEAR 31.03.2020 | | | | % CHANGE DURING THE YEAR |
|---|---|---|---|---|---|---|---|---|---|---|
| | | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) | (X) | (XI) |
| (A) | **PROMOTER AND PROMOTER GROUP** | | | | | | | | | |
| (1) | **INDIAN** | | | | | | | | | |
| (a) | Individual /HUF | 14584040 | 0 | 14584040 | 0.60 | 14444160 | 0 | 14444160 | 0.60 | -0.01 |
| (b) | Central Government/State Government(s) | 9079520 | 0 | 9079520 | 0.38 | 9079520 | 0 | 9079520 | 0.38 | 0.00 |
| (c) | Bodies Corporate | 957420350 | 0 | 957420350 | 39.61 | 970999350 | 0 | 970999350 | 40.17 | 0.56 |
| (d) | Financial Institutions / Banks | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Others | 600 | 0 | 600 | 0.00 | 105180 | 0 | 105180 | 0.00 | 0.00 |
| | Sub-Total A(1) : | 981084510 | 0 | 981084510 | 40.59 | 994628210 | 0 | 994628210 | 41.15 | 0.56 |
| (2) | **FOREIGN** | | | | | | | | | |
| (a) | Individuals (NRIs/Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) | Bodies Corporate | 50021540 | 0 | 50021540 | 2.07 | 37839600 | 0 | 37839600 | 1.57 | -0.50 |
| (c) | Institutions | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | **Sub-Total A(2) :** | **50021540** | **0** | **50021540** | **2.07** | **37839600** | **0** | **37839600** | **1.57** | **-0.50** |
| | **Total A=A(1)+A(2)** | **1031106050** | **0** | **1031106050** | **42.66** | **1032467810** | **0** | **1032467810** | **42.71** | **0.06** |
| (B) | **PUBLIC SHAREHOLDING** | | | | | | | | | |
| (1) | **INSTITUTIONS** | | | | | | | | | |
| (a) | Mutual Funds /UTI | 47224701 | 152510 | 47377211 | 1.96 | 51377021 | 133120 | 51510141 | 2.13 | 0.17 |
| (b) | Financial Institutions /Banks | 22005362 | 18270 | 22023632 | 0.91 | 55955100 | 17980 | 55973080 | 2.32 | 1.40 |
| (c) | Central Government / State Government(s) | 12375000 | 0 | 12375000 | 0.51 | 12375000 | 0 | 12375000 | 0.51 | 0.00 |
| (d) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (f) | Foreign Institutional Investors | 449025505 | 97750 | 449123255 | 18.58 | 413946266 | 97750 | 414044016 | 17.13 | -1.45 |
| (g) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (h) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (i) | Others | 0 | 0 | 0 | 0.00 | 4366707 | 0 | 4366707 | 0.18 | 0.18 |
| | **Sub-Total B(1) :** | **530630568** | **268530** | **530899098** | **21.96** | **538020094** | **248850** | **538268944** | **22.27** | **0.30** |
| (2) | **NON-INSTITUTIONS** | | | | | | | | | |
| (a) | Bodies Corporate | 185516708 | 4985130 | 190501838 | 7.88 | 199412174 | 4950290 | 204362464 | 8.45 | 0.57 |
| (b) | Individuals | | | | | | | | | |
| | (i) Individuals holding nominal share capital upto Rs.2 lakh | 92146917 | 16609570 | 108756487 | 4.50 | 102864388 | 14456642 | 117321030 | 4.85 | 0.35 |
| | (ii) Individuals holding nominal share capital in excess of Rs.2 lakh | 132615432 | 0 | 132615432 | 5.49 | 100393150 | 0 | 100393150 | 4.15 | -1.33 |

| CATEGORY CODE | CATEGORY OF SHAREHOLDER | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01.04.2019 | | | | NO. OF SHARES HELD AT THE END OF THE YEAR 31.03.2020 | | | | % CHANGE DURING THE YEAR |
|---|---|---|---|---|---|---|---|---|---|---|
| | | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) | (X) | (XI) |
| (c) | Others | | | | | | | | | |
| | FOREIGN BODIES CORPORATES | 362583070 | 1660 | 362584730 | 15.00 | 362583070 | 1660 | 362584730 | 15.00 | 0.00 |
| | I E P F | 13049760 | 0 | 13049760 | 0.54 | 13998087 | 0 | 13998087 | 0.58 | 0.04 |
| | | | | | | | | | | |
| | NON RESIDENT INDIANS | 25037328 | 3215650 | 28252978 | 1.17 | 24974328 | 2910600 | 27884928 | 1.15 | -0.02 |
| | NRI NON-REPATRIATION | 2194892 | 0 | 2194892 | 0.09 | 2963321 | 0 | 2963321 | 0.12 | 0.03 |
| | OVERSEAS CORPORATE BODIES | 0 | 9660 | 9660 | 0.00 | 0 | 9660 | 9660 | 0.00 | 0.00 |
| | SOCIETIES | 0 | 0 | 0 | 0.00 | 0 | 40 | 40 | 0.00 | 0.00 |
| | TRUSTS | 17249515 | 0 | 17249515 | 0.71 | 16966276 | 0 | 16966276 | 0.70 | -0.01 |
| (d) | Qualified Foreign Investor | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0.00** |
| | **Sub-Total B(2) :** | **830393622** | **24821670** | **855215292** | **35.38** | **824154794** | **22328892** | **846483686** | **35.02** | **-0.36** |
| | **Total B=B(1)+B(2) :** | **1361024190** | **25090200** | **1386114390** | **57.34** | **1362174888** | **22577742** | **1384752630** | **57.29** | **-0.06** |
| | **Total (A+B) :** | **2392130240** | **25090200** | **2417220440** | **100.00** | **2394642698** | **22577742** | **2417220440** | **100.00** | **0.00** |

## 2. SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP:

| Sl no. | Name of the Share Holder | Shareholding at the beginning of the Year 01.04.2019 | | | Shareholding at the end of the Year 31.03.2020 | | | % change in shareholding |
|---|---|---|---|---|---|---|---|---|
| | | No of Shares held as on 01.04.2019 | % of Total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No of Shares Held As on 31.03.2020 | % of Total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 1 | JSW TECHNO PROJECTS MANAGEMENT LIMITED | 24000000 | 0.99 | 0.00 | 203990000 | 8.44 | 0.00 | 7.45 |
| 2 | JSW TECHNO PROJECTS MANAGEMENT LTD | 223328450 | 9.24 | 82.04 | 53061220 | 2.20 | 73.57 | -7.04 |
| 3 | JSW HOLDINGS LIMITED | 178837230 | 7.40 | 32.64 | 181402230 | 7.50 | 28.06 | 0.11 |
| 4 | VIVIDH FINVEST PRIVATE LIMITED | 141995690 | 5.87 | 47.99 | 119370690 | 4.94 | 85.27 | -0.94 |
| 5 | SAHYOG HOLDINGS PRIVATE LIMITED | 111672860 | 4.62 | 63.48 | 112067860 | 4.64 | 83.21 | 0.02 |
| 6 | JSW ENERGY LIMITED | 70038350 | 2.90 | 0.00 | 70038350 | 2.90 | 0.00 | 0.00 |
| 7 | DANTA ENTERPRISES PRIVATE LIMITED | 60368250 | 2.50 | 70.82 | 60368250 | 2.50 | 100.00 | 0.00 |
| 8 | VIRTUOUS TRADECORP PRIVATE LIMITED | 60368250 | 2.50 | 26.34 | 60368250 | 2.50 | 7.45 | 0.00 |
| 9 | NALWA SONS INVESTMENTS LTD | 45486370 | 1.88 | 0.00 | 45486370 | 1.88 | 0.00 | 0.00 |
| 10 | VIVIDH FINVEST PRIVATE LIMITED | 0 | 0.00 | 0.00 | 24000000 | 0.99 | 0.00 | 0.99 |
| 11 | JSL OVERSEAS LIMITED | 21026090 | 0.87 | 0.00 | 21026090 | 0.87 | 71.34 | 0.00 |
| 12 | GLEBE TRADING PRIVATE LIMITED | 17157930 | 0.71 | 84.70 | 17157930 | 0.71 | 100.00 | 0.00 |
| 13 | JTPM METAL TRADERS PRIVATE LIMITED | 0 | 0.00 | 0.00 | 9167700 | 0.38 | 0.00 | 0.38 |
| 14 | KARNATAKA STATE INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT CORPORATION | 9079520 | 0.38 | 0.00 | 9079520 | 0.38 | 0.00 | 0.00 |
| 15 | JSW LOGISTICS INFRASTRUCTURE PRIVATE LIMITED | 17125770 | 0.71 | 0.00 | 7403000 | 0.31 | 100.00 | 0.40 |
| 16 | SIDDESHWARI TRADEX PRIVATE LIMITED | 7024580 | 0.29 | 0.00 | 7024580 | 0.29 | 100.00 | 0.00 |
| 17 | BEAUFIELD HOLDINGS LIMITED | 16409910 | 0.68 | 0.00 | 4227970 | 0.17 | 0.00 | -0.50 |
| 18 | MENDEZA HOLDINGS LIMITED | 4218090 | 0.17 | 100.00 | 4218090 | 0.17 | 100.00 | 0.00 |
| 19 | NACHO INVESTMENTS LIMITED | 4207380 | 0.17 | 100.00 | 4207380 | 0.17 | 100.00 | 0.00 |
| 20 | ESTRELA INVESTMENT COMPANY LIMITED | 4160070 | 0.17 | 100.00 | 4160070 | 0.17 | 100.00 | 0.00 |
| 21 | TARINI JINDAL HANDA | 4913890 | 0.14 | 42.06 | 4913890 | 0.14 | 42.06 | 0.00 |
| 22 | TANVI SHETE | 4883630 | 0.14 | 0.00 | 4883630 | 0.14 | 0.00 | 0.00 |
| 23 | PARTH JINDAL | 1820000 | 0.07 | 0.00 | 1820000 | 0.07 | 0.00 | 0.00 |
| 24 | SEEMA JAJODIA | 1750000 | 0.07 | 0.00 | 0 | 0.00 | 0.00 | -0.07 |
| 25 | SEEMA JAJODIA | 0 | 0.00 | 0.00 | 1750000 | 0.07 | 0.00 | 0.07 |
| 26 | URMILA BHUWALKA | 283270 | 0.01 | 74.13 | 302270 | 0.01 | 100.00 | 0.00 |
| 27 | ARTI JINDAL | 227550 | 0.01 | 0.00 | 227550 | 0.01 | 0.00 | 0.00 |
| 28 | DEEPIKA JINDAL | 148650 | 0.01 | 0.00 | 148650 | 0.01 | 0.00 | 0.00 |
| 29 | NIRMALA GOYAL | 120000 | 0.00 | 0.00 | 122000 | 0.01 | 0.00 | 0.00 |
| 30 | PRITHAVI RAJ JINDAL | 84580 | 0.00 | 0.00 | 84580 | 0.00 | 0.00 | 0.00 |
| 31 | SAVITRI DEVI JINDAL | 75300 | 0.00 | 0.00 | 75300 | 0.00 | 0.00 | 0.00 |
| 32 | S K JINDAL AND SONS HUF | 58000 | 0.00 | 0.00 | 58000 | 0.00 | 0.00 | 0.00 |
| 33 | SMINU JINDAL | 55970 | 0.00 | 0.00 | 55970 | 0.00 | 0.00 | 0.00 |
| 34 | TRIPTI JINDAL | 50660 | 0.00 | 0.00 | 50660 | 0.00 | 0.00 | 0.00 |
| 35 | P R JINDAL HUF | 45550 | 0.00 | 0.00 | 45550 | 0.00 | 0.00 | 0.00 |
| 36 | NAVEEN JINDAL | 54990 | 0.00 | 0.00 | 54990 | 0.00 | 0.00 | 0.00 |
| 37 | SARIKA JHUNJHNUWALA | 0 | 0.00 | 0.00 | 20000 | 0.00 | 0.00 | 0.00 |
| 38 | HEXA TRADEX LIMITED | 13620 | 0.00 | 0.00 | 13620 | 0.00 | 0.00 | 0.00 |

# ANNEXURE - B TO DIRECTORS' REPORT

| Sl no. | Name of the Share Holder | Shareholding at the beginning of the Year 01.04.2019 | | | Shareholding at the end of the Year 31.03.2020 | | | % change in shareholding |
|---|---|---|---|---|---|---|---|---|
| | | No of Shares held as on 01.04.2019 | % of Total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No of Shares Held As on 31.03.2020 | % of Total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 39 | AIYUSH BHUWALKA | 10000 | 0.00 | 0.00 | 10000 | 0.00 | 0.00 | 0.00 |
| 40 | SAJJAN JINDAL | 1000 | 0.00 | 0.00 | 1000 | 0.00 | 0.00 | 0.00 |
| 41 | REYNOLD TRADERS PRIVATE LIMITED | 1000 | 0.00 | 0.00 | 1000 | 0.00 | 0.00 | 0.00 |
| 42 | JSW INVESTMENTS PRIVATE LIMITED | 1000 | 0.00 | 0.00 | 1000 | 0.00 | 0.00 | 0.00 |
| 43 | JSW PROJECTS LIMITED | 1000 | 0.00 | 0.00 | 1000 | 0.00 | 0.00 | 0.00 |
| 44 | SANGITA JINDAL | 1000 | 0.00 | 0.00 | 1000 | 0.00 | 0.00 | 0.00 |
| 45 | SAJJAN JINDAL FAMILY TRUST | 100 | 0.00 | 0.00 | 100 | 0.00 | 0.00 | 0.00 |
| 46 | SAJJAN JINDAL LINEAGE TRUST | 100 | 0.00 | 0.00 | 100 | 0.00 | 0.00 | 0.00 |
| 47 | TARINI JINDAL FAMILY TRUST | 100 | 0.00 | 0.00 | 100 | 0.00 | 0.00 | 0.00 |
| 48 | SANGITA JINDAL FAMILY TRUST | 100 | 0.00 | 0.00 | 100 | 0.00 | 0.00 | 0.00 |
| 49 | TANVI JINDAL FAMILY TRUST | 100 | 0.00 | 0.00 | 100 | 0.00 | 0.00 | 0.00 |
| 50 | PARTH JINDAL FAMILY TRUST | 100 | 0.00 | 0.00 | 100 | 0.00 | 0.00 | 0.00 |
| | **Total** | **1031106050** | **42.66** | | **1032467810** | **42.71** | | **0.05** |

## 3. Change in Promoters & Promoter Group Shareholding (please specify, if there is no change):

| Sl. No. | Name of the Share Holder | Shareholding at the beginning of the year | | Cumulative shareholding during the year | | Remarks | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | No of Shares held as on 01/04/2019 | % of total shares of the Company | No of Shares Held As on 31/03/2020 | % of total shares of the Company | Date | Sold | Purchased | No. of shares at the end of the year |
| 1 | JSW TECHNO PROJECTS MANAGEMENT LIMITED | 24000000 | 0.99 | 203990000 | 8.44 | 1-Apr-19 | 0 | 0 | 24000000 |
| | | | | | | 30-Aug-19 | 0 | 11000000 | 35000000 |
| | | | | | | 27-Sep-19 | 0 | 65664000 | 100664000 |
| | | | | | | 11-Oct-19 | 0 | 25000000 | 125664000 |
| | | | | | | 1-Nov-19 | 0 | 32924000 | 158588000 |
| | | | | | | 13-Dec-19 | 0 | 22704000 | 181292000 |
| | | | | | | 20-Mar-20 | 0 | 22698000 | 203990000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 203990000 |
| 2 | JSW TECHNO PROJECTS MANAGEMENT LTD | 223328450 | 9.24 | 53061220 | 2.20 | 1-Apr-19 | 0 | 0 | 223328450 |
| | | | | | | 30-Aug-19 | 11000000 | 0 | 212328450 |
| | | | | | | 27-Sep-19 | 65664000 | 0 | 146664450 |
| | | | | | | 11-Oct-19 | 25000000 | 0 | 121664450 |
| | | | | | | 1-Nov-19 | 32924000 | 0 | 88740450 |
| | | | | | | 13-Dec-19 | 22704000 | 0 | 66036450 |
| | | | | | | 20-Mar-20 | 12975230 | 0 | 53061220 |
| | | | | | | 31-Mar-20 | 0 | 0 | 53061220 |
| 3 | JSW HOLDINGS LIMITED | 178837230 | 7.40 | 181402230 | 7.50 | 1-Apr-19 | 0 | 0 | 178837230 |
| | | | | | | 9-Aug-19 | 0 | 1365000 | 180202230 |
| | | | | | | 16-Aug-19 | 0 | 200000 | 180402230 |
| | | | | | | 30-Aug-19 | 0 | 200000 | 180602230 |

| Sl. No. | Name of the Share Holder | Shareholding at the beginning of the year | | Cumulative shareholding during the year | | Remarks | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | No of Shares held as on 01/04/2019 | % of total shares of the Company | No of Shares Held As on 31/03/2020 | % of total shares of the Company | Date | Sold | Purchased | No. of shares at the end of the year |
| | | | | | | 22-Nov-19 | 0 | 600000 | 181202230 |
| | | | | | | 29-Nov-19 | 0 | 200000 | 181402230 |
| | | | | | | 31-Mar-20 | 0 | 0 | 181402230 |
| 4 | VIVIDH FINVEST PRIVATE LIMITED | 141995690 | 5.87 | 119370690 | 4.94 | 1-Apr-19 | 0 | 0 | 141995690 |
| | | | | | | 16-Aug-19 | 24000000 | 0 | 117995690 |
| | | | | | | 23-Aug-19 | 0 | 651000 | 118646690 |
| | | | | | | 30-Aug-19 | 0 | 724000 | 119370690 |
| | | | | | | 31-Mar-20 | 0 | 0 | 119370690 |
| 5 | SAHYOG HOLDINGS PRIVATE LIMITED | 111672860 | 4.62 | 112067860 | 4.64 | 1-Apr-19 | 0 | 0 | 111672860 |
| | | | | | | 29-Nov-19 | 0 | 200000 | 111872860 |
| | | | | | | 6-Dec-19 | 0 | 195000 | 112067860 |
| | | | | | | 31-Mar-20 | 0 | 0 | 112067860 |
| 6 | JSW ENERGY LIMITED | 70038350 | 2.90 | 70038350 | 2.90 | 1-Apr-19 | 0 | 0 | 70038350 |
| | | | | | | 31-Mar-20 | 0 | 0 | 70038350 |
| 7 | DANTA ENTERPRISES PRIVATE LIMITED | 60368250 | 2.50 | 60368250 | 2.50 | 1-Apr-19 | 0 | 0 | 60368250 |
| | | | | | | 31-Mar-20 | 0 | 0 | 60368250 |
| 8 | VIRTUOUS TRADECORP PRIVATE LIMITED | 60368250 | 2.50 | 60368250 | 2.50 | 1-Apr-19 | 0 | 0 | 60368250 |
| | | | | | | 31-Mar-20 | 0 | 0 | 60368250 |
| 9 | NALWA SONS INVESTMENTS LTD | 45486370 | 1.88 | 45486370 | 1.88 | 1-Apr-19 | 0 | 0 | 45486370 |
| | | | | | | 31-Mar-20 | 0 | 0 | 45486370 |
| 10 | VIVIDH FINVEST PRIVATE LIMITED | 0 | 0.00 | 24000000 | 0.99 | 1-Apr-19 | 0 | 0 | 0 |
| | | | | | | 16-Aug-19 | 0 | 24000000 | 24000000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 24000000 |
| 11 | JSL OVERSEAS LIMITED | 21026090 | 0.87 | 21026090 | 0.87 | 1-Apr-19 | 0 | 0 | 21026090 |
| | | | | | | 31-Mar-20 | 0 | 0 | 21026090 |
| 12 | GLEBE TRADING PRIVATE LIMITED | 17157930 | 0.71 | 17157930 | 0.71 | 1-Apr-19 | 0 | 0 | 17157930 |
| | | | | | | 31-Mar-20 | 0 | 0 | 17157930 |
| 13 | JTPM METAL TRADERS PRIVATE LIMITED | 0 | 0.00 | 9167700 | 0.38 | 1-Apr-19 | 0 | 0 | 0 |
| | | | | | | 13-Mar-20 | 0 | 450000 | 450000 |
| | | | | | | 20-Mar-20 | 0 | 4137500 | 4587500 |
| | | | | | | 27-Mar-20 | 0 | 2475200 | 7062700 |
| | | | | | | 31-Mar-20 | 0 | 2105000 | 9167700 |
| | | | | | | 31-Mar-20 | 0 | 0 | 9167700 |
| 14 | KARNATAKA STATE INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT CORPORATION | 9079520 | 0.38 | 9079520 | 0.38 | 1-Apr-19 | 0 | 0 | 9079520 |
| | | | | | | 31-Mar-20 | 0 | 0 | 9079520 |

# ANNEXURE - B TO DIRECTORS' REPORT

| Sl. No. | Name of the Share Holder | Shareholding at the beginning of the year | | Cumulative shareholding during the year | | Remarks | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | No of Shares held as on 01/04/2019 | % of total shares of the Company | No of Shares Held As on 31/03/2020 | % of total shares of the Company | Date | Sold | Purchased | No. of shares at the end of the year |
| 15 | JSW LOGISTICS INFRASTRUCTURE PRIVATE LIMITED | 17125770 | 0.71 | 7403000 | 0.31 | 1-Apr-19 | 0 | 0 | 17125770 |
| | | | | | | 20-Mar-20 | 9722770 | 0 | 7403000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 7403000 |
| 16 | SIDDESHWARI TRADEX PRIVATE LIMITED | 7024580 | 0.29 | 7024580 | 0.29 | 1-Apr-19 | 0 | 0 | 7024580 |
| | | | | | | 31-Mar-20 | 0 | 0 | 7024580 |
| 17 | BEAUFIELD HOLDINGS LIMITED | 16409910 | 0.68 | 4227970 | 0.17 | 1-Apr-19 | 0 | 0 | 16409910 |
| | | | | | | 31-May-19 | 9500000 | 0 | 6909910 |
| | | | | | | 7-Jun-19 | 3000000 | 0 | 3909910 |
| | | | | | | 28-Jun-19 | 0 | 3091745 | 7001655 |
| | | | | | | 6-Dec-19 | 2773685 | 0 | 4227970 |
| | | | | | | 31-Mar-20 | 0 | 0 | 4227970 |
| 18 | MENDEZA HOLDINGS LIMITED | 4218090 | 0.17 | 4218090 | 0.17 | 1-Apr-19 | 0 | 0 | 4218090 |
| | | | | | | 31-Mar-20 | 0 | 0 | 4218090 |
| 19 | NACHO INVESTMENTS LIMITED | 4207380 | 0.17 | 4207380 | 0.17 | 1-Apr-19 | 0 | 0 | 4207380 |
| | | | | | | 31-Mar-20 | 0 | 0 | 4207380 |
| 20 | ESTRELA INVESTMENT COMPANY LIMITED | 4160070 | 0.17 | 4160070 | 0.17 | 1-Apr-19 | 0 | 0 | 4160070 |
| | | | | | | 31-Mar-20 | 0 | 0 | 4160070 |
| 21 | TARINI JINDAL HANDA | 4913890 | 0.20 | 4913890 | 0.20 | 1-Apr-19 | 0 | 0 | 4913890 |
| | | | | | | 31-Mar-20 | 0 | 0 | 4913890 |
| 22 | TANVI SHETE | 4883630 | 0.20 | 4883630 | 0.20 | 1-Apr-19 | 0 | 0 | 4883630 |
| | | | | | | 31-Mar-20 | 0 | 0 | 4883630 |
| 23 | SEEMA JAJODIA | 1750000 | 0.07 | 0 | 0.00 | 1-Apr-19 | 0 | 0 | 1750000 |
| | | | | | | 20-Sep-19 | 1750000 | 0 | 0 |
| | | | | | | 31-Mar-20 | 0 | 0 | 0 |
| 24 | SEEMA JAJODIA | 0 | 0.00 | 1750000 | 0.07 | 1-Apr-19 | 0 | 0 | 0 |
| | | | | | | 20-Sep-19 | 0 | 1750000 | 1750000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 1750000 |
| 25 | PARTH JINDAL | 1820000 | 0.08 | 1820000 | 0.08 | 1-Apr-19 | 0 | 0 | 1820000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 1820000 |
| 26 | URMILA BHUWALKA | 283270 | 0.01 | 302270 | 0.01 | 1-Apr-19 | 0 | 0 | 283270 |
| | | | | | | 6-Sep-19 | 0 | 4000 | 287270 |
| | | | | | | 20-Sep-19 | 0 | 15000 | 302270 |
| | | | | | | 31-Mar-20 | 0 | 0 | 302270 |
| 27 | ARTI JINDAL | 227550 | 0.01 | 227550 | 0.01 | 1-Apr-19 | 0 | 0 | 227550 |
| | | | | | | 31-Mar-20 | 0 | 0 | 227550 |
| 28 | DEEPIKA JINDAL | 148650 | 0.01 | 148650 | 0.01 | 1-Apr-19 | 0 | 0 | 148650 |
| | | | | | | 31-Mar-20 | 0 | 0 | 148650 |

| Sl. No. | Name of the Share Holder | Shareholding at the beginning of the year | | Cumulative shareholding during the year | | Remarks | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | No of Shares held as on 01/04/2019 | % of total shares of the Company | No of Shares Held As on 31/03/2020 | % of total shares of the Company | Date | Sold | Purchased | No. of shares at the end of the year |
| 29 | NIRMALA GOYAL | 120000 | 0.00 | 122000 | 0.01 | 1-Apr-19 | 0 | 0 | 120000 |
| | | | | | | 27-Mar-20 | 0 | 2000 | 122000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 122000 |
| 30 | PRITHAVI RAJ JINDAL | 84580 | 0.00 | 84580 | 0.00 | 1-Apr-19 | 0 | 0 | 84580 |
| | | | | | | 31-Mar-20 | 0 | 0 | 84580 |
| 31 | SAVITRI DEVI JINDAL | 75300 | 0.00 | 75300 | 0.00 | 1-Apr-19 | 0 | 0 | 75300 |
| | | | | | | 31-Mar-20 | 0 | 0 | 75300 |
| 32 | S K JINDAL AND SONS HUF . | 58000 | 0.00 | 58000 | 0.00 | 1-Apr-19 | 0 | 0 | 58000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 58000 |
| 33 | SMINU JINDAL | 55970 | 0.00 | 55970 | 0.00 | 1-Apr-19 | 0 | 0 | 55970 |
| | | | | | | 31-Mar-20 | 0 | 0 | 55970 |
| 34 | TRIPTI JINDAL | 50660 | 0.00 | 50660 | 0.00 | 1-Apr-19 | 0 | 0 | 50660 |
| | | | | | | 31-Mar-20 | 0 | 0 | 50660 |
| 35 | P R JINDAL HUF . | 45550 | 0.00 | 45550 | 0.00 | 1-Apr-19 | 0 | 0 | 45550 |
| | | | | | | 31-Mar-20 | 0 | 0 | 45550 |
| 36 | NAVEEN JINDAL | 54990 | 0.00 | 54990 | 0.00 | 1-Apr-19 | 0 | 0 | 54990 |
| | | | | | | 31-Mar-20 | 0 | 0 | 54990 |
| 37 | SARIKA JHUNJHNUWALA | 0 | 0.00 | 20000 | 0.00 | 1-Apr-19 | 0 | 0 | 0 |
| | | | | | | 27-Mar-20 | 0 | 20000 | 20000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 20000 |
| 38 | HEXA TRADEX LIMITED | 13620 | 0.00 | 13620 | 0.00 | 1-Apr-19 | 0 | 0 | 13620 |
| | | | | | | 31-Mar-20 | 0 | 0 | 13620 |
| 39 | AIYUSH BHUWALKA | 10000 | 0.00 | 10000 | 0.00 | 1-Apr-19 | 0 | 0 | 10000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 10000 |
| 40 | REYNOLD TRADERS PRIVATE LIMITED | 1000 | 0.00 | 1000 | 0.00 | 1-Apr-19 | 0 | 0 | 1000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 1000 |
| 41 | JSW INVESTMENTS PRIVATE LIMITED | 1000 | 0.00 | 1000 | 0.00 | 1-Apr-19 | 0 | 0 | 1000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 1000 |
| 42 | SAJJAN JINDAL | 1000 | 0.00 | 1000 | 0.00 | 1-Apr-19 | 0 | 0 | 1000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 1000 |
| 43 | JSW PROJECTS LIMITED | 1000 | 0.00 | 1000 | 0.00 | 1-Apr-19 | 0 | 0 | 1000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 1000 |
| 44 | SANGITA JINDAL | 1000 | 0.00 | 1000 | 0.00 | 1-Apr-19 | 0 | 0 | 1000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 1000 |
| 45 | SAJJAN JINDAL FAMILY TRUST | 100 | 0.00 | 100 | 0.00 | 1-Apr-19 | 0 | 0 | 100 |
| | | | | | | 31-Mar-20 | 0 | 0 | 100 |
| 46 | SAJJAN JINDAL LINEAGE TRUST | 100 | 0.00 | 100 | 0.00 | 1-Apr-19 | 0 | 0 | 100 |

| Sl. No. | Name of the Share Holder | Shareholding at the beginning of the year | | Cumulative shareholding during the year | | Remarks | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | No of Shares held as on 01/04/2019 | % of total shares of the Company | No of Shares Held As on 31/03/2020 | % of total shares of the Company | Date | Sold | Purchased | No. of shares at the end of the year |
| | | | | | | 31-Mar-20 | 0 | 0 | 100 |
| 47 | SANGITA JINDAL FAMILY TRUST | 100 | 0.00 | 100 | 0.00 | 1-Apr-19 | 0 | 0 | 100 |
| | | | | | | 31-Mar-20 | 0 | 0 | 100 |
| 78 | TARINI JINDAL FAMILY TRUST | 100 | 0.00 | 100 | 0.00 | 1-Apr-19 | 0 | 0 | 100 |
| | | | | | | 31-Mar-20 | 0 | 0 | 100 |
| 49 | TANVI JINDAL FAMILY TRUST | 100 | 0.00 | 100 | 0.00 | 1-Apr-19 | 0 | 0 | 100 |
| | | | | | | 31-Mar-20 | 0 | 0 | 100 |
| 50 | PARTH JINDAL FAMILY TRUST | 100 | 0.00 | 100 | 0.00 | 1-Apr-19 | 0 | 0 | 100 |
| | | | | | | 31-Mar-20 | 0 | 0 | 100 |
| | **Total** | **1031106050** | **42.66** | **1032467810** | **42.71** | | | | |

## 4. Shareholding pattern of top ten shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl no | Name of the Share Holder | Shareholding at the beginning of the year | | Cumulative shareholding during the year | | Date | Sold | Purchased | No. of shares at the end of the year |
|---|---|---|---|---|---|---|---|---|---|
| | | No of Shares held as on 01.04.2019 | % of Total Shares of the Company | No of Shares Held As on 31/03/2020 | % of Total Shares of the Company | | | | |
| 1 | JFE STEEL INTERNATIONAL EUROPE B.V. | 362583070 | 15.00 | 362583070 | 15.00 | 1-Apr-19 | 0 | 0 | 362583070 |
| | | | | | | 31-Mar-20 | 0 | 0 | 362583070 |
| 2 | THELEME MASTER FUND LIMITED | 28905847 | 1.20 | 58325307 | 2.41 | 1-Apr-19 | 0 | 0 | 28905847 |
| | | | | | | 5-Apr-19 | 400000 | 0 | 28505847 |
| | | | | | | 21-Jun-19 | 0 | 1350000 | 29855847 |
| | | | | | | 31-Mar-20 | 0 | 28469460 | 58325307 |
| | | | | | | 31-Mar-20 | 0 | 0 | 58325307 |
| 3 | LIFE INSURANCE CORPORATION OF INDIA | 18184702 | 0.75 | 53063091 | 2.20 | 1-Apr-19 | 0 | 0 | 18184702 |
| | | | | | | 5-Apr-19 | 0 | 184518 | 18369220 |
| | | | | | | 9-Aug-19 | 0 | 275000 | 18644220 |
| | | | | | | 16-Aug-19 | 0 | 626000 | 19270220 |
| | | | | | | 23-Aug-19 | 0 | 687515 | 19957735 |
| | | | | | | 30-Aug-19 | 0 | 990000 | 20947735 |
| | | | | | | 6-Sep-19 | 0 | 1098637 | 22046372 |
| | | | | | | 13-Sep-19 | 0 | 951617 | 22997989 |
| | | | | | | 20-Sep-19 | 0 | 1621424 | 24619413 |
| | | | | | | 4-Oct-19 | 0 | 726696 | 25346109 |
| | | | | | | 11-Oct-19 | 0 | 1530000 | 26876109 |
| | | | | | | 18-Oct-19 | 0 | 3588815 | 30464924 |
| | | | | | | 25-Oct-19 | 0 | 3423609 | 33888533 |
| | | | | | | 1-Nov-19 | 0 | 1973000 | 35861533 |
| | | | | | | 8-Nov-19 | 0 | 240900 | 36102433 |

| Sl no | Name of the Share Holder | Shareholding at the beginning of the year | | Cumulative shareholding during the year | | Date | Sold | Purchased | No. of shares at the end of the year |
|---|---|---|---|---|---|---|---|---|---|
| | | No of Shares held as on 01.04.2019 | % of Total Shares of the Company | No of Shares Held As on 31/03/2020 | % of Total Shares of the Company | | | | |
| | | | | | | 15-Nov-19 | 0 | 200000 | 36302433 |
| | | | | | | 22-Nov-19 | 0 | 603039 | 36905472 |
| | | | | | | 29-Nov-19 | 0 | 231000 | 37136472 |
| | | | | | | 6-Dec-19 | 0 | 1099979 | 38236451 |
| | | | | | | 13-Dec-19 | 0 | 1324519 | 39560970 |
| | | | | | | 20-Dec-19 | 0 | 1200441 | 40761411 |
| | | | | | | 27-Dec-19 | 0 | 1780000 | 42541411 |
| | | | | | | 31-Dec-19 | 0 | 625000 | 43166411 |
| | | | | | | 7-Feb-20 | 0 | 716801 | 43883212 |
| | | | | | | 14-Feb-20 | 0 | 5 | 43883217 |
| | | | | | | 21-Feb-20 | 0 | 600000 | 44483217 |
| | | | | | | 28-Feb-20 | 0 | 1456553 | 45939770 |
| | | | | | | 6-Mar-20 | 0 | 3069060 | 49008830 |
| | | | | | | 13-Mar-20 | 0 | 3055229 | 52064059 |
| | | | | | | 20-Mar-20 | 0 | 999032 | 53063091 |
| | | | | | | 31-Mar-20 | 0 | 0 | 53063091 |
| 4 | GAGANDEEP CREDIT CAPITAL PVT LTD | 47632650 | 1.97 | 50376991 | 2.08 | 1-Apr-19 | 0 | 0 | 47632650 |
| | | | | | | 3-May-19 | 0 | 1696595 | 49329245 |
| | | | | | | 10-May-19 | 0 | 3405 | 49332650 |
| | | | | | | 6-Sep-19 | 0 | 1044341 | 50376991 |
| | | | | | | 31-Mar-20 | 0 | 0 | 50376991 |
| 5 | APMS INVESTMENT FUND LIMITED | 36885000 | 1.53 | 0 | 0.00 | 1-Apr-19 | 0 | 0 | 36885000 |
| | | | | | | 20-Sep-19 | 2886418 | 0 | 33998582 |
| | | | | | | 27-Sep-19 | 1900000 | 0 | 32098582 |
| | | | | | | 27-Mar-20 | 32098582 | 0 | 0 |
| | | | | | | 31-Mar-20 | 0 | 0 | 0 |
| 6 | LOTUS GLOBAL INVESTMENTS LTD | 38159650 | 1.58 | 31781033 | 1.31 | 4-Jan-19 | 0 | 0 | 38159650 |
| | | | | | | 6-Sep-19 | 1109356 | 0 | 37050294 |
| | | | | | | 13-Sep-19 | 4062166 | 0 | 32988128 |
| | | | | | | 20-Sep-19 | 1207095 | 0 | 31781033 |
| | | | | | | 31-Mar-20 | 0 | 0 | 31781033 |
| 7 | THE INDIAMAN FUND (MAURITIUS) LIMITED. | 27025000 | 1.12 | 26975000 | 1.12 | 4-Jan-19 | 0 | 0 | 27025000 |
| | | | | | | 19-Apr-19 | 0 | 125000 | 27150000 |
| | | | | | | 17-May-19 | 0 | 75000 | 27225000 |
| | | | | | | 27-Mar-20 | 200000 | 0 | 27025000 |
| | | | | | | 31-Mar-20 | 50000 | 0 | 26975000 |
| | | | | | | 31-Mar-20 | 0 | 0 | 26975000 |
| 8 | SHAMYAK INVESTMENT PRIVATE LIMITED | 25333230 | 1.05 | 25333230 | 1.05 | 1-Apr-19 | 0 | 0 | 25333230 |
| | | | | | | 31-Mar-20 | 0 | 0 | 25333230 |

| Sl no | Name of the Share Holder | Shareholding at the beginning of the year | | Cumulative shareholding during the year | | Date | Sold | Purchased | No. of shares at the end of the year |
|---|---|---|---|---|---|---|---|---|---|
| | | No of Shares held as on 01.04.2019 | % of Total Shares of the Company | No of Shares Held As on 31/03/2020 | % of Total Shares of the Company | | | | |
| 9 | NEMISH S SHAH | 23943930 | 0.99 | 24443930 | 1.01 | 1-Apr-19 | 0 | 0 | 23943930 |
| | | | | | | 27-Mar-20 | 0 | 500000 | 24443930 |
| | | | | | | 31-Mar-20 | 0 | 0 | 24443930 |
| 10 | ENAM SECURITIES PVT LTD | 24052750 | 1.00 | 24052750 | 1.00 | 1-Apr-19 | 0 | 0 | 24052750 |
| | | | | | | 31-Mar-20 | 0 | 0 | 24052750 |

## 5. Shareholding of Directors and Key Managerial Personnel:

| Sl.No. | Name of the Directors and KMP | Shareholding at the beginning of the year 01.04.2019 | | Cumulative Shareholding during the year 31.03.2020 | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Mr. Sajjan Jindal, Chairman & Managing Director | 1000 | 0.00 | 1000 | 0.00 |
| 2 | Mr. Seshagiri Rao MVS, Jt. Managing Director & Group CFO | 223200 | 0.01 | 223200 | 0.01 |
| 3 | Dr. Vinod Nowal, Dy. Managing Director | 120560 | 0.00 | 120560 | 0.00 |
| 4 | Mr. Jayant Acharya, Director (Commercial & Marketing) | 112060* | 0.00 | 112060* | 0.00 |
| 5 | Mr. Hiroyuki Ogawa | 0 | 0.00 | 0 | 0.00 |
| 6 | Mr.Gangaram Baderiya | 0 | 0.00 | 0 | 0.00 |
| 7 | Mr. Seturaman Mahalingam | 0 | 0.00 | 0 | 0.00 |
| 8 | Mr. Malay Mukherjee | 0 | 0.00 | 0 | 0.00 |
| 9 | Mr. Haigreve Khaitan | 0 | 0.00 | 0 | 0.00 |
| 10 | Dr. (Mrs) Punita Kumar Sinha | 0 | 0.00 | 0 | 0.00 |
| 11 | Mr. Harsh Charandas Mariwala | 0 | 0.00 | 0 | 0.00 |
| 12 | Mrs. Nirupama Rao | 0 | 0.00 | 0 | 0.00 |
| 13 | Mr. Rajeev Pai, Chief Financial Officer | 0 | 0.00 | 0 | 0.00 |
| 14 | Mr Lancy Varghese, Company Secretary | 0 | 0.00 | 693 | 0.00 |

*19900 shares are held jointly with spouse

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:-

Amount in crores

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **INDEBTEDNESS AT THE BEGINNING OF THE FINANCIAL YEAR** | | | | |
| i) Principal Amount | 16,690 | 27,013 | - | 43,703 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 132 | 292 | - | 424 |
| **Total (i+ii+iii)** | **16,822** | **27,305** | **-** | **44,127** |
| **Change in indebtness** | | | | |
| * Addition | 43,609 | 12,223 | - | 55,832 |
| * Reduction | 39,245 | 7,422 | - | 46,666 |
| **NET CHANGE** | **4,365** | **4,801** | **-** | **9,166** |
| **INDEBTEDNESS AT THE END OF THE FINANCIAL YEAR** | | | | |
| i) Principal Amount | 21,816 | 32,843 | - | 54,659 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 166 | 445 | - | 611 |
| **Total (i+ii+iii)** | **21,981** | **33,288** | **-** | **55,269** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount in crores

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | |
|---|---|---|---|---|---|---|
| | | Mr. Sajjan Jindal | Mr. Seshagiri Rao | Dr. Vinod Nowal | Mr. Jayant Acharya | Total Amount |
| 1 | **Gross salary** | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 10.88 | 5.35 | 4.13 | 3.54 | 23.92 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1.30 | 0.25 | 0.18 | 0.16 | 1.89 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - | - | - |
| 2 | **Stock Option** | - | - | - | - | - |
| 3 | **Sweat Equity** | | | | | |
| 4 | **Commission**<br>**- as % of profit**<br>**- others, specify...** | 26.93 | - | - | - | 26.93 |
| 5 | **Others, please specify** | - | - | - | - | - |
| | **Total (A)** | **39.11** | **5.60** | **4.31** | **3.70** | **52.72** |
| | **Overall Ceiling as per the Act (@10% of profits calculated under Section 198 of the Companies Act 2013)** | | | | | **444.10** |

### B. Remuneration to other Directors:-

Amount in crores

| SN. | Particulars of Remuneration | Mr. Malay Mukherjee | Mr. Seturaman Mahalingam | Dr (Mrs) Punita Kumar Sinha | Mr. Haigreve Khaitan | Mr. Harsh Charandas Mariwala | Mrs Nirupama Rao | Total Amount |
|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | |
| 1 | **Independent Directors** | Yes | Yes | Yes | Yes | Yes | Yes | |
| | Fee for attending board committee meetings | 0.044 | 0.042 | 0.026 | 0.022 | 0.016 | 0.016 | 0.166 |
| | Commission | 0.355 | 0.360 | 0.350 | 0.355 | 0.350 | 0.350 | 2.12 |
| | Others, please specify | | | | | | | |
| | Total (1) | 0.399 | 0.402 | 0.376 | 0.377 | 0.366 | 0.366 | 2.286 |

| 2 | **Other Non-Executive Directors** | Mr. Gangaram Baderiya (KSIIDC Nominee) | Mr. Hiroyuki Ogawa (JFE Nominee) | Total Amount |
|---|---|---|---|---|
| | | 1 | 2 | |
| | Fee for attending board committee meetings | 0.008 | 0.018 | 0.026 |
| | Commission | 0.350 | 0.350 | 0.700 |
| | Others, please specify | | | |
| | Total (2) | 0.358 | 0.368 | 0.726 |
| | Total (B)=(1+2) | | | 3.012 |
| | **Total Managerial Remuneration (A+B) (Excluding Sitting Fees)** | | | **55.54** |
| | **Overall Ceiling as per the Act (@11% of profits calculated under Section 198 of the Companies Act 2013)** | | | **488.51** |

### C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD:

Amount in crores

| SN | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | CS | CFO | Total |
| 1 | **Gross salary** | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0.73 | 2.00 | 2.73 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.04 | 0.10 | 0.14 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | **Stock Option** | - | - | - |
| 3 | **Sweat Equity** | - | - | - |
| 4 | **Commission** | - | - | - |
| | - as % of profit | - | - | - |
| 5 | **Others, please specify** | - | - | - |
| | **Total** | **0.77** | **2.10** | **2.87** |

# ANNEXURE - B TO DIRECTORS' REPORT

## VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |

# ANNEXURE – C TO DIRECTORS' REPORT

## FORM NO. MR- 3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

**The Members,**

**JSW STEEL LIMITED**

JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai,
Maharashtra – 400 051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JSW STEEL LIMITED bearing CIN: L27102MH1994PLC152925 (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 have complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Due to unprecedented lockdown imposed in the country caused by COVID-19 at a crucial time when the audit was underway limiting the availability of physical access to the records of the Company, and which lockdown continues even on the date of signing this report, we have examined in the best possible manner, through the virtual platform, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, according to the provisions of:

i. The Companies Act, 2013 ("the Act") and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956, ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996, and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999, and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (wherever applicable);

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as may be appropriately applicable for the period under review:

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

      The provisions of the said regulations are not applicable to the Company as there was no delisting of shares during the year under review.

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

      The provisions of the said regulations are not applicable to the Company as there was no buyback during the year under review.

vi. All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes are in place to monitor and ensure compliance with those laws.

We have also examined compliance with the applicable clauses of the following:

**a. Secretarial Standards**

The Secretarial Standards namely, SS-1, SS-2 and SS-3 issued and notified by the Institute of Company Secretaries of India have been generally complied with by the Company during the financial year under review.

**b. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Company has complied with the applicable clauses of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

# ANNEXURE - C TO DIRECTORS' REPORT

During the period under review the Company has complied with the aforesaid provisions of the acts, rules, regulations, guidelines, standards, etc. mentioned above to the extent where such records have been examined by us.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through in the Board Meetings and that of its Committee and there were no dissenting members' view in any of the meetings.

**We further report that:**

Based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary/ Chief Financial Officer/ Whole-time Director taken on record by the Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that, during the audit period, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable:

1. The Company allotted following debentures to the investors on private placement basis during the year under review:
    a. 10,000, 8.90% Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (NCDs) of ₹ 10,00,000 each of the Company, aggregating to ₹ 10,00,00,00,000 only (Rupees One thousand crores only) bearing distinctive numbers 1 to 10,000 (both inclusive).
    b. 20,000, 8.79% Rated, Listed, Secured, Redeemable, Non- Convertible Debentures (NCDs) of ₹ 10,00,000 each of the Company, aggregating to ₹ 20,00,00,00,000 only (Rupees Two thousand crores only) bearing distinctive numbers 1 to 20,000 (both inclusive).
2. The Company redeemed following non- convertible debentures during the year under review:
    a. 9.72% secured NCDs of ₹ 10,00,000 each on December 23, 2019;
    b. 10.40% secured NCDs of ₹ 10,00,000 each on August 19, 2019;
    c. 10.60% secured NCDs of ₹ 10,00,000 each on August 19, 2019;
    d. 10.60% secured NCDs of ₹ 2,50,000 each as two half yearly instalments of ₹ 21.875 crores each from August 2, 2019 to February 2, 2020;
    e. 10.60% secured NCDs of ₹ 1,25,000 each as one half yearly instalment of ₹ 21.875 crores on July 2, 2019;
    f. Secured zero coupon NCDs redeemed at a premium of 12.15% p.a. accrued quarterly on October 22, 2019.
3. The Company fully redeemed 0.01% cumulative redeemable Preference shares in four quarterly instalments on June 15, 2019, September 15, 2019, December 15, 2019 and March 15, 2020.
4. The Company redeemed 4.75% unsecured bonds on November 12, 2019.
5. The Company's four wholly owned subsidiaries viz. Dolvi Minerals and Metals Private Limited, Dolvi Coke Projects Limited, JSW Steel Processing Centres Limited and JSW Steel (Salav) Limited amalgamated with the Company .
6. The Company sold 39% equity stake in Geo Steel LLC held by the Company through its wholly owned subsidiary, JSW Steel (Netherlands) BV, to Georgian Steel Group Holdings Limited on December 27, 2019 for a consideration of USD 23.08 million.
7. The Company acquired Vardhman Industries Limited (VIL) on December 31, 2019 by infusing ₹ 63.50 crores in VIL and has been issued equity shares and compulsorily convertible debentures (CCDs) by VIL in lieu thereof. Accordingly, VIL has become a wholly owned subsidiary of the Company. Consecutively, the shareholding of the group in the joint venture, JSW Vallabh Tin Plate Limited has increased from 50% to 73.55%.

**For *S. Srinivasan & Co.,***
Company Secretaries

Sd/-
**S. Srinivasan**
Practicing Company Secretary
FCS: 2286 | CP. No.: 748
UIN: S1984TN002200

Place: Chennai
Date: 16.05.2020

To,
The Members,
**JSW STEEL LIMITED**
JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai,
Maharashtra– 400 051.

Our Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is partially limited to virtual examination based on inputs provided by the management in soft copies. Any material deviation or non-compliance which may have occurred during the year under review and which may come to light later on, on the examination of the physical records can be addressed, if appropriate and found necessary, in the next Secretarial Audit Report, which report may be construed as an addendum to this report to that extent.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For** *S. Srinivasan & Co.,*
Company Secretaries

Sd/-
**S. Srinivasan**
Practicing Company Secretary
FCS: 2286 | CP. No.: 748
UIN: S1984TN002200

Place: Chennai
Date: 16.05.2020

# ANNEXURE – D TO DIRECTORS' REPORT

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014).

**1. A Brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

A brief outline of the Company's CSR Policy and the projects/programs undertaken are given in the Director's Report. The Company's CSR policy is available on its website at www.jsw.in.

**2.. The composition of the CSR Committee.**

(i) Mrs. Nirupama Rao (Chairperson)
(ii) Mr. Seshagiri Rao MVS, Jt. MD & Group CFO
(iii) Dr. Vinod Nowal, Dy. Managing Director
(iv) Mr. Jayant Acharya, Director (Commercial & Marketing)
(v) Dr. (Mrs) Punita Kumar Sinha, Director
(vi) Mr. Gangaram Baderiya (IAS), Nominee Director (KSIIDC)

**3. Average net profit of the Company for last three financial years : ₹6945.23 crores**

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹138.90 crores**

**5. Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year; ₹138.90 Crores
(b) Total amount spent in the financial year; ₹139.73 Crores
(c) Amount unspent, if any; Nil
(d) Manner in which the amount spent during the financial year 2019-20 is detailed below:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| **Sr. No** | **CSR projects or activities** | **Sector in Which the Initiatives were Covered** | **Projects of Program (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken** | **Amount outlay (budget) project or programs wise (₹ In Crores)** | **Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) overheads: (₹ In Crores) (as on March 31, 2020)** | **Cumulative expenditure up to the reporting period (₹ In Crores) (as on March 31, 2020)** | **Amount spent Direct or through implementing agency *** |
| 1 | Community Health Monitoring Projects, Institutional Delivery, Adolescent Health Awareness, Malnourishment project, Mid-day meals, General Health & Cataract Camps, Health Infrastructure Improvement, Drinking Water Supply Artificial Limb Replacement, Watershed Management etc. | Improving Living Conditions | Karnataka-Ballari<br>Maharashtra-Raigad, Thane, Nagpur, Palghar, Gadchiroli<br>West Bengal-West Mednipur<br>Tamil Nadu-Salem | 46.74 | 33.88 | 33.88 | Direct / Implementing agency |
| 2 | Skill School, Infrastructure development and Enhancement of Quality education; School for Differently- Abled. Vocational Training Institutes, Holistic Development of Anganwadis, Territorial Scholarship etc. | Promoting Social Development | Karnataka-Ballari<br>Maharashtra-Raigad, Thane, Nagpur, Palghar, Gadchiroli<br>West Bengal-West Mednipur<br>Tamil Nadu-Salem | 38.13 | 7.41 | 7.41 | Direct / Implementing agency |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 3 | Waste Paper Recycling, Children's Observation Home, Support to Old Age Home, Rural BPOs, Empowering Self Help Groups including linkage with Microfinance, Satellite Tailoring Centre, Haqdarshak, Community Development, Rural Transformation Program etc. | Addressing Social Inequalities | Karnataka-Ballari<br>Maharashtra-Mumbai, Raigad, Thane, Nagpur, Palghar, Gadchiroli<br>West Bengal-West Mednipur<br>Tamil Nadu-Salem | 17.04 | 8.78 | 8.78 | Direct / Implementing agency |
| 4 | Conservation of Natural Resources, Tree Plantation, Clean Fuel Stoves etc. | Addressing Environmental Issues | Karnataka-Ballari<br>Maharashtra-Raigad, Thane, Nagpur, Palghar, Gadchiroli<br>West Bengal-West Mednipur<br>Tamil Nadu-Salem | 3.51 | 0.35 | 0.35 | Direct / Implementing agency |
| 5 | Conservation of Hampi Area and Restoration of various Historical Monuments | Preserving National Heritage | Karnataka-Ballari<br>Maharashtra-Mumbai | 5.65 | 1.67 | 1.67 | Direct / Implementing agency |
| 6 | Sports Infrastructure development, Promotion of Rural Sports, Sports Excellence Programs; Domestic/ International Training / Medical support etc. | Promotion of Sports | PAN India | 8.53 | 7.10 | 7.10 | Direct / Implementing agency |
| 7 | Construction of community halls, village roads, drainages, bus shelters etc. | Rural Development Projects | Karnataka-Ballari<br>Maharashtra-Raigad, Thane, Nagpur, Palghar, Gadchiroli<br>Tamil Nadu-Salem | 8.00 | 3.32 | 3.32 | Direct / Implementing agency |
| 8 | Garbage Management, Institutional Management, & community toilets, School Sanitation Program, Garbage Management, Construction of Individual toilets etc. | Swachcha Bharat Abhiyan | Karnataka-Ballari<br>Maharashtra-Raigad, Thane, Nagpur, Palghar, Gadchiroli<br>Tamil Nadu-Salem | 4.35 | 2.27 | 2.27 | Direct / Implementing agency |
| 9. | Contribution to PM Cares Fund for COVID – 19 | Improving Living Conditions | PAN India | - | 68.00 | 68.00 | Direct |
| 10 | Overheads | | | 6.95 | 6.95 | 6.95 | Direct / Implementing agency |
| | | **TOTAL** | | **138.90** | **139.73** | **139.73** | |

* CSR activities have been carried out directly and through several other private, Non-Governmental Organisations and Charitable Institutions.

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Place: Mumbai
Date: May 22, 2020

**Sd/-**
**SAJJAN JINDAL**
CHAIRMAN & MANAGING DIRECTOR

**Sd/-**
**NIRUPAMA RAO**
CHAIRPERSON CSR COMMITTEE

# ANNEXURE – E TO DIRECTORS' REPORT

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

| | | |
|---|---|---|
| (a) | Name(s) of the related party and nature of relationship | NIL |
| (b) | Nature of contracts / arrangements/ transactions | (All contracts or arrangements or transactions with related parties are at arm's length basis) |
| (c) | Duration of the contracts / arrangements/transactions | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| (e) | Justification for entering into such contracts or arrangements or transactions | |
| (f) | date(s) of approval by the Board | |
| (g) | Amount paid as advances, if any: | |
| (h) | Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 | |

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

| | | |
|---|---|---|
| (a) | Name(s) of the related party and nature of relationship | JSW Steel Coated Products Limited ("JSW Coated") and JSW International Tradecorp Pte. Limited ("JITPL") |
| (b) | Nature of contracts / arrangements/ transactions | Sale/purchase of steel products to/from JSW Coated, recovery/ reimbursement of expenses, interest income/expenses, investment, adjustment of receivable/ (payable);<br><br>Procurement of iron ore, coking coal, coke and other raw materials from JITPL |
| (c) | Duration of the contracts/ arrangements/transactions | Apr'19 to Mar'20 |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Value of transactions with JSW Coated amounted to ₹ 10,287 crores and procured raw material from JITPL amounted to ₹ 13,467 crores during FY 2019-20 |
| (e) | Date(s) of approval by the Board, if any | For JITPL – The Board of Directors approved transaction on May 24, 2019 and shareholders also approved this transaction in Annual General Meeting held on July 25, 2019;<br><br>For JSW Coated – The transactions with JSW Coated does not require approval of the Board, since the transaction is with a wholly owned subsidiary. However, these transactions have been approved by the Audit Committe. |
| (f) | Amount paid as advances, if any | NIL |

# ANNEXURE – F TO DIRECTORS' REPORT

**Information as per Section 197 of the Companies Act, 2013 read with the rule 5 of the Companies (Appointment & Remuneration of managerial personnal ) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2020.**

| Sr. No. | Name | Age in Years | Qualification | Date of commencement of Employment | Designation | Remuneration (Amt. in Rs.) | Total Experience (No. of Years) | Previous Employment (Designation) |
|---|---|---|---|---|---|---|---|---|
| **(A)** | **Employed throughout the year and were in receipt of remuneration of not less than Rs.1,02,00,000 per annum** | | | | | | | |
| 1 | Sajjan Jindal | 60 | BE (Mechanical) | 04-Jul-1992 | Chairman and Managing Director | 400,387,453 | 38 | Jindal Strips Ltd. (Jt. Managing Director) |
| 2 | Seshagiri Rao M V S | 62 | B.Com, CAIIB, AICWA, LCS, DBF | 01-Sep-1997 | Jt. Managing Director and Group CFO | 57,737,374 | 41 | Nicholas Piramal (India) Ltd. (Sr. Vice President) |
| 3 | Dr. Vinod K Nowal | 64 | MBA,Ph.D (Inventory Management) | 14-Feb-1984 | Deputy Managing Director | 44,393,173 | 41 | K. M. Sugar Mills Ltd. (Factory Manager) |
| 4 | Jayant Acharya | 57 | BE (Chemical), MBA (Marketing), MSC (Physics) | 01-Jul-1999 | Director - Commercial & Marketing | 38,033,129 | 37 | Essar Steel Ltd. (Jt. General Manager) |
| 5 | Sandeep Gokhale | 57 | BE (Electrical), MBA (Finance) | 25-Aug-2008 | President - Business Development | 39,653,055 | 34 | Mumbai International Airport Pvt Ltd (Director - Commercial) |
| 6 | Gautam Chainani | 57 | B. Sc, MMS | 01-Nov-2016 | Group President - Human Resources | 26,685,322 | 34 | Ultratech Cement Limited ( Chief Human Resource Officer & Corp. Communication) |
| **(B)** | **Employed for the part of the year and were in receipt of remuneration aggregating to not less than Rs.8,50,000 per month** | | | | | | | |
| 1 | Satish Jindal | 60 | Bachelor of Engineering | 01-May-2006 | Executive Vice President - Corporate Affairs | 15,160,046 | 35 | PTC India Ltd. , Vice President |
| 2 | Dilip Pattanayak | 48 | B.SC,MBA | 17-Jan-2020 | President and CHRO - Steel & Corporate | 8,553,001 | 23 | Reliance Industries Ltd. (Sr. VP & Head HR) |
| 3 | Ashok Venkatram Bharadwaj | 60 | BE ( Mechanical ), PGDM | 20-Jul-2009 | Senior Vice President | 6,483,854 | 33 | Mercedes Benz ( Head - Business Sales) |
| 4 | Surendranath Vandakudri | 60 | B.Com., CA. | 19-Apr-1999 | Vice President - Taxation | 4,724,005 | 36 | Ritz Private Ltd. (Taxation Manager) |

Notes:

1. Remuneration shown above includes Salary, Performance Reward / Special Allowance, House Rent Allowance / Perquisite for Accommodation, Leave Travel Allowance, Medical Reimbursement, Perquisite for Car, Bonus, Variable Pay, Commission, monetary value of perquisites as per income tax rules and Company's Contribution to Provident Fund. But does not include Acturial Valudation of Leave Encashment, Company's Contribution to Gratuity Fund.
2. None of the employees is covered under Rule 5(3)(viii) of The Companies (Appointment and Remuneration of Managerial Personnel)Rules, 2014 of Section 197 of the Companies Act , 2013.
3. The nature of employment in all cases is contractual except in case of Mr. Sajjan Jindal.
4. Mr. Sajjan Jindal Is relative of Mrs.Savitri Devi Jindal, Chairperson emeritus of the Company.

**Information as per Section 197 of the Companies Act, 2013 read with the rule 5 of the Companies (Appointment & Remuneration of managerial personnal ) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2020.**

| Sr. no. | Name | Age in Years | Qualification | Date of commencement of Employment | Designation | Remuneration (Amt. in Rs.) | Total Experience (No. of Years) | Previous Employment (Designation) |
|---|---|---|---|---|---|---|---|---|
| **B(i)** | **Employed throughout the year and were in receipt of remuneration of not less than ₹. 1.02 Crore per annum (Other Than Top 10)** | | | | | | | |
| 1 | Ajanta Chatterjee | 52 | B.A., Post Gratuate in Sociology | 20-Oct-2015 | Vice President - Human Resources | 12,183,780 | 20 | Vodafone India Ltd. (Associate Vice President - HR) |
| 2 | Ajay Gupta | 50 | Bachelor of Science-1990 | 03-Apr-2014 | Pilot | 12,478,143 | 28 | Indian Navy |
| 3 | Ajit Karande | 58 | B.E.(Met. Engg.) | 15-Jul-1997 | Associate Vice President | 10,346,341 | 36 | Lloyds Steel Ltd, Deputy Manager |
| 4 | Anil Kumar Singh | 54 | B. Sc (Engineering) | 01-Dec-1994 | Head - Project Monitoring & Mining Ops | 20,117,069 | 31 | B S B K Ltd (General Manager) |
| 5 | Anil Kumar Bafna | 54 | B.E.(Mechanical) | 19-Jul-2010 | Vice President | 10,426,507 | 29 | Mannai Co., Deputy Manager |
| 6 | Ashish Chandra | 49 | BE (Mechanical) | 23-Jun-1997 | Senior Vice President | 11,232,814 | 23 | Rajinder Steels Ltd (Sr. Engineer) |
| 7 | Ashok Kumar Aggarwal | 61 | B. Sc (Engineering) | 02-Jun-1998 | President - Business Development | 20,889,994 | 33 | Essar Steel Ltd. (Jt. General Manager) |
| 8 | Ashok Kumar Parasramka | 49 | B.Com, C.A. | 21-Mar-2007 | Vice President - Corporate Strategy & Development | 11,748,721 | 24 | Singhi & Co (Chartered Accountants) - Partner |
| 9 | Atulya Kumar Verma | 56 | BE - Metallurgy | 01-Dec-2014 | Senior Vice President - Project | 19,505,774 | 28 | Electronics Steel Ltd. (COO) |
| 10 | Balwant Ranka | 53 | B.Com,C.A. | 01-Jun-2014 | Vice President - Procurement & Stores | 13,253,212 | 29 | JSW Energy Ltd. (Vice President - Commercial) |
| 11 | Bikash Chowdhury | 43 | B. Com,Post Gratuate Diploma in Business Administration | 1-Jul-2015 | Associate Vice President | 10,565,476 | 16 | DBS Bank Ltd., Vice President, FX, Trading- Treasury & Markets |
| 12 | Chandrasekhar Velagapudi | 54 | Bachelor of Science()-1985,Master of Science-1988,Post Graduate Diploma in Business Admini-2013 | 20-Nov-2017 | Associate Vice President - Projects (IT) | 13,088,605 | 29 | Apollo Tyres Ltd |
| 13 | Dheeraj Sinha | 49 | BE (Electronics & Communication), MBA (Finance) | 05-Jul-2016 | Chief Information Officer - Information Technology | 24,447,284 | 26 | Apollo Tyres Ltd. (Group Head - CMS,IT & SCM) |
| 14 | Gajraj Singh Rathore | 55 | BE (Metallurgy) | 03-Jan-1996 | President Dolvi and Salav | 23,218,685 | 33 | Steel Processing Center Ltd. (Executive Vice President) |
| 15 | Haresh Dua | 51 | CA,B.COM,CIA,CISA,CISSP | 22-May-2008 | Senior Vice President - Internal Audit | 16,414,117 | 26 | Pantaloon Retail India Ltd (Chief Internal Auditor) |
| 16 | Hemang Oza | 50 | BE (Metallurgy) | 01-Mar-2008 | Senior Vice President - Sales & Marketing | 11,254,802 | 24 | Essar Steel Ltd. (Jt. General Manager - Marketing) |
| 17 | Jayaraman Rajan | 55 | B.Com., M.B.A. | 01-Oct-1990 | Senior Vice President - Corporate Planning & Imports | 13,589,570 | 28 | Indian Market Research Bureau (Field Surveyor) |
| 18 | John Kattikaren | 54 | BE (Civil) | 02-Jun-2008 | Vice President - Civil | 18,888,386 | 31 | Lupin Group Ltd. (Sr. General Manager) |
| 19 | Kaustubh Kulkarni | 46 | B. Com., MMS., CFA. | 06-Nov-2017 | Group Head- M&A & Strategic Financing | 24,819,436 | 22 | Standard Chartered Bank (Managing Director) |
| 20 | Kinshuk Roy | 54 | MBA (Marketing),B.E. (Metallurgy) | 11-Feb-2008 | Vice President | 10,270,602 | 31 | Tata Steel Ltd. - Head, Product Application Group |
| 21 | Krishnarao Nivritti Mohite | 56 | Diploma, Post Gratuate Diploma in Business Administration | 5-May-2003 | Associate Vice President | 10,942,727 | 37 | Jindal Iron & Steel , Assistant General Manager S |
| 22 | Lokendrda Raj Singh | 56 | B.Tech (Metallurgy) | 12-Feb-2008 | Sr Vice President - Iron Zone | 13,202,735 | 32 | Kremikovelsi AD global steel holding ltd. Sofia, Bulgaria (General Manager) |
| 23 | MADHAV M R WARRIER | 62 | BE (Mech), ICWA | 30-Sep-1998 | Senior Vice President - F&A, Excise & Insurance | 13,391,701 | 38 | Ispat Industries Ltd (General Manager - Costing) |

| Sr. no. | Name | Age in Years | Qualification | Date of commencement of Employment | Designation | Remuneration (Amt. in Rs.) | Total Experience (No. of Years) | Previous Employment (Designation) |
|---|---|---|---|---|---|---|---|---|
| 24 | Manoj Mohta | 49 | B.Com., AICWA, CA, | 14-Nov-2004 | Vice President - Finance & Accounts | 12,355,282 | 24 | Aditya Birla Management Corp. Ltd. (Dy. General Manager - Management Service Division |
| 25 | Mukesh Kumar | 49 | Bachelor of Engineer-1992 | 28-Aug-2017 | Vice President - Civil & Infrastructure | 11,368,055 | 23 | HZL Limited and Vedanta Aluminium |
| 26 | Murugan P K | 53 | B.Sc. (PCM),B.Tech (Production Engg) | 17-Jan-1998 | EVP-Head Commercial & Corporate Strategy | 20,300,015 | 28 | Essar Steel Ltd . (Dy. Manager) |
| 27 | Narinder Kumar Sharma | 54 | Bachelor of Arts | 1-Dec-2006 | Assistant General Manager | 11,924,173 | 28 | Orient Flight School, Assistant Fight Instructor |
| 28 | Paramjit Guron | 57 | BA, CPL | 03-Oct-2005 | Executive Pilot - Aviation | 15,624,130 | 29 | Orient Flying School (Chief Pilot & CFI) |
| 29 | Pawan Kedia | 60 | B.Com., ICWA | 06-Jan-2012 | Group President - Commercial Strategy | 21,251,370 | 35 | Consultant |
| 30 | Prabhakaran Chandrasekaran | 45 | B.Sc., CA, ICWA | 24-Nov-2014 | Financial Controller | 15,523,909 | 21 | Sesa Sterlite Ltd. (Associate Vice President - Finance) |
| 31 | Prabhat Kumar Ghouri | 55 | BE (Metallurgy) | 09-May-1998 | Sr. VP - TE, R&D, PDQC&CP | 10,562,213 | 29 | Essar Steel Ltd . (Deputy Manager) |
| 32 | Praveen Dixit | 54 | B. Sc.,M. Sc.,PGD(Industrial),MMM | 30-Dec-1991 | Senior Vice President - Sales & Marketing | 12,278,657 | 31 | Roadmaster Steel Strips Limited (Engineer - PPC) |
| 33 | Pritesh Vinay | 44 | B.Sc.(Engg), MMS (Finance) | 15-Oct-2012 | Vice President - Finance & Investors Relations | 15,898,282 | 17 | Goldman Sachs India (Executive Director - Global Investment Research) |
| 34 | Rajashekar P | 62 | BE (Mechanical) | 13-Jul-1998 | President - Operations | 19,471,521 | 36 | RINL (Manager) |
| 35 | Rajeev Pai | 58 | B. Com, CA, CS (Inter) | 01-Dec-2000 | Chief Financial Officer | 22,062,488 | 35 | Crompton Greaves Ltd. (Manager - Finance) |
| 36 | Rajiv Bakshi | 59 | B. Com, LLB | 04-Mar-2013 | Sr. Vice President - Legal & Group Counsel General | 22,979,759 | 34 | Godrej Industries Limited (Executive Vice President - Legal) |
| 37 | Rakesh Sharma | 55 | B. Sc., M.Sc., MBA | 31-Jul-1997 | Senior Vice President | 10,898,609 | 31 | Jai Corp Limited - Comet Steel Division, Manager |
| 38 | Ranganath T | 58 | B.Com., CA,ICWA, | 08-Jun-2000 | Vice President - Finance & Accounts | 10,964,909 | 29 | Punjab National Bank - Manager (Financial Analyst) |
| 39 | Ratna Prasad Venkata Atluri | 60 | BE (Mettalurgy) | 19-Nov-2014 | Sr. Vice President (Steel & Mills) | 12,272,382 | 37 | Bhushan Steel Ltd. (President) |
| 40 | Ravi Kumar Sabharwal | 54 | Bachelor of Law(Law)-1992,Company Secretary()-1991 | 14-Dec-2018 | Vice President - Legal | 18,520,155 | 20 | Hero Motor corp |
| 41 | Sadashiv Patil | 62 | BA, Dip in Human Resources | 29-Apr-1995 | Senior Vice President - Corporate Relations | 14,613,840 | 40 | Special Steels Ltd. (Deputy Manager - Administration) |
| 42 | Sanjay Agrawal | 56 | B. Tech (Metallurgy) | 28-Oct-2010 | Senior Vice President - Sales & Marketing | 12,681,426 | 32 | Jindal Steel & Power Ltd. - General Manager (Sales & Marketing) |
| 43 | Sanjay Jayram | 59 | B.A.(Economics),B.E. (Mechanical), Diploma in export Mgt. | 03-Apr-2006 | Executive Vice President - Sales & Marketing | 16,564,279 | 33 | Essar Steel Ltd. (General Manager) |
| 44 | Sanjay Rath | 51 | B.E. (Mechanical) | 2-Jan-2006 | Head CPC | 10,290,165 | 29 | Essar Steel Ltd. (Dy. General Manager - Procurement) |
| 45 | Sanjay Sharma | 54 | BE (Metallurgy) | 01-Apr-2005 | Senior Vice President (Mills) | 11,419,743 | 27 | Tata Steel Limited (Sr. Manager - Production) |
| 46 | Satya Prakash | 53 | B. Tech.- Electr. , EMBA- Operation | 16-Mar-2005 | Vice President - Operations | 12,297,574 | 30 | Bokaro Steel Limited (Sr. Manager) |
| 47 | Shailesh Ramesh Apte | 38 | B.Com, M.Com,C.A. | 22-Feb-2019 | General Manager - Merger & Acquisition & Strategic Financing | 10,452,496 | 14 | Essar Services India Pvt LTD, VP-M&A |
| 48 | Shankar Pratap Singh | 56 | B.Sc. Engineering Mechanical | 20-May-1995 | Senior Vice President - Projects | 13,179,504 | 28 | Comet Steels Ltd., Nanded, Maharashtra |

| Sr. no. | Name | Age in Years | Qualification | Date of commencement of Employment | Designation | Remuneration (Amt. in Rs.) | Total Experience (No. of Years) | Previous Employment (Designation) |
|---|---|---|---|---|---|---|---|---|
| 49 | Shiv Hukku | 56 | B.Sc., PG Diploma | 18-Oct-2011 | Senior Vice President - Sales & Marketing | 16,039,563 | 31 | Tata Steel Limited (Head Marketing - Flat Products) |
| 50 | Sreenivas Krishnan | 56 | B.A., MBA, | 16-Feb-2011 | Vice President | 10,290,966 | 32 | Indian Navy - Commander |
| 51 | Sriram K S N | 50 | CA, ICWA, B.Com | 06-Oct-2000 | Vice President | 12,406,093 | 25 | Bermaco Group (Sr. Manager - Accounts & Finance) |
| 52 | SUNIL D Kathariya | 59 | B.E. | 24-Apr-1995 | Executive Vice President -Projects 18MT, Strcl, CMD, I-Shop | 15,220,448 | 34 | Lecuturer at Enggineering Collage |
| 53 | Sushil Nowal | 53 | B.Com.,MBA (Mktg), EDM | 01-Jan-1989 | Senior Vice President - Planning & Logistics | 13,299,884 | 32 | Jindal Strips Ltd. (Marketing Assistant) |
| 54 | Tushar Shah | 52 | B.Com., ICWA | 12-Aug-1991 | Associate Vice President - Finance & Accounts | 11,917,498 | 31 | The Bombay Silk Mills Ltd. (Cost Accountant) |
| 55 | Vijaykumar Patidar | 60 | B.E.-Electricals | 07-Jan-1992 | Senior Vice President - Project | 18,308,784 | 36 | Electrotech Engg. (Partner) |
| 56 | Vijay Sinha | 49 | B.A. , PGD(Business Mgmt) | 01-Dec-2018 | Sr. Vice President - HR (Manufacturing) | 14,266,295 | 25 | JSW Energy Ltd. (Sr. Vice President (HR & Admin.) |
| 57 | Vinay Shroff | 56 | BE- Chemical | 22-Apr-2010 | Executive Vice President - Sales & Marketing | 20,334,110 | 32 | Reliance Industries Ltd. (Senior Vice President - SCM & Business Head - Logistics) |
| 58 | Vineet Agrawal | 47 | BE (Electronics & Telecom), M.Tech (Management & Systems) | 11-Feb-2011 | Senior Vice President & Group Head - Direct Taxation | 17,779,526 | 22 | Reliance Power Ltd. (Vice President - Taxation) |
| 59 | Vishwanath S C | 55 | B. Sc., M.Sc., M. Tech (Process Metallurgy) | 09-May-1998 | Sr VP - Steel Making & LCP | 15,462,849 | 31 | Essar Steel India Limited (Manager) |
| **B (ii)** | **Employed for the part of the year and were in receipt of remuneration aggregating to not less than ₹. 8.5 Lacs per month (Other Than Top 10)** | | | | | | | |
| 1 | Alok Chandra | 53 | B.E. | 14-Mar-2000 | Executive Vice President - Business Development | 28,612,176 | 31 | SAIL - Bhilai (Manager) |
| 2 | Boopalan P | 61 | B.Com, CA | 1-Apr-1993 | Vice President (F&A) | 4,561,775 | 36 | Lakshmi Machine Works, Company Secreatary |
| 3 | Harish Gupta | 48 | B.Com, CA | 27-Nov-2019 | Vice President (F&A) | 5,449,675 | 21 | Azure Power India Pvt. Ltd, Vice President (Finance) |
| 4 | Hemendra Sharma | 53 | B. Sc.,M.A., Master of Philosophy | 20-Jan-2020 | Vice President | 3,218,559 | 30 | Hindustan Zinc Ltd, AVP Finance |
| 5 | Hitesh Kumar | 48 | B.E.,B. Tech,M.S. | 14-Mar-2007 | Dy. General Manager | 1,026,784 | 24 | Hinduja Group , Assistant General Manager |
| 6 | Manjunath Prabhu | 54 | B.E.(Mechanical) | 9-Dec-1996 | Sr. VP (Admin, PR, Security & CSR) | 2,635,537 | 29 | Essar Steel Ltd, Deputy Manager |
| 7 | Nagarajan J | 43 | I.C.W.A. | 7-Jun-2010 | Associate Vice President | 886,374 | 17 | Reliance Industries Limited, Assitant General Manager |
| 8 | Pankaj Lochan | 47 | B.Tech (Mechanical) | 16-Sep-2014 | VP (Group R&D and Business Excellence) | 10,330,708 | 24 | Dr Reddy's Laboratories, Senior Director - Operational Excellence & Strategic Management |
| 9 | Paresh Kumar Thakkar | 50 | M.Sc.,B.E.,M.Tech | 1-Aug-2019 | Sr. Vice President & Group Safety Head | 12,691,363 | 26 | GE India Industrial Pvt Ltd., Senior EHS Manager |
| 10 | Raju Arockiam | 51 | SSC-1984,Master of Science-2003,Post Graduate Diploma in Business Admini()-1993 | 24-Jun-2019 | Senior Vice President - CPC | 18,819,945 | 28 | JSC Arcelor Mittal Temirtau, Deputy Director Procurement |
| 11 | Rana Pratap Singh | 49 | B. Tech. (Minning),Post Gratuate Diploma in Business Administration | 26-Jul-2010 | Associate Vice President | 9,319,227 | 24 | Arcelor Mittal India Ltd., Chief Engineer |

| Sr. no. | Name | Age in Years | Qualification | Date of commencement of Employment | Designation | Remuneration (Amt. in Rs.) | Total Experience (No. of Years) | Previous Employment (Designation) |
|---|---|---|---|---|---|---|---|---|
| 12 | Partha Sengupta | 62 | B. Tech (Metallurgy) | 01-Oct-2015 | President - Corporate Services | 14,887,085 | 33 | SREI Infra and Finance Limited |
| 13 | Ravichandar D | 63 | BE (Mechanical), BE (Electrical), Diploma (Finance) | 18-Nov-1994 | President | 4,333,124 | 41 | Bhushan steel & Strips Limited (General Manager) |
| 14 | Ravikumar S | 63 | B.E. | 28-Jan-2010 | Vice President | 3,147,259 | 41 | Beekay Engineering Corporation, Vice President |
| 15 | Ravishankar Jayaraman | 50 | B.Com.,C.A.,I.C.W.A. | 1-Jul-2019 | Vice President - Finance & Accounts | 14,152,889 | 25 | Essar Ports Ltd, Sr Vice President |
| 16 | S L V P Reddy | 54 | B. E. (Mechanical) | 5-Jul-1995 | Sr.Vice President -RMHS,Agglo.&COs | 10,005,302 | 33 | Skoda Export Ltd, Assistant Manager |
| 17 | Shanker Batra | 60 | B.Com,I.C.W.A.,C.S. | 2-May-2019 | Executive Vice President - Sales & Mktg | 19,037,732 | 41 | Tata Steel BSL Ltd, Chief Commercial Office |
| 18 | Umesh Rai | 54 | B. E.(Electrical engineering) | 9-Feb-1988 | Sr. Vice President (Steel & Mills) | 8,172,208 | 32 | - |

# ANNEXURE - F TO DIRECTORS' REPORT

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/ KMP and Designation | Remuneration of Director/ KMP for financial year 2019-20 (₹in crores) | % Increase in Remuneration in the Financial Year 2019-20 | Ratio of remuneration of each Director/ to median remuneration of employees |
|---|---|---|---|---|
| 1. | Sajjan Jindal<br>Chairman & Managing Director | 40.04 | 0% | 581:1 |
| 2. | Seshagiri Rao MVS<br>Joint Managing Director & Group CFO | 5.78 | 0% | 84:1 |
| 3. | Dr. Vinod Nowal<br>Dy. Managing Director | 4.44 | 0% | 64:1 |
| 4. | Jayant Acharya<br>Director ( Commercial & Marketing ) | 3.81 | 6% | 55:1 |
| 5. | Rajeev Pai<br>Chief Financial Officer | 2.16 | 8.7 % | N.A. |
| 6. | Lancy Varghese<br>Company Secretary | 0.80 | 7.5% | N.A. |

(ii) The median remuneration of employees of the Company during the financial year was Rs 6.89 lacs.

(iii) In the Financial year, there was an increase of 3.08% in the median remuneration of employees;

(iv) There were 13,209 permanent employees on the rolls of Company as on March 31, 2020;

(v) Average percentage increase made in the salaries of employees other than the managerial personnel in FY 2019-20 was 9.74%, whereas, the remuneration to managerial personnel has decreased by 35.78% due to decrease in the profit linked commission payable to Chairman & Managing director as a result of lower profits for FY 2019-20.

(vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

# REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2019-20

**(Pursuant to Regulation 34 (3) and Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended)**

## 1 Company's Governance Philosophy:

Corporate Governance at JSW Steel Limited has been a continuous journey and the business goals of the Company are aimed at the overall well- being and welfare of all the constituents of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organization and putting in place appropriate systems, process and technology.

At the heart of Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

Your Company confirms the compliance of Corporate Governance as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI (LODR) Regulations"), the details of which are given below:

## 2 Board of Directors:

### 2.1 Appointment and Tenure:

The Directors of the Company (except Nominee Directors) are appointed by the shareholders at General Meetings. All Executive Directors, except Managing Director, are subject to retirement by rotation and at every Annual General Meeting, 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 152 of the Companies Act, 2013 and that of the Articles of Association of the Company. The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

### 2.2 Board Membership Criteria:

Matching the needs of the Company and enhancing the competencies of the Board are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee:

i. assess the appointee against a range of criteria including qualification, age, experience, positive attributes, independence, relationships, diversity of gender, background, professional skills and personal qualities required to operate successfully in the position and has discretion to decide adequacy of such criteria for the concerned position;

ii. assess the appointee on the basis of merit, related skills and competencies. No discrimination is made on the basis of religion, caste, creed or gender.

### 2.3 Board Composition, Category of Directors, Meetings and attendance record of each Director:

The Company has a balanced mix of executive and non-executive Independent Directors. As at March 31, 2020, the Board of Directors comprises of 12 Directors, of which 8 are non-executive, including 2 woman directors. The Chairman is executive and a Promoter of the Company. The number of Independent Directors is 6 which is in compliance with the stipulated one half of the total number of Directors. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company. A brief profile of the Directors is available on the Company's website www.jsw.in.

All Independent Directors meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16 (1) (b) of the SEBI (LODR) Regulations.

No Director is related to any other Director on the Board in terms of the definition of "relative" as defined in Section 2(77) of the Companies Act, 2013. None of the Directors on the Board are Director/Independent Director of more than seven listed entities and none of the Whole-time Directors are Independent Directors of any listed company.

None of the Directors on the Board is a member of more than 10 committees or Chairperson of more than 5 committees (as specified in Regulation 26 of SEBI (LODR) Regulations) across all the public Companies in which he/she is a Director. The necessary disclosures regarding committee positions in other public companies have been made by the Directors.

The information stipulated under Part A of Schedule II of SEBI (LODR) Regulations is being made available to the Board.

The details of composition of the Board as at March 31, 2020, the attendance record of the Directors at the Board Meetings held during financial year 2019-20 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Public Companies, the names of other listed entities where they have Directorship and their category of directorship in such listed entities, the number of Board Meetings and dates on which held and the number of shares and convertible instruments held by non-executive directors are given here below:

# REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2019-20

| Category | Name of Director | Position | Date of Joining the Board | No. of Board Meetings held | No. of Board Meetings attended | Attendance at last AGM | No. of Directorships in other Indian Public Limited Cos. | No. of Chairmanship(s) of Committee in other Indian Public Limited Cos. ** | No. of Membership(s) of Committees in other Indian Public Limited Cos. ** | No. of shares and convertible instruments held by Non-Executive Directors |
|---|---|---|---|---|---|---|---|---|---|---|
| **Executive Directors** | Mr. Sajjan Jindal | Chairman & Managing Director | 15.03.1994 | 5 | 5 | Yes | 2 | 0 | 0 | NA |
| | Mr. Seshagiri Rao MVS | Jt.Managing Director & Group CFO | 06.04.1999 | 5 | 5 | Yes | 2 | 0 | 0 | NA |
| | Dr.Vinod Nowal | Dy. Managing Director | 30.04.2007 | 5 | 5 | Yes | 1 | 0 | 0 | NA |
| | Mr. Jayant Acharya | Director (Commercial & Marketing) | 07.05.2009 | 5 | 5 | Yes | 1 | 0 | 1 | NA |
| **Independent Non-Executive** | Mr. Malay Mukherjee | Director | 29.07.2015 | 5 | 5 | Yes | 1 | 0 | 1 | - |
| | Dr. (Mrs) Punita Kumar Sinha | Director | 28.10.2012 | 5 | 5 | Yes | 5 | 2 | 4 | - |
| | Mr. Haigreve Khaitan | Director | 30.09.2015 | 5 | 5 | Yes | 7 | 4 | 2 | - |
| | Mr. Seturaman Mahalingam | Director | 27.07.2016 | 5 | 5 | Yes | 6 | 2 | 2 | - |
| | Mr. Harsh C. Mariwala | Director | 25.07.2018 | 5 | 5 | Yes | 6 | 0 | 1 | - |
| | Mrs. Nirupama Rao | Director | 25.07.2018 | 5 | 4 | Yes | 3 | 0 | 0 | - |
| **Nominee Director** | Mr. Hiroyuki Ogawa | Nominee of JFE Steel Corporation, Japan (Equity Investor & Foreign Collaborator) | 17.05.2017 | 5 | 5 | Yes | 0 | 0 | 0 | - |
| **Part of the year** | | | | | | | | | | |
| **Nominee Director** | Mrs. Gunjan Kinnu, IAS (Ceased to be Director w.e.f 08.05.2019) | Nominee of KSIIDC (Equity Investor) | 25.07.2018 | 0* | 0 | NA# | - | - | - | - |
| | Mr. Gangaram Baderiya, IAS | " | 24.05.2019 | 5 | 4 | Yes | 6 | 2 | 1 | - |

**Notes:**

1. During the Financial Year 2019-20, five Board Meetings were held and the gap between two meetings did not exceed four months. Board Meetings were held on 24.05.2019, 26.07.2019, 23.10.2019, 24.01.2020 & 24.03.2020.
2. * No. of Board Meetings indicated is with reference to date of join/cessation of the Director.
3. ** Only two Committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. # Not a Director at the time of last AGM.

The names of other listed entities where the Directors have Directorship and their category of directorship in such listed entities:

| Name of the Director | Name of Listed Entity | Category of Directorship |
|---|---|---|
| Mr. Sajjan Jindal | JSW Energy Limited | Chairman & Managing Director |
| | JSW Holdings Limited | Chairman |
| Mr. Seshagiri Rao MVS | Monnet Ispat and Energy Limited | Non-Executive Non-Independent |
| Mr. Malay Mukherjee | Va Tech Wabag Limited | Independent Director |
| Dr (Mrs) Punita Kumar Sinha | Infosys Limited | Independent Director |
| | Rallis India Limited | Independent Director |
| | SREI Infrastructure Finance Limited | Independent Director |
| Mr. Haigreve Khaitan | CEAT Limited | Independent Director |
| | Mahindra & Mahindra Limited | Independent Director |
| | Inox Leisure Limited | Independent Director |
| | Torrent Pharmaceuticals Limited | Independent Director |
| | Borosil Renewables Limited | Independent Director |
| | Tech Mahindra Limited | Independent Director |
| Mr. Seturaman Mahalingam | Sundaram Finance Limited | Independent Director |
| | Sundaram Fasteners Limited | Independent Director |
| Mr. Harsh Charandas Mariwala | Thermax Limited | Independent Director |
| | Kaya Limited | Chairman & Managing Director |
| | Marico Limited | Chairman & Non-Executive Director |
| | Zensar Technologies Limited | Independent Director |
| Mrs. Nirupama Rao | ITC Limited | Independent Director |
| | KEC International Limited | Independent Director |
| | Adani Ports & Special Economic Zone Limited | Independent Director |

## 2.4 Board Meetings, Board Committee Meetings and Procedures:

### A. Institutionalized decision-making process:

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interest of the stakeholders are being served. The Chairman and Managing Director is assisted by the Executive Directors/ Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted Fourteen Standing Committees, namely, Audit Committee, Corporate Social Responsibilit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Project Review Committee, Finance Committee, Risk Management Committee, Business Responsibility Sustainability Reporting Committee, Hedging Policy Review Committee, JSWSL ESOP Committee, Share Allotment, Inquiry Committee for inquiring leak or suspected leak of unpublished price sensitive information, Share/ Debenture Transfer Committee and JSWSL Code of Conduct Implementation Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

### B. Scheduling and selection of Agenda Items for Board Meetings:

i. A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

ii. The meetings are usually held at the Company's Registered Office at JSW Centre, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.

All divisions/departments of the Company are advised to schedule their work plans well in advance, with regard to matters requiring discussion/ approval/decision at the Board/ Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same can be included in the Agenda for the Board/Committee Meetings.

iii. In addition to items which are mandated to be placed before the Board for its noting and/ or approval, information is provided on various significant issues.

iv. The Board is given presentations covering Global Steel Scenario, Global/Indian Economy, Company's Financials, Sales, Production, Business Strategy, Subsidiary's performance, Competitor's Performance and Risk Management practices before taking on record the Quarterly/ Half Yearly/ Nine Monthly/ Annual financial results of the Company.

The Board is also provided with Audit Committee observations on the Internal audit findings and matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

### C. Distribution of Board Agenda material:

Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format through an e-portal. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the Agenda, the same is uploaded on the e-portal before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

### D. Recording Minutes of proceedings at Board and Committee Meetings:

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting/Chairman of the next meeting. A copy of the signed Minutes certified by the Company Secretary are circulated to all members within fifteen days after those are signed.

**E. Post-Meeting Follow-up Mechanism:**

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/Committees. The important decisions taken at the Board/ Committee meetings are communicated to the concerned functional heads promptly. Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/ Committee for noting by the Board/ Committee members.

**F. Compliance:**

While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013, read with the Rules made thereunder and secretarial standards issued by the ICSI.

**2.5 Strategy Meet:**

A strategy meet of the Board of Directors is generally held at appropriate intervals to formulate, evaluate and approvethe business strategy of the Company. The Functional Heads give a brief presentation to the Board covering their respective areas of responsibility. The meeting focuses on strategic goals, financial management policies, management assurances and control aspects and the growth plan of the Company.

**2.6 Terms and conditions of appointment of Independent Directors:**

The terms and conditions of appointment of Independent Directors were set out in the appointment letter issued to the Director at the time of his/her appointment/re-appointment as an Independent Non-Executive Director of the Company. The terms and conditions as mentioned in the appointment letter is disclosed on the company's website http://www.jsw.in/investors/ investor-relations-steel.

**2.7 Meetings of Independent Directors:**

The Independent Directors of the Company meet as and when required before the Board Meeting without the presence of Executive Directors or management personnel. These meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the Company and put forth their views to the Chairman and Managing Director.

During the year under review, the Independent Directors met on March 24, 2020, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

**2.8 Lead Independent Director:**

Mr. Malay Mukherjee is the Lead Independent Director appointed by the Board in its meeting held on 25.07.2018.

**2.9 Familiarization program for Independent Directors:**

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a whole. To this end, the Directors were given presentations on the global business environment, as well as all business areas of the Company including business strategy, risks opportunities. Monthly updates on performance/developments giving highlights of performance of the Company during each month including the developments/ events having impact on the business of the Company are also sent to all the Directors. The details of familiarization programmes imparted to Independent Directors is disclosed on the company's website, http://www.jsw.in/investors/investor-relations-steel.

**2.10 Fulfilment of the independence criteria by the Independent Directors:**

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations read with Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations and that they are Independent of the management. In terms of Regulation 25(8) of SEBI (LODR) Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Further, the Independent Directors have declared that they have complied with Rule 6(1) & (2) of the companies (Appointment of Directors) Rules, 2014.

### 2.11 Skills/Expertise/Competence of the Board of Directors:

The Board in its meeting held on 06.02.2019 identified the following core skills/expertise/competencies as required in the context of the Company's business(es) and sector(s) for it to function effectively and are currently available with the Board. Further, the Board had in its meeting held on January 24, 2020 identified the names of directors who have such core skills/ expertise/competencies as required in the context of the Company's business(es) and sector(s):

| Sl. No. | Skill/Expertise/Competencies | Names of Directors who have such Skill/Expertise/Competencies | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Sajjan Jindal | M.V.S.Rao | V.Nowal | J.Acharya | H.Ogawa | Malay Mukerjee | Seturaman Mahalingam | Harsh Mariwala | Punita Kumar Sinha | Nirupama Rao | Haigreve Khaitan | Gangaram Baderiya |
| 01 | **Industry Knowledge/Experience** | | | | | | | | | | | | |
| | Industry Experience | √ | √ | √ | √ | √ | √ | | | | | | |
| | Knowledge of Sector | √ | √ | √ | √ | √ | √ | | | | | | |
| | Knowledge of Government/Public Policy | √ | √ | √ | √ | | √ | | | √ | √ | | √ |
| 02 | **Technical Skills/Experience** | | | | | | | | | | | | |
| | Projects | √ | | √ | | √ | √ | √ | | | | | √ |
| | Accounting | | √ | | | √ | | √ | √ | √ | | | |
| | Finance | √ | √ | | √ | √ | √ | √ | √ | √ | | | |
| | Law | √ | √ | √ | | | √ | √ | √ | | | √ | |
| | Marketing Experience | √ | √ | √ | √ | | √ | √ | √ | | | | |
| | IT and Digital Outreach | √ | √ | √ | √ | √ | √ | √ | | | √ | | |
| | Public Relations | √ | √ | √ | √ | | √ | √ | √ | √ | √ | | √ |
| | Risk Management Systems | √ | √ | √ | √ | | √ | √ | √ | | | | |
| | Human Resources Management | √ | √ | √ | √ | | √ | √ | √ | | √ | √ | |
| | Stategy Development and implementation | √ | √ | √ | √ | √ | √ | √ | √ | √ | | | |
| | Global Management | √ | | | | √ | √ | √ | √ | √ | √ | | |
| 03 | **Governance Competencies** | | | | | | | | | | | | |
| | Strategic Thinking/Planning from governance persepective | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| | Executive performance management | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| | Governance related risk management | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| | Compliance focus | √ | √ | √ | √ | √ | √ | √ | √ | | | √ | √ |
| | Profile/Reputation | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| 04 | **Behavioural Competencies** | | | | | | | | | | | | |
| | Ability and willingness to challenge and probe | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| | Sound Judgement | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| | Integrity and High ethical standards | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| | Mentoring abilities | √ | √ | √ | √ | √ | √ | √ | √ | | √ | √ | √ |
| | Interpersonal relations | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| | Listening skills | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| | Verbal Communication Skills | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| | Understanding of effective decision making processess | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| | Willingness and ability to devote time and energy to the role | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |

### 2.12 Performance evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (LODR) Regulations, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfil its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among

Board members, greater efficiency in the use of the Board's time, and increased effectiveness of the Board as a governing body.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

The Directors expressed their satisfaction with the evaluation process.

**2.13 Resignation of Independent Director:**

None of the Independent Directors of the Company have resigned before the expiry of his/her tenure.

## 3. Audit Committee:

The Audit Committee comprises of three Non-Executive Directors, all of whom are Independent Directors and one Executive Director. Mr. Seturaman Mahalingam is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements as per the Section 177 of the Companies Act, 2013 and Regulation 18(1) of the SEBI (LODR) Regulations.

The Broad terms of reference of Audit Committee are:

a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

b) Reviewing with the management the financial statements and auditor's report thereon before submission to the Board, focusing primarily on:

1. Matters to be included in the Directors Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
2. Changes to any accounting policies and practices.
3. Major accounting entries based on the exercise of judgement by Management.
4. Significant adjustments if any, arising out of audit findings.
5. Compliance with respect to accounting standards, listing agreements and legal.
6. requirements concerning financial statements.
7. Disclosure of any related party transactions.
8. Modified opinion (s) in the draft audit report.

c) Re-commending to the Board, the appointment, re-appointment, remuneration and terms of appointment of Auditors of the Company.

d) To review reports of the Management Auditors and Internal Auditors and discussion on any significant findings and follow up there on.

e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems, and the Company's statement on the same prior to endorsement by the Board.

f) Evaluation of the internal financial controls and risk management systems.

g) To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

h) To approve transactions of the Company with related parties and subsequent modifications of the transactions with related parties.

i) In addition, the powers and role of Audit Committee are as laid down under Regulation 18(3) and Part C of Schedule II of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013.

Seven meetings of the Audit Committee were held during the financial year 2019-20, as against the minimum requirement of four meetings. The Committee meetings were held on 23.05.2019, 27.06.2019, 25.07.2019, 04.10.2019, 22.10.2019, 05.12.2019 & 23.01.2020.

The composition of the Committee as at March 31, 2020, name of members and Chairperson and the attendance of each member at the Committee Meetings are as given below:

| Sl. No. | Name of the Members | Category | No. of Meetings attended |
|---|---|---|---|
| 01. | Mr. Seturaman Mahalingam (Chairman) | Non-Executive Independent Director | 7/7 |
| 02. | Mr. Seshagiri Rao MVS | Executive Director | 7/7 |
| 03. | Mr. Malay Mukherjee | Non-Executive Independent Director | 7/7 |
| 04. | Mr. Haigreve Khaitan | Non-Executive Independent Director | 6/7 |

The Dy. Managing Director, Director (Commercial & Marketing), Chief Financial Officer, Accounts Heads of each Unit, Sr. Vice President (Internal Audit), Financial Controller, the Company Secretary and the representatives of the Statutory Auditors attend the Audit Committee meetings. The representatives of Management Auditors attend the Audit Committee Meeting whenever matters relating to management audit are considered. The representatives of the Cost Auditor attend the Audit Committee meeting when the Cost Audit Report is tabled for discussion. The Company Secretary is the Secretary of the Audit Committee.

Mr. Seturaman Mahalingam, Chairman of the Audit Committee was present at the last Annual General Meeting held on 25.07.2019.

## 4. Nomination & Remuneration Committee:

The Nomination & Remuneration Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 19 and Part D of the Schedule II of the SEBI (LODR) Regulations.

The terms of reference of the Committee inter alia, include the following:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- Formulating criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulating criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Whether to extend or continue the term of appointment of independent director on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

One meeting of Nomination and Remuneration Committee was held on 23.05.2019.

The composition of the Nomination & Remuneration Committee as at March 31, 2020 and the attendance of each member at the Committee Meetings are as given below:

| Sl. No. | Name of the Members | Category | No. of Meetings attended |
|---|---|---|---|
| 01. | Mr. Seturaman Mahalingam | Non-Executive Independent Director | 1/1 |
| 02. | Mr. Sajjan Jindal | Executive Director | 1/1 |
| 03. | Mr. Malay Mukherjee | Non-Executive Independent Director | 1/1 |
| 04. | Mr.Harsh Charandas Mariwala | Non-Executive Independent Director | 1/1 |
| 05. | Mrs. Nirupama Rao | Non-Executive Independent Director | 1/1 |

Mr. Seturaman Mahalingam, Chairman of the Nomination & Remuneration Committee was present at the last Annual General Meeting held on 25.07.2019.

### 4.1 Performance Evaluation Criteria for Independent Directors:

Board Evaluation Policy has been framed by the Nomination and Remuneration Committee (NRC) and approved by the Board in its meeting held on 30.01.2015 and subsequently amended by the Board in its meeting held on 29.01.2016 & 01.04.2019. This policy has been framed in compliance with the provisions of Section 178 (2), 134(3)(p) and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (LODR) Regulations, as amended from time to time.

The Company adopted the following criteria to carry out the evaluation of Independent Directors, in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations:

- The Nomination and Remuneration Committee (NRC) shall carry out evaluation of every Director's Performance.
- In addition, the evaluation of the Independent Directors shall be done by the entire Board, excluding the director being evaluated, which shall include:
  a) Performance of the directors; and
  b) Fulfilment of the independence criteria as specified in 16(1) (b) of SEBI (LODR) Regulations and their independence from the management.

This is to be done on an annual basis for determining whether to extend or continue the term of appointment of the independent director.

The Evaluation process of Independent Directors and the Board will consist of two parts:

- Board Member Self Evaluation ; and
- Overall Board and Committee Evaluation.

In the Board Member Self Evaluation, each Board member is encouraged to be introspective about his/ her personal contribution, performance, conduct as director with reference to a questionnaire provided to them. Copies of the evaluation forms as applicable will be distributed to each Board Member. Board members shall complete the forms and return them to the Company Secretary or Board nominee or the consultant, as may be informed.

The Company Secretary or Board nominee or the consultant will tabulate the Forms. The Tabulated Report would be sent to all Board Members for evaluation and if any director disagrees with the self-evaluated results, he/ she will suitably intimate the Chairman of the Board, else the same will be deemed to have been accepted.

The individually completed forms will be preserved by the Company Secretary and the Tabulated Report would be presented to the Board and NRC for evaluation.

Apart from the above, the NRC will carry out an evaluation of every director's performance. For this purpose, the NRC would review the Tabulated Report. The NRC would provide feedback to the Board on its evaluation of every director's performance and based on such feedback, the Board will recommend appointments, re-appointments and removal of the non-performing Directors of the Company.

**4.2 Remuneration Policy and details of Remuneration paid to Directors:**

In determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the Company, a Remuneration Policy has been framed by the Nomination & Remuneration Committee and approved by the Board with the following broad objectives:

i. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

ii. Motivate KMP and other employees and to stimulate excellence in their performance.

iii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

iv. Ensuring that the remuneration to Directors, KMP and other employees achieve a balance between components fixed & incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

v. Retain, motivate and promote talent and to ensure long term association and loyalty of talented employees.

The full text of the remuneration policy is available at http://www.jsw.in/investors/investor-relations-steel.

The Whole-time Directors compensation is based on the appraisal system wherein their individual goals are linked to the organizational goals. The whole-time Directors are paid compensation as per the agreements entered into between them and the Company, subject to the approval of the Board and of the members in General Meeting and such other approvals, as may be necessary.

The present remuneration structure of Executive Directors comprises of salary, perquisites, allowances, performance linked incentive, ESOPs and contribution to PF and Gratuity. The Non-Executive Directors are paid remuneration by way of commission and sitting fees. The commission payable to the Non-Executive Directors is based on the number of meetings of the Board attended by them and their Chairmanship / Membership of Audit Committee during the year, subject to an overall ceiling of 1% of the net profits approved by the Members. The Company pays sitting fees at the rate of ₹20,000/-for each meeting of the Board and sub-committees attended by them.

The details of remuneration paid/payable to the Non-Executive Directors for the period April 01, 2019 to March 31, 2020 are as follows:

| Name of the Director | Commission Paid/Payable (2019-2020) (₹ In Lakhs) | Sitting Fees @ ₹20,000 per meeting (₹ In Lakhs) | Total (₹ In Lakhs) |
|---|---|---|---|
| Mr. Gangaram Baderiya (KSIIDC Nominee Director) | 35.00 | 0.80 | 35.80 |
| Mr. Hiroyuki Ogawa (JFE Steel Corporation Nominee Director) | 35.00 | 1.80 | 36.80 |
| Mr. Malay Mukherjee | 35.50 | 4.40 | 39.90 |
| Mr. Seturaman Mahalingam | 36.00 | 4.20 | 40.20 |
| Dr. (Mrs) Punita Kumar Sinha | 35.00 | 2.60 | 37.60 |
| Mr. Harsh Mariwala | 35.00 | 1.60 | 36.60 |
| Mr. Haigreve Khaitan | 35.50 | 2.20 | 37.70 |
| Mrs. Nirupama Rao | 35.00 | 1.60 | 36.60 |

The details of Remuneration paid / payable to the Whole-time Directors for the financial year 2019- 20 are as given below:

| Name of Director and Designation | Salary including provident fund (₹ In crores) | Perks (₹ In crores) | Profit linked commission (₹ In crores) | Total | Period of contract | Notice period |
|---|---|---|---|---|---|---|
| Mr. Sajjan Jindal<br>Chairman & Managing Director | 11.80 | 1.30 | 26.93 | 40.03 | From 07.07.2017 to 06.07.2022 | NA |
| Mr. Seshagiri Rao MVS<br>Jt. Managing Director & Group CFO | 5.52 | 0.25 | | 5.57 | From 06.04.2017 to 05.04.2020 | 3 Months from either side or salary in lieu thereof. |
| Dr. Vinod Nowal<br>Dy. Managing Director | 4.26 | 0.18 | | 4.44 | From 30.04.2017 to 29.04.2022 | 3 months from either side or salary in lieu thereof. |
| Mr. Jayant Acharya<br>Director (Commercial & Marketing) | 3.65 | 0.16 | | 3.81 | From 07.05.2019 to 05.06.2024 | 3 months from either side or salary in lieu thereof. |

## 5. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee comprises of 3 Non-Executive Directors, all of whom are Independent Directors.

The Stakeholders Relationship Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 20 and Part D (B) of Schedule II of the SEBI (LODR) Regulations.

The role of the Committee shall inter-alia include the following:

1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

2) Review of measures taken for effective exercise of voting rights by shareholders.

3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Stakeholders Relationship Committee met twice during the financial year 2019-20 on 04.10.2019 and on 05.12.2019. The composition of the Committee and the details of the meetings attended by the Members are as given below:

| Sl. No. | Name of the Members | Category | No. of Meetings attended |
|---|---|---|---|
| 01. | Mr. Seturaman Mahalingam (Chairman) | Non-Executive Independent Director | 2/2 |
| 02. | Dr (Mrs) Punita Kumar Sinha | Non-executive Independent Director | 2/2 |
| 03. | Mrs. Nirupama Rao | Non-executive Independent Director | 1/2 |

Mr. Seturaman Mahalingam, Chairman of the Stakeholders' Relationship Committee was present at the last Annual General Meeting held on 25.07.2019.

Mr. Lancy Varghese, Company Secretary, is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreement with the Stock Exchanges in India. His address and contact details are as given below:

Address :JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Phone : 022-42861000

Fax : 022-42863000

Email : jswsl.investor@jsw.in

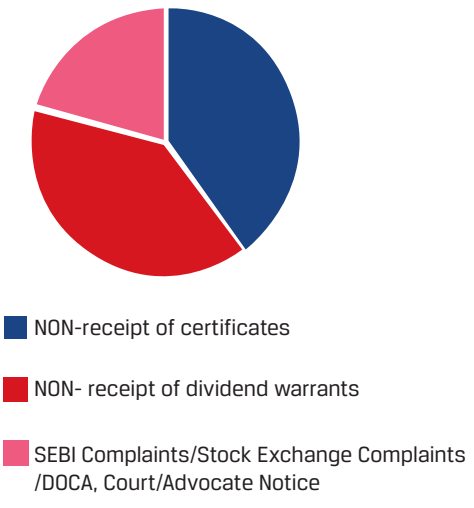
**Investor Grievance Redressal**

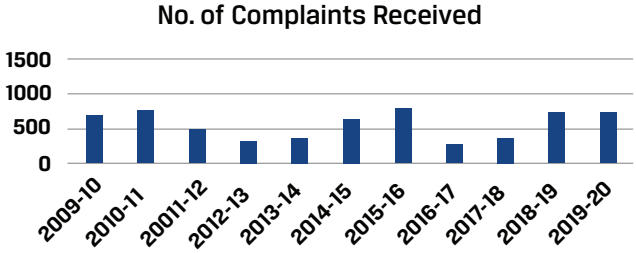
Number of complaints received and resolved to the satisfaction of Shareholders / Investors during the year under review and their break-up is as under:

| | | |
|---|---|---|
| No. of Shareholders' Complaints received during the year ended March 31, 2020 | : | 731 |
| Number not solved to the satisfaction of Shareholders | : | 0 |
| No. of pending Complaints as on March 31, 2020 | : | 0 |

None of the Complaints were pending for a period exceeding 30 days. All requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.

Category of Complaints




## 6 Risk Management Committee:

The Risk Management Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 21 of the SEBI (LODR) Regulations.

The terms of reference of the Committee are as follows:

1. To periodically review risk assessment and minimization procedures to ensure that Executive Management controls risk through means of a properly defined framework including cyber security.
2. To review major risks and proposed action plan.

The Risk Management Committee met twice during the financial year 2019-20 on 27.06.2019 and 05.12.2019.

The composition of the Committee as on March 31, 2020 and the details of the meetings attended by the Members are as given below:

| Sl. No. | Name of the Members | Category | No. of Meetings attended |
|---|---|---|---|
| 01. | Mr. Malay Mukherjee (Chairman) | Non-Executive Independent Director | 2/2 |
| 02. | Mr. Seshagiri Rao MVS, (Member) | Executive Director | 2/2 |
| 03. | Dr. Vinod Nowal, (Member) | Executive Director | 2/2 |
| 04. | Mr. Jayant Acharya (Member) | Executive Director | 2/2 |
| 05. | Dr. (Mrs.) Punita Kumar Sinha, (Member) | Non-Executive Independent Director | 2/2 |
| 06. | Mr. Harsh Charandas Mariwala, (Member) | Non-Executive Independent Director | 2/2 |

The Risk Management Committee, a sub-committee of the Board has further constituted:

1. "Capex Risk Evaluation Committee" to evaluate the risks associated with capex proposals including mergers and acquisitions.
2. Locational Committees namely (a) Corporate Locational Committee (b) Vijayanagar Locational Committee (c) Dolvi Locational Committee and (d) Salem Locational Committee to further review risk assessment at Location Level.

## 7 Other Major Committees of Directors:

In addition to the above referred Committees, which are constituted pursuant to the Corporate Governance Code, the Board has constituted the following major Committees of the Board and delegated thereto powers and responsibilities with respect to specific purposes. Time schedule for holding the meetings of these Committees are finalized in consultation with the Committee Members:

## 1. PROJECT REVIEW COMMITTEE:

| Terms of reference of the Committee | Composition | Frequency of meetings |
|---|---|---|
| 1. To closely monitor the progress of Large Projects, in addition to ensuring a proper and effective co-ordination amongst the various project modules essentially with the objective of timely project completion within the budgeted project outlay.<br>2. To review new strategic initiatives | 1. Mr. Malay Mukherjee (Chairman) Non-Executive Independent Director<br>2. Dr. Vinod Nowal (Member) Executive Director<br>3. Mr. Seturaman Mahalingam, (Member) Non-Executive Independent Director<br>4. Mr. Hiroyuki Ogawa (Member) Nominee Director (JFE Steel Corporation) | 4 Meetings were held on 23.05.2019, 25.07.2019, 22.10.2019 & 23.01.2020. |

## 2. BUSINESS RESPONSIBILITY/SUSTAINABILITY REPORTING COMMITTEE:

| Terms of reference of the Committee | Composition | Frequency of meetings |
|---|---|---|
| 1. Responsible for the adoption of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) in business practices of JSW Steel.<br>2. Responsible for the policies created for or linked to the 9 key principles of the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'.<br>3. Review the progress of initiatives under the purview of business responsibility (sustainability) policies mentioned above.<br>4. Review business responsibility reporting disclosures on a pre-decided frequency (monthly, quarterly, bi- annually).<br>5. Review the progress of business responsibility initiatives at JSW Steel.<br>6. Review the annual business responsibility report and present it to the Board for approval. | 1. Mr. Malay Mukherjee (Chairman)<br>DIN No. 02861065<br>Non-Executive Independent Director<br>Tel. No. 911141032905<br>malayumauk@googlemail.com<br>2. Mr. Seshagiri Rao MVS (Member)<br>DIN No. 00029136<br>Executive Director<br>Tel. No. 42861000<br>seshagiri.rao@jsw.in<br>3. Dr. Vinod Nowal (Member)<br>DIN No. 00046144<br>Executive Director<br>Tel No. 42861000<br>vinod.nowal@jsw.in<br>4. Mr. Jayant Acharya (Member)<br>DIN No. 00106543<br>Executive Director<br>Tel. 42861000<br>jayant.acharya@jsw.in<br>5. Dr. (Mrs.) Punita Kumar Sinha (Member)<br>DIN No.05229262<br>Non-Executive Independent Director<br>Tel. No. 091-9833363533<br>punitakumarsinha@gmail.com<br>6. Mrs. Nirupama Rao (Member)<br>Din No.06954879<br>Non-Executive Independent Director<br>Tel. No. 7022621529<br>nirupamamenonrao@hotmail.com | 2 Meetings were held on 23.05.2019 & 05.12.2019. |

## 3. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

| Terms of reference of the Committee | Composition | Frequency of meetings |
|---|---|---|
| 1. formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy), which shall indicate a list of CSR projects or programs which a Company plans to undertake falling within the purview of the Schedule VII of the Companies Act, 2013, as may be amended.<br>2. To recommend the amount of expenditure to be incurred on each of the activities to be undertaken by the Company, while ensuring that it does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.<br>3. To approve the Annual Report on CSR activities to be included in the Director's Report forming part of the Company's Annual Report and attribute reasons for short comings in incurring expenditures.<br>4. To monitor the CSR policy of the Company from time to time; and<br>5. To institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities under taken by the Company. | 1. Mrs. Nirupama Rao (Chairperson) Non-Executive Independent Director<br>2. Mr. Seshagiri Rao MVS (Member) Executive Director<br>3. Dr. Vinod Nowal (Member) Executive Director<br>4. Mr. Jayant Acharya (Member) Executive Director<br>5. Dr. (Mrs) Punita Kumar Sinha (Member) Non-Executive Independent Director<br>6. Mr. Gangaram Baderiya (Member) Nominee Director (KSIIDC) | One meeting was held on 04.10.2019. |

## 4. HEDGING POLICY REVIEW COMMITTEE:

| Terms of reference of the Committee | Composition | Frequency of meetings |
|---|---|---|
| 1. To take protective measures to hedge forex losses.<br>2. To decide on all matters related to commodities hedging and to take measures to hedge commodity price fluctuations. | 1. Dr. (Mrs) Punita Kumar Sinha (Chairperson) Non-Executive Independent Director<br>2. Mr. Seshagiri Rao MVS (Member) Executive Director<br>3. Mr. Seturaman Mahalingam (Member) Non-Executive Independent Director. | One meeting was held on 04.10.2019. |

## 5. FINANCE COMMITTEE:

| Terms of reference of the Committee | Composition | Frequency of meetings |
|---|---|---|
| 1. To approve availing of credit / financial facilities of any description from Banks/ financial Institutions/ Bodies Corporate within the limits approved by the Board.<br>2. To approve investments and dealings with any monies of the Company upon such security or without security in such manner as the committee may deem fit, and from time to time to vary or realise such investments within the frame work of the guidelines laid down by the Board.<br>3. To open new Branch Offices of the Company, to declare the same as such and to authorize personnel by way of Power of Attorney or otherwise, to register the aforesaid branches and to deal with various authorities such as the Central Excise, Profession Tax, Commercial Tax, State & Central Sales Tax, VAT Authorities and other Local Authorities. | 1. Mr. Seshagiri Rao MVS (Chairman) Executive Director<br>2. Dr. Vinod Nowal (Member) Executive Director<br>3. Mr. Jayant Acharya (Member) Executive Director | Need based. Meetings were held on 05.04.2019, 10.04.2019, 28.05.2019, 18.07.2019, 10.09.2019, 19.09.2019, 24.09.2019 (06.05am), 24.09.2019 (08.30pm), 15.10.2019, 17.10.2019, 18.10.2019, 31.10.2019, 21.12.2019, 06.01.2020, 20.01.2020, 22.01.2020, 23.01.2020, 30.01.2020, 17.02.2020, 28.02.2020, 20.03.2020 & 27.03.2020. |

| Terms of reference of the Committee | Composition | Frequency of meetings |
|---|---|---|
| 4. To make loans to Individuals /Bodies Corporate and/or to place deposits with other Companies/ firms upon such security or without security in such manner as the committee may deem fit within the limits approved by the Board.<br>5. To open Current Account(s), Collection Account(s), Operation Account(s), or any other Account(s) with Banks and also to close such accounts, which the 'said Committee' may consider necessary and expedient. | | |

## 6. JSWSL ESOP COMMITTEE:

| Terms of reference of the Committee | Composition | Frequency of meetings |
|---|---|---|
| 1. Determine the terms and conditions of grant, issue, re-issue, cancellation and withdrawal of Employee Stock Options from time to time.<br>2. Formulate, approve, evolve, decide upon and bring into effect, suspend, withdraw or revive any sub-scheme or plan for the purpose of grant of Options to the employees and to make any modifications, changes, variations, alterations or revisions in such sub-scheme or plan from time to time.<br>3. To issue any direction to the trustees of the JSW Steel Employees Welfare Trust to sell, transfer or otherwise dispose-off any Shares held by them.<br>4. To make necessary amendments to the JSW Steel Employees Welfare Trust Deed, if need be.<br>5. Lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of change in the Capital Structure and/or Corporate Action.<br>6. Lay down the method for satisfaction of any tax obligation arising in connection with the Options or such Shares.<br>7. Lay down the procedure for cashless exercise of Options, if any; and<br>8.Provide for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave or whose services have been seconded to any other Company or who have joined Holding Company or a Subsidiary or an Associate Company at the instance of the Employer Company. | 1. Mr. Malay Mukherjee (Chairman) Non-Executive Independent Director<br>2. Mr. Seshagiri Rao M.V.S (Member) Executive Director<br>3. Mr. Seturaman Mahalingam (Member) Non-Executive Independent Director<br>4. Mr. Haigreve Khaitan (Member) Non-Executive Independent Director | Need based. One meeting was held on 05.12.2019. |

## 8. General Body Meetings:

### a) Annual General Meetings:

The details of date, time and venue of the Annual General Meetings (AGMs) of the Company held during the preceding three years and the Special Resolutions passed there at, are as under:

| AGM | Date | Time | Venue | Special Resolutions Passed |
|---|---|---|---|---|
| 25th AGM | 25.07.2019 | 11.00 am | Y.B.Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman point, Mumbai - 400 021 | 1. Re-appointment of Mr. Jayant Acharya (DIN 00106543) as a whole-time director of the Company designated as Director (Commercial & Marketing) for a period of five years.<br>2. Consent for payment of remuneration to non-executive directors.<br>3. Consent for Private placement of redeemable non-convertible debentures.<br>4. Consent for issue of specified securities to Qualified Institutional Buyers (QIBs)<br>5. Approval for undertaking material related party transactions(s) with JSW International Tradecorp Pte. Limited, Singapore. |
| 24th AGM | 24.07.2018 | 11.00 am | Y.B.Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman point, Mumbai - 400 021 | 1. Re-appointment of Dr. (Mrs) Punita Kumar Sinha in the category of Independent Director for a term upto July 23, 2023 or upto the conclusion of the 29th Annual General meeting of the Company in the calendar Year 2023, whichever is earlier.<br>2. Private placement of redeemable nonconvertible debentures of ₹ 10,000 crores.<br>3. Consent for issue of NCD with convertible warrant upto ₹ 4000 crores and/or Specified Securities for an aggregate amount not exceeding ₹ 4,000 crores to QIB.<br>4. Authority to the Board of Directors to give any loan, guarantee or provide security to any person or other body corporate and to acquire securities of any other Body Corporates upto a maximum aggregate amount of ₹ 20,000 crores. |
| 23rd AGM | 29.06.2017 | 11.00am | Y.B.Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman point, Mumbai - 400 021 | 1. Private placement of redeemable nonconvertible debentures of ₹10,000 crores.<br>2. Consent for issue of NCD with convertible warrant upto ₹4000 crores and/or Specified Securities for an aggregate amount not exceeding ₹4,000 crores to QIB.<br>3. Authority to the Board of Directors for issue and allotment of Foreign Currency Denominated Bonds/ GDRs/ ADRs/Warrants convertible instruments aggregating up to USD 1 Billion. |

### b) Special Resolutions passed through Postal Ballot during 2019-20:

During the F.Y. 2019-20, the Company has passed the following special resolution by postal ballot:

| Sl. No. | Description | Votes in favour of the resolution | | Votes against the resolution | |
|---|---|---|---|---|---|
| | | No. of votes | % of total votes | No. of votes | % of total votes |
| 1. | Approval of JSWSL Employees Samruddhi plan 2019 and its administration through trust. | 1772909644 | 96.63 | 61805005 | 3.37 |
| 2. | Secondary acquisition of Equity shares by eligible employees under the JSWSL Employees Samruddhi Plan 2019 | 1771646536 | 96.56 | 63067168 | 3.44 |
| 3. | Provisions of money by the Company including by way of interest subsidiary. | 1771842948 | 96.57 | 62869137 | 3.43 |

(i) In compliance with Regulation 44 of the SEBI (LODR Regulations) and in compliance with the provisions of Section 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules 2014, members were provided with the facility to cast their vote electronically through the e-voting services provided by KFin Technologies Pvt Limited, on all resolutions set forth in the Notice. Members were also given an option to vote by physical Ballot.

(ii) The voting rights were reckoned in proportion of the shares held by the shareholders in the paid- up equity share capital of the of the Company as on April 5, 2019. The physical Ballots were returnable by May 17, 2019. The E-Voting portal was open for voting from April 18, 2019 to May 17, 2019.

(iii) The Company had appointed Mr. Nilesh Shah, Practicing Company Secretary (Membership No. FCS 4554) as the Scrutiniser to conduct the postal ballot/ e-voting process in a fair and transparent manner.

(iv) The Results of the Postal Ballot were declared on May 21, 2019.

None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a special resolution through Postal Ballot.

## 9. Disclosures:

**i. Related Party Transactions:** All transactions entered into with Related Parties as defined under the Companies Act, 2013, and Regulation 23 of the SEBI (LODR) Regulations during the financial year were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the Indian Accounting Standard (Ind AS 24) has been made in the notes to the Financial Statements.

The Board approved policy for related party transactions is available on the Company's website http://www.jsw.in/ investors/ investor-relations-steel.

**ii.** The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures, which are periodically reviewed.

**iii. Whistle Blower Policy/Vigil Mechanism:** The Whistle Blower Policy/Vigil Mechanism has been formulated by the Company with a view to provide a mechanism for directors and employees of the Company to approach the Ethics Counsellor / Chairman of the Audit Committee of the Board to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or ethics policy or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements and incidents of leak or suspected leak of unpublished price sensitive information. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The Whistle Blower Policy / Vigil Mechanism also provides safeguards against victimization or unfair treatment of the employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the Audit Committee.

The Whistle Blower Policy/Vigil Mechanism adopted by the Company in line with Section 177 of the Companies Act, 2013 and Regulation 22 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, which is a mandatory requirement, has been posted on the Company's website http://www.jsw.in/investors/investor-relations-steel.

**iv. Subsidiary Monitoring Framework:** All the Subsidiary Companies of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary companies and monitors the performance of such companies, inter alia, by the following means:

a) The financial statements along with the investments made by the unlisted subsidiaries are placed before the Audit Committee and the Company's Board, quarterly.

b) A copy of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries along with Exception Reports and quarterly Compliance Certificates issued by CEO/CFO/CS are tabled before the Company's Board, quarterly.

c) A summary of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries are circulated to the Company's Board, quarterly.

d) A statement containing all significant transactions and arrangements entered into by the subsidiary companies is placed before the Company's Board.

The Company has one material subsidiary i.e. JSW Steel Coated Product Limited whose income is more than 10% of the consolidated income of the Company during the previous financial year. A policy for determination of Material Subsidiaries has been formulated and has been posted on the Company's website http://www.jsw.in/investors/investor-relations-steel.

v. **Internal Controls:** The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances. The Company's business processes are on SAP-ERP platforms and has a strong monitoring and reporting process resulting in financial discipline and accountability.

vi. **Compliance with Indian Accounting Standards:** The Company has followed Indian Accounting Standards ("Ind AS") in the preparation of the Financial Statements for accounting periods beginning on or after 01.04.2016, as per the roadmap announced by Ministry of Corporate Affairs Companies. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

## 10. Means of Communication:

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. towards this end:

a) **Quarterly/Half Yearly/Nine Monthly/ Annual Results:** The Quarterly, Half Yearly, Nine Monthly and Annual Results of the Company are intimated to the Stock Exchanges immediately after they are approved by the Board. Quarterly financial results were sent to the Shareholders' through e-mail.

b) **Publication of Quarterly/ Half Yearly/Nine Monthly/ Annual Results:** The Quarterly, Half Yearly, Nine Monthly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, at least in one English newspaper circulating in the whole or substantially the whole of India and in one Vernacular newspaper of the State of Maharashtra where the Registered Office of the Company is situated.

The quarterly financial results during the financial year 2019-20 were published in The Financial Express and Navshakti Newspapers as detailed below:

| Quarter (F.Y 2019-20) | Date of Board Meeting | Date of Publication |
|---|---|---|
| 1st Quarter | 26.07.2019 | 27.07.2019 |
| 2nd Quarter | 23.10.2019 | 24.10.2019 |
| 3rd Quarter | 24.01.2020 | 25.01.2020 |

c) **Monthly production figures and other press releases:**

To provide information to Investors, monthly production figures and other press releases are sent to the Stock Exchanges as well as displayed on the Company's website before it is released to the media.

d) **Website:** The Company's website www.jsw.in contains a separate dedicated section "Investors" where information for shareholders is available. The Quarterly/Annual Financial Results, annual reports, analysts presentations, investor forms, stock exchange information, shareholding pattern, corporate benefits, polices, investors' contact details, etc., are posted on the website in addition to the information stipulated under Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The latest official press releases are also available on the website.

e) **Presentations to Analysts:**

The Company arranged 4 Conference Calls with Analysts on 24.05.2019, 26.07.2019, 23.10.2019 & January 24, 2020. The presentation for the aforesaid were uploaded on the Company's website www.jsw.in before the Conference Call. The Presentations broadly covered the operational and financial performance of the Company and industry outlook. The same are available on the Company's website.

f) **Filing with BSE "Listing Centre":** Pursuant to Regulation 10 (1) of the SEBI (LODR) Regulations, BSE has mandated the Listing Centre as the "Electronic Platform" for filing all mandatory filings and any other information to be filed with the Stock Exchanges by Listed Entities. BSE also mandated XBRL submissions for Financial Results, Shareholding Pattern, Corporate Governance Report, Reconciliation of Share Capital Audit Report & Voting Results etc. All the data relating to financial results, various quarterly/half yearly /annual submissions/disclosure documents etc., have been filed Electronically/XBRL mode with the Exchange on the "Listing Centre" (http://listing.bseindia. com).

g) **NSE Electronic Application Processing System (NEAPS):** NEAPS is a web based application designed by NSE for corporates. The Financial Results,

Shareholding pattern and Corporate Governance Report, various submissions/ disclosure documents etc. are filed electronically on NEAPS.

h) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report along with relevant annexures, Business Responsibility/ Sustainability Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

i) **Chairman's Communiqué:** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings. The same is also placed on the website of the Company.

## 11. General Shareholders Information:

### i. Annual General Meeting:

| | |
|---|---|
| Date and Time : | July 23, 2020 at 11.00 am |
| Venue : | Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") |
| Dates of Book Closure | July 08, 2020 to July 10, 2020 |
| Dividend payment date | July 27, 2020 |

### ii. Financial Calendar 2020-21:

| | |
|---|---|
| First quarterly results : | July 2020 |
| Second quarterly results : | October 2020 |
| Third quarterly results : | January, 2021 |
| Annual results for the year ending on 31.03.2021: | May 2021 |
| Annual General Meeting for the Year 2021 | July 2021 |

### iii. E-VOTING:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of the SEBI (LODR) Regulation, 2015, members have been provided the facility to exercise their right to vote at General Meetings by electronic means, through e-Voting Services provided by KFin Technologies Pvt Ltd.,

### iv. CORPORATE IDENTITY NUMBER (CIN):

The CIN of the Company allotted by Ministry of Corporate Affairs, Government of India is L27102MH1994PLC152925.

### v. LISTING ON STOCK EXCHANGES:

The Company's Equity Shares is listed on the following Stock Exchanges in India:

**BSE Limited (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

**National Stock Exchange of India Limited (NSE)**

Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai - 400051

The following Secured Redeemable Non-Convertible Debentures of the Company are listed on the BSE:

| Sl. No. | Description | Face Value (as on issue date) |
|---|---|---|
| 01. | 10.02% Secured Redeemable Non-convertible Debentures | ₹10 Lakhs each |
| 02. | 10.02% Secured Redeemable Non-convertible Debentures | ₹10 Lakhs each |
| 03. | 10.34% Secured Redeemable Non-convertible Debentures | ₹10 Lakhs each |
| 04. | 10.60% Secured Redeemable Non-convertible Debentures | ₹10 Lakhs each |
| 05. | 9.72% Secured Redeemable Non-convertible Debentures | ₹10 Lakhs each |
| 06. | 8.90% Secured Redeemable Non-convertible Debentures | ₹ 10 Lakhs each |
| 07. | 8.79% Secured Redeemable Non-convertible Debentures. | ₹ 10 Lakhs each |

The Company has listed Commercial Paper of ₹ 4,400 crores till March 31, 2020 and out of the total listed Commercial Papers, ₹3,950 crores are outstanding as on March 31, 2020.

The Company has paid Annual Listing Fees as applicable, to the BSE and the NSE for the financial years 2019-20 and 2020-21. The 5.25% Fixed Rate Senior Unsecured Foreign Currency Denominated Notes due 2022 (FCNs) aggregating to US $ 500 million, the 5.95% Fixed Rate Senior Unsecured Foreign Currency Denominated Notes due 2024 (FCNs) aggregating to US $ 500 million and the 5.375% Fixed Rate Senior Unsecured Foreign Currency Denominated Notes due 2025 (FCNs) aggregating to US $ 400 million issued by the Company in the International Market have been listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), 2 Shenton Way,#19-00 SGX Centre 1,Singapore 068804. The one time Listing fees has been paid by the Company to the SGX.

### vi. Stock Code:

| BSE LIMITED (BSE) | | NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE) | |
|---|---|---|---|
| EQUITY | DEBENTURES | EQUITY | DEBENTURES |
| 500228 | 949242 | JSW STEEL | NA |
| | 949396 | | |
| | 948841 | | |
| | 946501 | | |
| | 951447 | | |
| | 959034 | | |
| | 959205 | | |

**ISIN No. for Dematerialisation of listed Shares and Debentures:**

| | |
|---|---|
| **Equity :** | **INE019A01038** |
| **Debentures :** | **INE019A07183**<br>**INE019A07241**<br>**INE019A07258**<br>**INE019A07266**<br>**INE019A07407**<br>**INE019A07415**<br>**INE019A07423** |
| **FCNs :** | **XS1586341981**<br>**XS1981202861**<br>**XS2049728004** |

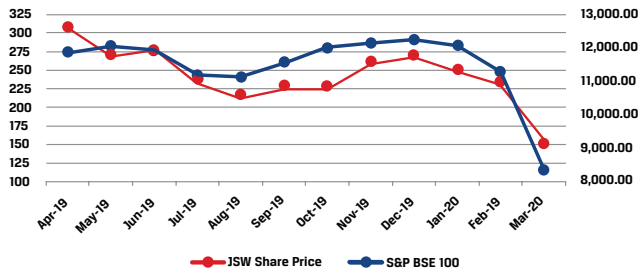
**Debenture Trustees:**
IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17th R. Kamani Marg, Ballard Estate, Mumbai – 400001

### vii. Market Price Data:

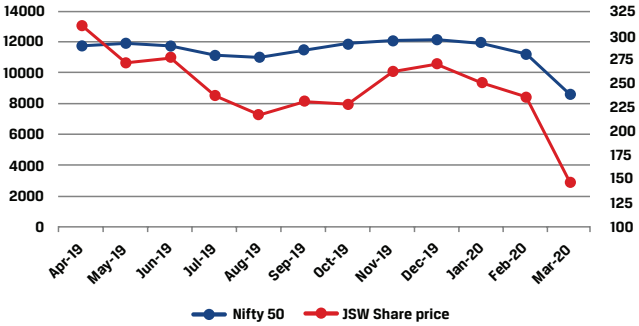
The monthly high/low market price of the shares and the quantities traded during the year 2019-20 on BSE Limited and National Stock Exchange of India Limited are as under:

| Month | BSE LIMITED | | | NATIONAL STOCK EXCHANGE OF INDIA LIMITED | | |
|---|---|---|---|---|---|---|
| | Month's High Price (In ₹ Per share) | Month's Low Price (in ₹ Per share) | No. of shares traded | Month's High Price (In ₹ Per share) | Month's Low Price (in ₹ Per share) | No. of shares traded |
| Apr-19 | 310.30 | 285.10 | 51,81,655 | 309.90 | 285.00 | 11,03,17,403 |
| May-19 | 313.40 | 266.80 | 77,45,345 | 314.00 | 266.95 | 14,84,46,019 |
| Jun-19 | 280.80 | 252.30 | 60,70,820 | 280.80 | 252.65 | 11,43,05,260 |
| Jul-19 | 281.50 | 219.85 | 66,11,744 | 281.80 | 220.00 | 12,17,98,584 |
| Aug-19 | 238.00 | 201.90 | 65,98,343 | 235.80 | 201.75 | 16,87,15,325 |
| Sept-19 | 254.00 | 207.65 | 88,98,363 | 252.95 | 207.50 | 18,08,42,712 |
| Oct-19 | 237.15 | 206.00 | 1,02,50,560 | 236.95 | 205.95 | 16,47,09,526 |
| Nov-19 | 269.45 | 227.40 | 77,94,779 | 269.50 | 227.50 | 15,93,03,957 |
| Dec-19 | 273.40 | 246.95 | 1,00,45,235 | 273.50 | 250.10 | 17,70,25,944 |
| Jan-20 | 283.95 | 249.50 | 64,80,274 | 284.00 | 249.10 | 15,82,07,190 |
| Feb-20 | 296.65 | 232.90 | 71,54,311 | 296.75 | 232.65 | 15,17,94,062 |
| Mar-20 | 252.65 | 136.15 | 4,02,74,267 | 252.75 | 136.10 | 21,46,66,077 |

### viii. Performance of Share Price in Comparison to S&P BSE 100:




### ix. Performance of Share price in Comparison to Nifty 50:



**x. Percentage Change in comparison to broad based indices – Sensex and Nifty as on March 31, 2020:**

| Financial Year | JSW Share Price in BSE- % | Sensex – % | JSW Share Price in NSE-% | Nifty -% |
|---|---|---|---|---|
| 2019-20 | -49.99 | -23.80 | -50.09 | -26.03 |
| 2018-19 | 01.66 | 16.92 | 01.70 | 14.93 |
| 2017-18 | 53.05 | 11.30 | 53.25 | 10.24 |
| 2016-17 | 46.28 | 16.88 | 46.52 | 33.92 |
| 2015-16 | 41.08 | -9.36 | 41.55 | -3.5 |
| 2014-15 | -12.35 | 24.88 | -12.50 | 26.65% |
| 2013-14 | 154.39 | 118 | 154.09 | 117.97 |

**xi. Registrar & Share Transfer Agents:**

KFin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District Nanakramguda,
Hyderabad – 500 032
Tel. No. 040 67161500
Fax No. 040 23001153
E-mil: einward.ris@kfintech.com
Website: www.kfintech.com

**xii. Share Transfer/Transmission System:**

Requests for Transfer/Transmission of Shares held in physical form can be lodged with Kfin Technologies Pvt Ltd., at the above mentioned address. The requests are normally processed within 15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

SEBI has vide its circular dated 7 January, 2010 made it mandatory to furnish a copy of PAN Card in the following cases for transmission of shares in physical form:

a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.

b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.

The Board has delegated the authority for approving transfers, transmissions etc. of the Company's securities to the Share/Debenture Transfer Committee. The decisions of Share/ Debenture Transfer Committee are placed at the next Board Meeting. The Company obtains from a Company Secretary in Practice, a half yearly certificate of compliance with the share transfer formalities as required under the Regulation 40(9) of the SEBI (LODR Regulations) and files a copy of the certificate with the Stock Exchanges.

**xiii. Distribution of Shareholding:**

The distribution of shareholding by size as on March 31, 2020 is given below:

| Sl. No | No. of Equity Shares Category | No. of Shareholders | % of Shareholders | No.of Shares held | % of shareholding |
|---|---|---|---|---|---|
| 1 | 1 - 500 | 568732 | 92.76 | 42607898 | 1.76 |
| 2 | 501 - 1000 | 24725 | 4.03 | 20392173 | 0.84 |
| 3 | 1001 - 2000 | 10969 | 1.79 | 16238429 | 0.67 |
| 4 | 2001 - 3000 | 3890 | 0.63 | 9443000 | 0.39 |
| 5 | 3001 - 4000 | 1145 | 0.19 | 4024767 | 0.17 |
| 6 | 4001 - 5000 | 815 | 0.13 | 3765683 | 0.16 |
| 7 | 5001 - 10000 | 1292 | 0.21 | 9146147 | 0.38 |
| 8 | 10001 - 20000 | 560 | 0.09 | 7875177 | 0.33 |
| 9 | 20001 and above | 1006 | 0.16 | 2303727166 | 95.30 |
| | **TOTAL:** | **613134** | **100.00** | **2417220440** | **100.00** |

**xiv. Shareholding Pattern: As on March 31, 2020**

| | As on 31.03.2020 | | | As on 31.03.2019 | | |
|---|---|---|---|---|---|---|
| **Category** | **No. of Holders** | **No. of Shares** | **% of holding** | **No. of Holders** | **No. of Shares** | **% of holding** |
| Promoters | 47 | 1032447210 | 42.71 | 45 | 1031105450 | 42.66 |
| Promoters Trust | 6 | 600 | 0.00 | 6 | 600 | 0.00 |
| NRI | 9652 | 30874249 | 1.28 | 9419 | 30451920 | 1.26 |
| FII | 486 | 414044016 | 17.13 | 519 | 449123255 | 18.58 |
| OCB | 2 | 9660 | 0.00 | 2 | 9660 | 0.00 |
| FBC | 3 | 362584730 | 15.00 | 3 | 362584730 | 15.00 |
| IFI | 11 | 55881071 | 2.31 | 8 | 21570492 | 0.89 |

| | As on 31.03.2020 | | | As on 31.03.2019 | | |
|---|---|---|---|---|---|---|
| **Category** | **No. of Holders** | **No. of Shares** | **% of holding** | **No. of Holders** | **No. of Shares** | **% of holding** |
| IMF | 104 | 50049191 | 2.07 | 112 | 47376216 | 1.96 |
| Banks | 32 | 92009 | 0.00 | 37 | 453140 | 0.02 |
| Employees | 622 | 358149 | 0.01 | 675 | 367385 | 0.02 |
| Bodies Corporate | 2141 | 216286354 | 8.95 | 2462 | 202814438 | 8.39 |
| Public | 593924 | 199227389 | 8.24 | 582280 | 221996483 | 9.18 |
| Trust | 24 | 16966276 | 0.70 | 22 | 17249515 | 0.71 |
| HUF | 6017 | 18557852 | 0.77 | 5743 | 19003731 | 0.79 |
| Employees Welfare Trust | | | 0.00 | 0 | 0 | 0.00 |
| NBFC | 5 | 15190 | 0.00 | 24 | 61960 | 0.00 |
| I E P F | 1 | 13998087 | 0.58 | 1 | 13049760 | 0.54 |
| A I F | 7 | 1460950 | 0.06 | 1 | 995 | 0.00 |
| Transit A/C | 1 | 710 | 0.00 | 1 | 710 | 0.00 |
| Qualified Institutional Buyer | 48 | 4366707 | 0.18 | 0 | 0 | 0.00 |
| Societies | 1 | 40 | 0.00 | 0 | 0 | 0.00 |
| **Total** | **613134** | **2417220440** | **100.00** | **601360** | **2417220440** | **100.00** |

### xv. Top 10 Shareholders as on March 31, 2020:

| S.No | Name | Shares | % of holding |
|---|---|---|---|
| 1 | JFE STEEL INTERNATIONAL EUROPE B.V. | 362583070 | 15.00 |
| 2 | JSW TECHNO PROJECTS MANAGEMENT LTD | 257051220 | 10.63 |
| 3 | JSW HOLDINGS LIMITED | 181402230 | 7.50 |
| 4 | VIVIDH FINVEST PRIVATE LIMITED | 143370690 | 5.93 |
| 5 | SAHYOG HOLDINGS PRIVATE LIMITED | 112067860 | 4.64 |
| 6 | JSW ENERGY LIMITED | 70038350 | 2.90 |
| 7 | DANTA ENTERPRISES PRIVATE LIMITED | 60368250 | 2.50 |
| 8 | VIRTUOUS TRADECORP PRIVATE LIMITED | 60368250 | 2.50 |
| 9 | THELEME MASTER FUND LIMITED | 58325307 | 2.41 |
| 10 | LIFE INSURANCE CORPORATION OF INDIA | 53068091 | 2.20 |

### xvi. Geographical Distribution of Shareholders as on March 31, 2020:

| Sl. no | Name of the City | Physcial Holders | | | Electronic Holders | | | Total Shareholders | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | No. Of Cases | No. Of Shares | % | No. Of Cases | No. Of Shares | % | No. Of Cases | No. Of Shares | % |
| 1 | AGRA | 938 | 63550 | 0.00 | 2076 | 233703 | 0.01 | 3014 | 297253 | 0.01 |
| 2 | AHMEDABAD | 5678 | 584290 | 0.02 | 22334 | 156017621 | 6.45 | 28012 | 156601911 | 6.48 |
| 3 | BANGALORE | 3853 | 756510 | 0.03 | 15943 | 20457981 | 0.85 | 19796 | 21214491 | 0.88 |
| 4 | KOLKATA | 6041 | 631750 | 0.03 | 16277 | 6332101 | 0.26 | 22318 | 6963851 | 0.29 |
| 5 | CHANDIGARH | 1022 | 88560 | 0.00 | 2088 | 364816 | 0.02 | 3110 | 453376 | 0.02 |
| 6 | CHENNAI | 3315 | 435130 | 0.02 | 11419 | 15050422 | 0.62 | 14734 | 15485552 | 0.64 |
| 7 | COIMBATORE | 2625 | 789830 | 0.03 | 3865 | 1687790 | 0.07 | 6490 | 2477620 | 0.10 |
| 8 | GANDHI NAGAR | 1914 | 115720 | 0.00 | 8538 | 755703 | 0.03 | 10452 | 871423 | 0.04 |
| 9 | GHAZIABAD | 636 | 60690 | 0.00 | 2824 | 394086 | 0.02 | 3460 | 454776 | 0.02 |
| 10 | HISSAR | 908 | 158940 | 0.01 | 1313 | 46212423 | 1.91 | 2221 | 46371363 | 1.92 |
| 11 | HOWRAH | 794 | 92450 | 0.00 | 2583 | 408994 | 0.02 | 3377 | 501444 | 0.02 |
| 12 | HYDERABAD | 2333 | 262600 | 0.01 | 9688 | 2220559 | 0.09 | 12021 | 2483159 | 0.10 |
| 13 | INDORE | 1116 | 94360 | 0.00 | 3642 | 532146 | 0.02 | 4758 | 626506 | 0.03 |
| 14 | JAIPUR | 2147 | 171430 | 0.01 | 8137 | 1169248 | 0.05 | 10284 | 1340678 | 0.06 |
| 15 | JAMNAGAR | 937 | 71510 | 0.00 | 2764 | 268724 | 0.01 | 3701 | 340234 | 0.01 |
| 16 | KANPUR | 1529 | 123580 | 0.01 | 3813 | 677039 | 0.03 | 5342 | 800619 | 0.03 |

| Sl. no | Name of the City | Physcial Holders | | | Electronic Holders | | | Total Shareholders | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | No. Of Cases | No. Of Shares | % | No. Of Cases | No. Of Shares | % | No. Of Cases | No. Of Shares | % |
| 17 | LUCKNOW | 1106 | 78180 | 0.00 | 3222 | 383268 | 0.02 | 4328 | 461448 | 0.02 |
| 18 | MEHSANA | 1186 | 62380 | 0.00 | 3815 | 420646 | 0.02 | 5001 | 483026 | 0.02 |
| 19 | MUMBAI | 16478 | 2821440 | 0.12 | 64412 | 2008983173 | 83.11 | 80890 | 2011804613 | 83.23 |
| 20 | NEW DELHI | 11824 | 1384582 | 0.06 | 28172 | 41370003 | 1.71 | 39996 | 42754585 | 1.77 |
| 21 | PATNA | 627 | 50710 | 0.00 | 2142 | 295357 | 0.01 | 2769 | 346067 | 0.01 |
| 22 | PUNE | 2358 | 249820 | 0.01 | 11443 | 4312219 | 0.18 | 13801 | 4562039 | 0.19 |
| 23 | RAJKOT | 1348 | 106260 | 0.00 | 6562 | 998426 | 0.04 | 7910 | 1104686 | 0.05 |
| 24 | SURAT | 2055 | 156980 | 0.01 | 10574 | 1304102 | 0.05 | 12629 | 1461082 | 0.06 |
| 25 | THANE | 1411 | 205400 | 0.01 | 9277 | 1519336 | 0.06 | 10688 | 1724736 | 0.07 |
| 26 | VADODARA | 2861 | 214730 | 0.01 | 10350 | 1501869 | 0.06 | 13211 | 1716599 | 0.07 |
| 27 | OTHERS | 65185 | 12746360 | 0.53 | 203636 | 80770943 | 3.34 | 268821 | 93517303 | 3.87 |
| | **TOTAL:** | **142225** | **22577742** | **0.93** | **470909** | **2394642698** | **99.07** | **613134** | **2417220440** | **100.00** |

### xvii. Corporate Benefits to Shareholders:

a) Dividend declared for the last eight years:

| Financial Year | Dividend Declaration Date | Dividend Rate (%) |
|---|---|---|
| 2018-19 | 25.07.2019 | 410.00 |
| 2017-18 | 24.07.2018 | 320.00 |
| 2016-17 | 29.06.2017 | 225.00 |
| 2015-16 | 26.07.2016 | 75.00 |
| 2014-15 | 28.07.2015 | 110.00 |
| 2013-14 | 31.07.2014 | 110.00 |
| 2012-13 | 40.07.2013 | 100.00 |
| 2011-12 | 25.07.2012 | 75.00 |

b) Unclaimed Dividends:

The Ministry of Corporate Affairs ('MCA') has notified the provisions of section 124 of the Companies Act, 2013 ('Act, 2013) and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF RULES") w.e.f 07.09.2016.

Under Section 124 (5) of the Companies Act, 2013, dividends that are unclaimed / un-paid for a period of seven years, are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government. To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the concerned investors at appropriate intervals. The status of dividend remaining unclaimed is given hereunder:

| Period | Status | To be claimed from | How it can be claimed |
|---|---|---|---|
| Upto the financial year ended 31.03.1995 | Transferred to the General Revenue Account of the Central Government | Registrar of Companies, Maharashtra | Claim to be forwarded in prescribed Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. |
| For the Financial years 1995-96 to 2011-12 | Transferred to the IEPF of the Central Government | IEPF Authority | Submit e-form IEPF-5 alongwith annexures to the company's RTA or at the registered office of the Company. |
| For the Financial Years 2012-13 to 2018-19 | Lying in respective unpaid/ unclaimed dividend accounts | RTA of the Company | By written request to RTA i.e. KFin Technologies Private Limited |

Pursuant to Section 124 (5) of the Companies Act, 2013, the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

**Equity Shares:**

| Financial year | Date of Declaration of Dividend | Percentage of Dividend Declared | Unclaimed Dividend Amount as on 31.03.2020 | Due to transfer to IEPF |
|---|---|---|---|---|
| 2012-13 | 30.07.2013 | 100% | 22187761.00 | 06.09.2020 |
| 2013-14 | 31.07.2014 | 110% | 23250420.00 | 07.09.2021 |
| 2014-15 | 28.07.2015 | 110% | 23853543.66 | 04.09.2022 |
| 2015-16 | 26.07.2016 | 75% | 17908980.00 | 05.09.2023 |
| 2016-17 | 29.06.2017 | 225% | 48879947.00 | 05.08.2024 |
| 2017-18 | 24.07.2018 | 320% | 44611484.20 | 30.08.2025 |
| 2018-19 | 25.07.2019 | 410% | 50144872.00 | 31.08.2026 |

**Preference Shares:**

| Financial year | Dividend type | Percentage of Dividend Declared | Unclaimed Dividend Amount as on 31.03.2020 | Due to transfer to IEPF |
|---|---|---|---|---|
| 2017-18 | Dividend on 10% Preference Shares | 10% | 192.00 | 30.08.2025 |
| 2017-18 | Dividend on 0.01% of Preference Shares | 0.01% | 1,70,000 | 30.08.2025 |

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company or its Registrar, for obtaining payments thereof atleast 20 days before they are due for transfer to the said fund.

c) Transfer of Shares to Investor Education and Protection Fund:

Pursuant to the provisions of the Companies Act, 2013 read with the second proviso to Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, transfer and refund) Rules, 2016 ("the rules"), all shares in respect of which dividend has not been en-cashed or claimed by the shareholders for seven consecutive years or more should be transferred by the Company to the Demat Account opened by the IEPF Authority within a period of 30 days from which the shares become due to transfer to the IEPF.

Accordingly, 10,24,994 equity shares pertaining to 9203 folios in respect of which dividend has been not been paid or claimed for seven consecutive years or more by shareholders, has been transferred to the designated demat account of the IEPF Authority maintained with CDSL through SBI Cap Securities during December 2018 and 9,93,177 equity shares pertaining to 10,231 folios have been transferred to the designated demat account of the IEPF Authority on December 12, 2019.

**Refund process guidelines to facilitate the Claimants refund by IEPF Authority:**

1) Any person, whose shares, unclaimed dividend, sale proceeds of fractional shares, redemption proceeds of preference shares, etc. has been transferred to the IEPF, may claim the shares under proviso to sub-section (6) of section 124 or apply for refund under clause (a) of sub-section (3) of section 125 or under proviso to sub-section (3) of section 125, as the case may be, to the Authority by making an application in Form IEPF-5 available online on website www.iepf.gov.in.

2) Fill the required fields of the Form and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading of Form on MCA Portal, an acknowledgement will be generated indicating the SRN. Please note the SRN for future tracking of the form.

3) Applicant has to send the printout of form IEPF-5, copy of challan and other documents as prescribed in the Form IEPF-5 to the Nodal Officer of the Company at its registered office or RTA i.e. KFin Technologies Pvt Limited in an envelope marked "claim for refund from IEPF Authority" for initiating the verification for claim.

4) The Company shall within fifteen days of receipt of claim form, send a e-verification report to the IEPF Authority in the format specified by the Authority along with all documents submitted by the claimant.

5) After verification of the entitlement of the claimant- (a) to the amount claimed, the Authority and then the Drawing and Disbursement Officer of the Authority shall present a bill to the Pay and Accounts Office for e- payment as per the guidelines (b) to the shares claimed, the Authority shall issue a refund sanction order with the approval of the

Competent Authority and shall either credit the shares which are lying with depository participant in IEPF suspense account name of the company) to the demat account of the claimant to the extent of the claimant's entitlement.

**d) Unclaimed shares:**

As per Clause 5A(II) of the erstwhile Listing Agreement, the Company after sending three reminders on June 23, 2011, August 25, 2011 and October 31, 2011 to the registered address of the shareholders of the Company and on 23.01.2014, 21.03.2014 and 02.05.2014 to the registered address of the shareholders of the erstwhile JSW Ispat Steel Limited who became shareholders of the Company consequent to the merger, requesting for correct particulars to dispatch the undelivered share certificates, for shares issued in physical form which remained unclaimed, transferred 7,07,359 shares to a dedicated demat account styled as "Unclaimed Suspense Account" opened with Stock Holding Corporation of India.

The Company subsequently during the Financial Year 2019-2020 sent three reminder letters to all shareholders, whose shares have been returned undelivered, on January 6, 2020, February 18, 2020 & March 20, 2020, requesting for correct particulars to dispatch the undelivered share certificates. The Company is in the process of sending the third and final reminder letter, in this regard, to the concerned shareholders . Where no responses have been received even after the third and final reminder, the Company would be transferring the unclaimed shares to the aforesaid "Unclaimed Suspense Account".

Any corporate benefits in terms of securities accruing on aforesaid shares viz. bonus shares, split, etc., shall be credited to the "Unclaimed Suspense Account" duly opened with Stock Holding Corporation of India Limited and dividend to the "Unclaimed Suspense Account" opened with Vijaya Bank.

As and when the rightful owner of such shares approaches the Company at a later date, the Company shall credit the shares lying in the "Unclaimed Suspense Account" to the rightful owner to the extent of his/her entitlement after proper verification of the identity of the rightful owner.

As per Schedule V (F) of the SEBI (LODR Regulations, the Company reports the following details in respect of equity shares and Preference Shares lying in the suspense account:

**JSW Steel Ltd - Equity Shares Unclaimed Suspense Account:**

| Description | Number of Share Holders | Number of Equity Shares of ₹1/- each |
|---|---|---|
| Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2019. | 12652 | 1580380 |
| Number of Shareholders who approached issuer for transfer of shares from suspense account during the year ended 31.3.2020 | 124 | 50880 |
| Number of shareholders to whom shares were transferred from suspense account during the year ended 31.3.2020 | 124 | 50880 |
| Number of unclaimed shares transferred to IEPF on 31.03.2020 | 0 | 0 |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as at year ended 31.3.2020 | 12528 | 1529500 |

**JSW Steel Ltd - Preference Shares Unclaimed Suspense Account:**

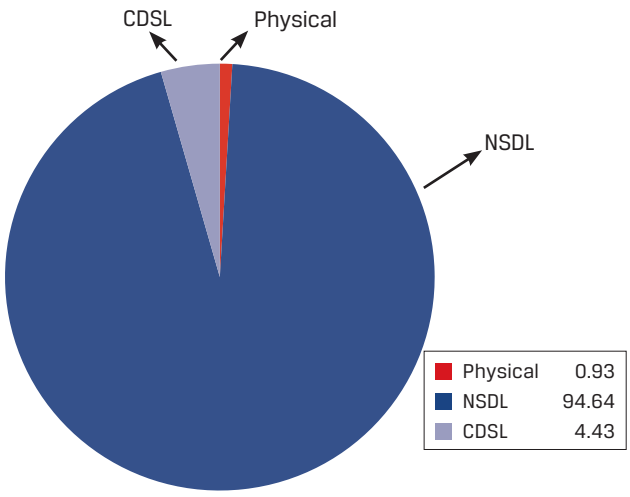
| Description | Number of Share Holders | Number of Equity Shares of ₹ 1/- each |
|---|---|---|
| Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2019. | 25000 | 2701370 |
| Number of Shareholders who approached issuer for transfer of shares from suspense account during the year ended 31.3.2020 | 80 | 6417 |
| Number of shareholders to whom shares were transferred from suspense account during the year ended 31.3.2020 | 80 | 6417 |
| Number of unclaimed shares transferred to IEPF on 31.03.2020 | 0 | 0 |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as at year ended 31.3.2020 | 24920 | 2688897 |

The voting rights on the shares outstanding in the suspense accounts as on March 31, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

**e) De-materialisation of Shares and Liquidity:**

The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility. 2394642698 Equity Shares aggregating to 99.07% of the total Equity Capital is held in dematerialised form as on March 31, 2020 of which 94.64% (2287669924 Equity Shares) of total equity capital is held in NSDL & 4.43% ( 106972774 Equity Shares) of total equity capital is held in CDSL as on March 31, 2020.

**Dematerialisation of Shares**




**f) Physical Share Purchase Scheme:**

In terms of the amended Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialized form with a Depository.

In view of the above, the Physical Share Purchase Scheme has been discontinued w.e.f 01.04.2019.

**g) National Electronic Clearing Service (NECS):**

As per the directive from Securities and Exchange Board of India dated March 21, 2013, companies whose securities are listed on the Stock Exchanges shall use any Reserve Bank of India (RBI) approved electronic mode of payment such as ECS [LECS(Local ECS) / RECS (Regional ECS)/NECS (National ECS)]/ NEFT etc., for making cash payments to investors.

The Company will remit the dividend payment through National Electronic Clearing Service (NECS) to the shareholders having accounts with Branches of Banks covered under CBS (Core Banking Solution). Equity Shareholders holding shares in physical form, who wish to avail the NECS facility, may send their NECS mandate in the format attached to the Company's R & T Agents, in the event they have not done so earlier. Equity Shareholders holding shares in electronic mode may furnish their new Bank Account Number allotted to them by their bank after implementation of CBS, alongwith a photocopy of a cheque pertaining to the concerned account, or the NECS mandate to their Depositary Participant (DP), at the earliest.

The Company in compliance with SEBI circular dated 20th April 2018, had sent 3 reminder letters on 04.06.2018, 18.08.2018 & 25.10.2018 to Shareholders holding physical shares seeking their Pan, Bank Details and email address. The shareholders who have not yet responded with their details are requested to furnish the same to KFin Technologies Pvt. Limited immediately.

**h) Green Initiative for Paperless Communications:**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing service of documents by a Company to its Members through electronic mode. The move of the ministry allows public at large to contribute to the green movement.

Keeping in view the underlying theme, the Company will continue to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditor's report etc., in electronic form, to the email address provided by the Members to the Depositories or to the Company.

This is also an opportunity for every shareholder of JSW Steel Limited to contribute to this Corporate Social Responsibility initiative of the Company. To support this green initiative in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant.

Members who hold shares in physical form are requested to fill in the Registration form which can be obtained from Company's Registrar Kfin Technologies Private Limited or downloaded from the Company's website www.jsw.in under the section "Investors", and register the same with the Company's Registrar.

**i) Nomination Facility:**

Pursuant to the provisions of the Companies Act, 2013, members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/ change the nomination in respect of their shares in the Company may submit their requests in Form No.

2B to the Company's Registrar, Kfin Technologies Pvt Ltd. Members holding shares in electronic form may submit their nomination requests to their respective Depository Participants directly. Form No. 2B can be obtained from Company's Registrar, Kfin Technologies Pvt Ltd. or downloaded from the Company's website www. jsw.in under the section 'Investors'.

**j) Outstanding GDRs/ADRs or Warrants or any Convertible Instrument, conversion dates and likely impact on equity:**

There are no outstanding GDRs/ADRs or Warrants or any Convertible Instrument as on March 31, 2020.

**k) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

A comprehensive financial and commodity risk management program supports the achievement of an organisation's objectives by enabling the identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks and implementing policies and procedures to manage and monitor the risks.

The Company has in place a Board approved policy which establishes the financial and commodity risk management framework and defines the procedures and controls for the effective management of the Company's risks that arise due to imports of raw material, capex, debt servicing and exports of finished steel.

Currency Hedging and Commodity Hedging is as guided by Risk management policy approved by Board and the same is reviewed by Board committee of independent directors each quarter.

Exposure of the Company to commodity risk throughout the year, which are material:

| Commodity Name | Qty Measurement | For FY 19 - 20 | | Hedges For FY 19 - 20 | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Actual exposure | | % of such exposure hedged through commodity derivatives | | | | |
| | | ₹ in Crs | Qty in Mio | Domestic market | | International market | | Total |
| | | | | OTC | Exchange | OTC | Exchange | |
| Iron Ore | Tonnes in Mio | 11,109 | 30.87 | - | - | - | - | - |
| Natural Gas | Barrels in Mio | 1,329 | 3.45 | - | - | 1.89% | - | 1.89% |
| Coking Coal / Thermal Coal (API4 Index) / Corex Coal (New Castle Index) | Tonnes in Mio | 16,266 | 13.44 | - | - | 0.33% | - | 0.33% |
| Zinc | Tonnes in Mio | 229 | 10.98 | - | - | 0.01% | | 0.01% |

**l) List of all credit ratings obtained by the entity:**

List of all credit ratings obtained by the entity alongwith revisions thereto during the financial year 2018-19, for all debt instruments of the Company or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad, are furnished herein below:

**CARE Ratings Limited**

| Particulars | Rating Month | Rating during FY 2020 | Previous Rating |
|---|---|---|---|
| Issuer Rating | Mar-20 | CARE AA- (Is); Stable | CARE AA (Is); Negative |
| Long Term Bank Facilities – Term Loan | | CARE AA-; Stable | CARE AA; Negative |
| Long Term Bank Facilities – Fund Based | | CARE AA-; Stable | CARE AA; Negative |
| Short Term Bank Facilities – Non Fund Based | | CARE A1+ | CARE A1+ |
| Long Term / Short Term Bank Facilities – Non Fund Based | | CARE AA-; Stable / CARE A1+ | CARE AA; Negative / CARE A1+ |
| Non-Convertible Debentures | | CARE AA-; Stable | CARE AA; Negative |
| Commercial Paper issue | | CARE A1+ | CARE A1+ |

| Particulars | Rating Month | Rating during FY 2020 | Previous Rating |
|---|---|---|---|
| Issuer Rating | Oct-19 | CARE AA (Is); Negative | CARE AA (Is); Stable |
| Long Term Bank Facilities – Term Loan | | CARE AA; Negative | CARE AA; Stable |
| Long Term Bank Facilities – Fund Based | | CARE AA; Negative | CARE AA; Stable |
| Short Term Bank Facilities – Non Fund Based | | CARE A1+ | CARE A1+ |
| Long Term / Short Term Bank Facilities – Non Fund Based | | CARE AA; Negative / CARE A1+ | CARE AA; Stable / CARE A1+ |
| Non-Convertible Debentures | | CARE AA; Negative | CARE AA; Stable |
| Commercial Paper issue | | CARE A1+ | CARE A1+ |

**ICRA Limited**

| Particulars | Rating Month | Rating during FY 2020 | Previous Rating |
|---|---|---|---|
| Term Loans / Standby Letter of Credit Facilities | Mar-20 | ICRA AA-; Negative | ICRA AA; Negative |
| Short Term Fund Based Limits | | ICRA A1+ | ICRA A1+ |
| Short Term Non-Fund Based Limits | | ICRA A1+ | ICRA A1+ |
| Long/Short Term Fund Based/Non-Fund Based Limits | | ICRA AA-; Negative / ICRA A1+ | ICRA AA; Negative / ICRA A1+ |
| Non-Convertible Debenture Programme | | ICRA AA-; Negative | ICRA AA; Negative |
| Commercial Paper issue | | ICRA A1+ | ICRA A1+ |

| Particulars | Rating Month | Rating during FY 2020 | Previous Rating |
|---|---|---|---|
| Term Loans / Standby Letter of Credit Facilities | Aug-19 | ICRA AA; Negative | ICRA AA; Stable |
| Short Term Fund Based Limits | | ICRA A1+ | ICRA A1+ |
| Short Term Non-Fund Based Limits | | ICRA A1+ | ICRA A1+ |
| Long/Short Term Fund Based/Non-Fund Based Limits | | ICRA AA; Negative / ICRA A1+ | ICRA AA; Stable / ICRA A1+ |
| Non-Convertible Debenture Programme | | ICRA AA; Negative | ICRA AA; Stable |
| Commercial Paper issue | | ICRA A1+ | ICRA A1+ |

**India Ratings and Research Pvt Ltd**

| Particulars | Rating Month | Rating during FY 2020 | Previous Rating |
|---|---|---|---|
| Long Term Issuer Rating | Nov-19 | IND AA; Negative | IND AA; Stable |
| Non-Convertible Debentures | | IND AA; Negative | IND AA; Stable |

**Fitch**

| Particulars | Rating Month | Rating during FY 2020 | Previous Rating |
|---|---|---|---|
| Long term Issuer Default Rating | February 2020 | BB; Negative | BB; Stable |
| Senior Unsecured Notes | | BB; Negative | BB; Stable |

| Particulars | Rating Month | Rating during FY 2020 | Previous Rating |
|---|---|---|---|
| Senior Unsecured Notes | September-19 | BB; Stable | |

**Moody's Investors Service:**

| Particulars | Rating Month | Rating during FY 2020 | Previous Rating |
|---|---|---|---|
| Corporate Family Rating | Mar-20 | Ba2; Stable | Ba2; Positive |
| Senior Unsecured Notes | | Ba2; Stable | Ba2; Positive |
| **Particulars** | **Rating Month** | **Rating during FY 2020** | **Previous Rating** |
| Corporate Family Rating | Sep-19 | Ba2; Positive | Ba2; Positive |
| Senior Unsecured Notes | | Ba2; Positive | Ba2; Positive |

**m) Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

No funds were raised by the Company through Preferential allotment or by way of a Qualified Institutions Placement during the F.Y 2019-20

**n)** There are no cases where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required during the Financial Year 2019-20.

**o)** Total fees for all services paid by the Company and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

₹ In Crores

| | |
|---|---|
| Statutory Audit Fees (including Limited Review) | 11.00 |
| Audit related Fees (certification, tax audit & capital market transaction) | 4.21 |
| Other Services | 4.59 |
| Total | 19.80 |

**p) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

a) No. of complaints filed during the financial year 2019-20 : 0

b) No. of complaints disposed of during the financial year 2019-20 : 0

c) No. of complaints pending as on March 31, 2020 : 0

**q) Registered Office:**

JSW Centre, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.

**r) Plant Locations:**

**Vijayanagar :** P.O. Vidyanagar, Toranagallu Village, Sandur Taluk, Dist. Ballari, Karnataka - 583 275

**Dolvi :** Geetapuram, Dolvi Village, Pen Taluk, Dist. Raigad, Maharashtra - 402 107

**Salem :** Pottaneri, M Kalipatti Village, Mecheri Post, Mettur Taluk, Salem Dist., Tamil Nadu - 636 453.

**s) Address for Investor Correspondence:**

**1. Retail Investors**

**a) For Securities held in Physical form**

KFin Technologies Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 008
Tel. No. 040 – 67161500 ,
Fax. No. 040 - 23001153
E-mail: einward.ris@Kfintech.com
Website: www.kfintech.com

**b) For Securities held in Demat form**

The investor's Depository Participant and/ or KFin Technolgies Private Limited

**c) JSW Steel Limited – Investor Relation Centre**

JSW Centre, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, Phone No. 022 – 42861000 Fax No. 022 – 42863000

**2. Institutional Investors:**

Mr. Pritesh Vinay, Vice President (Capital Markets and Investor Relations),JSW Centre, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051
Tel. No. 022 – 42861000
Fax No. 022 – 42863000

**3. Designated exclusive email-id for Investor servicing: jswsl.investor@jsw.in**

**4. Toll Free Number of R & T Agent's exclusive call Centre: 1-800-3454001**

**5. Web-based Query Redressal System**

Web-based Query Redressal System has been extended by the Registrars and Share Transfer Agent for redressal of Shareholders' queries. The Shareholder can visit http://karsima.kfintech.com and click on "investors" option for query registration after free identity registration.

After logging in, Shareholders can submit their query in the "QUERIES" option provided on the website, which would give the grievance registration number. For accessing the status/response to their query, the same number can be used at the option "VIEW REPLY" after 24 hours. The Shareholders can continue to put additional queries relating to the case till they are satisfied.

**xviii. Non-Compliance of any Requirement of Corporate Governance:**

The are no instances of non-compliance of any requirement of Corporate Governance Report as mentioned in sub-paras (2) to (10) of Para (C) of Schedule V. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the SEBI (LODR) Regulations 2015.

**xix. Adoption of Discretionary Requirements:**

The status of adoption of discretionary requirements of Regulation 27(1) as specified under Part E of Schedule II of the SEBI (LODR) Regulations 2015 is provided below:

i. Non-Executive Chairperson's entitlement to maintain Chairman's Office and reimbursement of expenses incurred: Not applicable as the Company does not have a Non-Executive Chairperson.

ii. Shareholders' Rights: Quarterly financial results are sent to the Shareholders' through e-mail. The Quarterly, Half Yearly, Nine Monthly and Annual financial performance including summary of significant events are published in the newspapers, communicated to the stock exchanges and also posted on the Company's website.

iii. Modified Opinion in Auditors Report: The Company's financial statement for the financial year 2019-20 does not contain modified audit opinion.

iv. Separate posts of Chairman and Managing Director or CEO: The Chairman's Office is not separate from that of the Managing Director.

v. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

## 12. Corporate Ethics:

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and Senior Management and JSWSL Code of Conduct to Regulate, Monitor and Report Trading by Insiders (formerly known as Code of Conduct for Prevention of Insider Trading) as detailed below has been adopted pursuant to the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

**a) Code of Conduct for Board Members and Senior Management:**

The Board of Directors of the Company has adopted a Code of Conduct for Board Members and Senior Management which includes a Code of Conduct for Independent Directors and also suitably incorporates the duties of Independent Directors as laid down under the Companies Act, 2013. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code impresses upon Directors and Senior Management Executives to uphold the interest of the Company and its stakeholders and to endeavor to fulfil all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standards of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Code has been posted on the website of the Company www.jsw.in.

**Declaration affirming compliance of Code of Conduct**

The Company has received confirmations from all the Board of Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review.

A declaration by the Jt. Managing Director and Group CFO affirming compliance of Board Members and Senior Management Personnel to the Code is also annexed herewith.

**b) JSWSL Code of Conduct to Regulate, Monitor and Report Trading by Insiders:**

The Company adopted a Code of Conduct for Prevention of Insider Trading for its Management, Staff and Directors on 29 October, 2002. The Code (known as the "JSWSL Code of Conduct to Regulate, Monitor and Report Trading by Insiders") lays down guidelines and procedures to be followed and disclosures to be made by Directors, Top Level Executives and Staff whilst dealing in shares of the Company.

Minor modifications were made to the Code in line with the amendments made to the "Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2008, by SEBI. The amended code was adopted by the Board in its meeting held on May 7, 2009.

SEBI thereafter, to put in place a framework for prohibition of Insider Trading and to strengthen the legal framework, notified the "Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. In order to comply with the mandatory requirement of the Regulations, the Code of Conduct for prevention of Insider Trading was revised to bring it in line with the new 2015 Regulations. The new code "JSWSL Code of Conduct to Regulate, Monitor and Report Trading by Insiders" was adopted by the Board in its meeting held on October 21, 2015 and thereafter amended many times, the last being on January 24, 2020. This Code supersedes the earlier "JSWSL Code of Conduct for Prevention of Insider Trading".

The policy and the procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading window closure is intimated to all employees and to the Stock Exchange in advance, whenever required. The Company affirms that no personnel have been denied access to the Audit Committee.

The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

**c) Reconciliation of Share Capital Audit Report :**

Reconciliation of Share Capital Audit Report in terms of SEBI Circular No. CIR/MRD/ DP/30/2010 dated 06.09.2010 and SEBI Directive no. D&CC/FITTC/ CIR-16/2002 dated 31.12.2002, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis and is also submitted to the Stock Exchanges where the shares of the Company are listed.

**d) Internal Checks and Balances:**

Wide use of technology in the Company's financial reporting processes ensures robustness and integrity. The Company deploys a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation

of financial statements and management reports and ensure compliance with statutory laws, regulations and Company policies. The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board and the management periodically review the findings and recommendations of the auditors and take necessary corrective actions whenever necessary. The Board recognises the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company.

**e) Legal Compliance of the Company's Subsidiaries:**

Periodical Management audit ensures that the Company's Subsidiaries conducts its business with high standards of legal, statutory and regulatory compliances. As per the report of the Management Auditors, there has been no material non-compliance with the applicable statutory requirements by the Company and its subsidiaries.

**f) Human Rights Policy**

In line with JSW's heritage as a responsible corporate citizen and its commitment to respecting the economic, social, cultural, political and civil rights of individuals involved in and impacted by its operations, the Board of Directors in its meeting held on 20.1.2010 has approved a Formal Human Rights Policy for adoption by the Company and all its Subsidiaries as part of its global personnel policies, in line with the practice followed internationally by Companies of Repute. A few minor changes were made to the policy by the Board in its meeting held on 28.1.2013 to bring it in line with the requirements of Business responsibility reporting. JSW's policy on human rights applies to all its businesses

processes and is a part of its commitment to ethical and socially responsible behaviour across its value chain.

JSW contributes to the fulfilment of human rights through compliance with local human rights legislation wherever it has operations, as well as through its policies, programs and grievance redressal mechanism. JSW upholds international human rights standards, does not condone human rights abuses and creates & nurtures a working environment where human rights are respected without prejudice.

**Compliance Certificate by Auditors:**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated under Schedule V (E) of the SEBI (LODR) Regulations which is annexed herewith.

**Compliance Certificate by Practicing Company Secretary**

The Company has obtained a certificate from the Secretarial Auditor pursuant to the provisions of Regulation 34(3) read with Schedule V Para C Clause (10)(i) of the SEBI (LODR) Regulations which is annexed herewith.

**Declaration Affirming Compliance of Code of Conduct**

As provided under Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2020.

For **JSW Steel Limited**

Sd/-

Place: Mumbai
Date : May 22, 2020

**Seshagiri Rao MVS**
Jt. Managing Director & Group CFO

# REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2019-20

**CERTIFICATE PURSUANT TO THE PROVISIONS OF REGULATION 34(3) READ WITH SCHEDULE V PARA C CLAUSE (10)(i) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,
The Members of
JSW Steel Limited
JSW Centre,
Bandra Kurla Complex,
Bandra (East), Mumbai,
Maharashtra – 400 051.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of JSW Steel Limited having CIN L27102MH1994PLC152925 and having registered office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400051 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority;

| Sr. No. | Name of Director | DIN | Date of appointment as Director in the Company |
|---|---|---|---|
| 1. | Mr. Sajjan Jindal | 00017762 | 15-03-1994 |
| 2. | Mr. Seshagiri Rao MVS | 00029136 | 06-04-1999 |
| 3. | Mr. Haigreve Khaitan | 00005290 | 30-09-2015 |
| 4. | Dr. Vinod Nowal | 00046144 | 30-04-2007 |
| 5. | Mr. Jayant Acharya | 00106543 | 07-05-2009 |
| 6. | Mr. Mahalingam Seturaman | 00121727 | 27-07-2016 |
| 7. | Mr. Harsh Charandas Mariwala | 00210342 | 25-07-2018 |
| 8. | Mr. Malay Mukherjee | 02861065 | 29-07-2015 |
| 9. | Dr. Punita Kumar Sinha | 05229262 | 28-10-2012 |
| 10. | Ms. Nirupama Rao | 06954879 | 25-07-2018 |
| 11. | Mr. Ganga Ram Baderiya | 07507633 | 24-05-2019 |
| 12. | Mr. Hiroyuki Ogawa | 07803839 | 17-05-2017 |

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For *S. Srinivasan & Co.*,
Company Secretaries

Sd/-
**S. Srinivasan**
**Practicing Company Secretary**
**FCS: 2286 | CP. No.: 748**
**UIN: S1984TN002200**

**Place: Chennai**
**Date: 22.05.2020**

**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

## The Members of JSW Steel Limited

1. The Corporate Governance Report prepared by JSW Steel Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

## Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

## Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings / other meetings held April 1, 2019 to March 31, 2020:

      (a) Board of Directors;
      (b) Audit Committee;
      (c) Annual General Meeting (AGM);
      (d) Nomination and Remuneration Committee;
      (e) Stakeholders Relationship Committee;
      (f) Risk Management Committee

   v. Obtained necessary declarations from the directors of the Company.

   vi. Obtained and read the policy adopted by the Company for related party transactions.

   vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

   viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

## Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the

Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

## Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**
Chartered Accountants
**ICAI Firm Registration Number:** 324982E/E300003

**per Vikram Mehta**
Partner
Membership Number: 105938

UDIN: 20105938AAAACC5553

Place of Signature: Mumbai
Date: May 22, 2020

# INDEPENDENT AUDITOR'S REPORT

**To the Members of JSW Steel Limited**

## Report on the Audit of the Standalone Ind AS Financial Statements

### OPINION

We have audited the accompanying standalone Ind AS financial statements of JSW Steel Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Standalone Ind AS 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 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 audit opinion on the standalone Ind AS financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

# INDEPENDENT AUDITOR'S REPORT

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recoverability of investments in and loans / advances given to certain subsidiaries and joint ventures and financial guarantees given on behalf of certain subsidiaries** (as described in note 48 of the standalone Ind AS financial statements) | |
| The Company has investments in certain subsidiaries and joint ventures with a carrying value of ₹ 2,193 crores. Further, Company has also provided loans and/or guarantees to or on behalf of these subsidiaries and the joint venture amounting to ₹ 13,167 crores. These subsidiaries and joint venture have either been incurring losses or the investments made by them in the step down subsidiaries have been making losses.<br><br>The Company has also recognised impairment allowance of ₹ 1,229 crores during the year ended March 31, 2020 in respect of investments, loans / advances given to certain overseas subsidiaries, as described in note 51 of the standalone Ind AS financial statements.<br><br>Further, the Company has not recognized interest income of ₹ 531 crores during the year from some of its subsidiaries due to uncertainty of recoverability of such income.<br><br>Assessment of the recoverable amount of the investments in and loans/advances including interest thereon given to these subsidiaries and joint ventures and financial guarantees given on behalf of these subsidiaries has been identified as a key audit matter due to:<br><br>› Significance of the carrying amount of these balances.<br><br>› The assessment requires management to make significant estimates concerning the estimated future cash flows, qualitative assessments of the status of the project and its future depending on balance work to be performed or approvals to be received, associated discount rates and growth rates based on management's view of future business prospects including any possible impact arising out of the pandemic on these estimates.<br><br>› Changes to any of these assumptions could lead to material changes in the estimated recoverable amount, impacting both potential impairment charges and potential reversals of impairment taken in prior years. | Our audit procedures included the following:<br><br>› We obtained and read management's assessment for identification of indicators of impairment.<br><br>› We performed test of controls over impairment process through inspection of evidence of performance of these controls.<br><br>› We assessed the impairment model prepared by the management and the assumptions used, with particular attention to the following:<br><br>- Benchmarking or assessing key market related assumptions used in the impairment models, including discount rates, long term growth rate, risk free rate of return, weight average cost of capital, Production schedule against external data.<br><br>- assessing the cash flow forecasts including possible impact on account of global pandemic through analysis of actual past performance, and comparison to previous forecasts;<br><br>- testing the mathematical accuracy and performing sensitivity analyses of the models and scenarios built into these models for varied potential impact on account of pandemic;<br><br>- understanding the commercial prospects of the assets/projects, and comparison of assumptions with external data sources;<br><br>› We assessed the competence, capabilities and objectivity of the experts used by the Management in the process of evaluating impairment models. We assessed the conclusions reached by management and those charged with governance on account of various estimates and judgements including possible impact of pandemic.<br><br>› We assessed compliance of the disclosures made in note 48 of the standalone Ind AS financial statements with accounting standards. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recoverability of VAT deferral / refunds under the GST regime** (as described in note 30 of the standalone Ind AS financial statements) | |
| The Company's units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible and have been availing interest free VAT deferral loan / Net VAT refunds as an incentive under the incentive schemes notified by the State of Maharashtra and Karnataka.<br><br>The Company has recognised income in relation these grants being the difference between the net present value of these interest free loans granted to the Company and the nominal value of such loans to the extent of SGST collected by the Company in respect of sales eligible for such grants, eligible incentive of Net SGST paid, as applicable in accordance with the Industrial Promotion subsidy schemes and notifications issued by the State of Maharashtra and Karnataka.<br><br>The State Government of Maharashtra ('GoM') vide its Government Resolution (GR) dated 20 December 2018, revised on 8 March 2019, has issued the modalities for sanction and disbursement of Incentives under GST regime, which includes certain additional conditions for eligibility and prescribed a new formula for determination of the incentives. Further, during the year GOM vide its GR dated 16 September 2019 amended definition of 'Gross SGST', 'Net SGST' and certain conditions related to eligibility of incentive prescribed in GR dated 20 December 2018.<br><br>The State Government of Karnataka vide its circular dated 26 February 2019, has issued guidelines for certification of the eligible incentive amount.<br><br>The amount of incentive recognized during the year amounts to ₹ 1,049 crores and cumulative balance of these receivables amount to ₹ 2,740 crores.<br><br>We considered VAT deferral incentive as a Key audit matter due to:<br><br>› Significance of amount accrued during the year and carrying amount of these receivables as at March 31, 2020.<br><br>› Significant judgement involved in assessment of the eligibility of incentive under the new GST regime. | Our audit procedures included the following:<br><br>› We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the recognition and measurement of government grants and income accruing therefrom.<br><br>› We read eligibility certificates in respect of VAT deferral / refunds incentives available to Company.<br><br>› We read the notification issued by the Government of Maharashtra and Government of Karnataka stating eligibility of VAT deferral / refund under the GST regime.<br><br>› We read Government Resolution dated 20 December 2018, revision made on 8 March 2019, and amendment made on 16 September 2019 by Government of Maharashtra in respect of modalities for sanction and disbursement of Incentives under GST regime.<br><br>› We read circular dated 26 February 2019 issued by the State Government of Karnataka in respect of guidelines for certification of the eligible incentive amount.<br><br>› We read letter dated October 18, 2019 issued by Director of Industries of Maharashtra for in-principle approval for issuance of eligibility certificate for availing incentive under PSI 2007 scheme.<br><br>› We read the legal opinion obtained by the management for assessing the impact of new eligibility conditions and formula for determination incentives based on latest Government Resolution issued by GoM including assessing the amounts withheld by the GOM on eligibility of certain duties which were refundable in the erstwhile VAT regime but have been denied in the new GST regime.<br><br>› We involved specialists to assist us in reviewing and evaluating the management's assessment of latest Government Resolution issued by GoM.<br><br>› We tested the calculation of incentives accrued for the year ended March 31, 2020. |

# INDEPENDENT AUDITOR'S REPORT

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Capital Expenditure in respect of property, plant and equipment and capital work in progress** (as described in notes 4 and 5 of the standalone Ind AS financial statements) | |
| The Company has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plant and equipment and capital work in progress in notes 4 and 5 of the standalone Ind AS financial statements.<br><br>The Company is in the process of executing various projects for expansions of existing capacity across the locations. These projects take a substantial period of time to get ready for intended use.<br><br>We considered Capital expenditure as a Key audit matter due to:<br><br>› Significance of amount incurred on such items during the year ended March 31, 2020.<br><br>› Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment.<br><br>› Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment. | Our audit procedures included the following:<br><br>› We obtained an understanding of the Company's capitalisation policy and assessed for compliance with the relevant accounting standards;<br><br>› We obtained as understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalisation of assets;<br><br>› We performed substantive testing on a sample basis for each element of capitalised costs including inventory issued to contractors for the purpose of these projects and physical verification performed by management alongwith reconciliation and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalised.<br><br>› In relation to borrowing costs we obtained the supporting calculations, verified the inputs to the calculation and tested the arithmetical accuracy of the model.<br><br>› We assessed accounting for costs incurred when projects are suspended or delayed for any reasons including the global pandemic<br><br>› We obtained understanding on management assessment relating to progress of projects and their intention to bring the asset to its intended use. |
| **Accuracy and completeness of disclosure of related party transactions and compliance with the provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI (LODR) 2015')** (as described in note 44 of the standalone Ind AS financial statements) | |
| We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the standalone Ind AS financial statements as a key audit matter due to:<br><br>› the significance of transactions with related parties during the year ended March 31, 2020.<br><br>› Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015. | Our audit procedures in relation to the disclosure of related party transactions included the following:<br><br>› We obtained an understanding of the Company's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the standalone Ind AS financial statements.<br><br>› We obtained an understanding of the Company's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors.<br><br>› We agreed the amounts disclosed with underlying documentation and read relevant agreements, evaluation of arms-length by management, on a sample basis, as part of our evaluation of the disclosure.<br><br>› We assessed management evaluation of compliance with the provisions of Section 177 and Section 188 of the companies Act 2013 and SEBI (LODR) 2015.<br><br>› We evaluated the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Claims and exposures relating to taxation and litigation** (as described in note 45 of the standalone Ind AS financial statements) | |
| The Company has disclosed in note 45 of the standalone Ind AS financial statements contingent liabilities of ₹ 3,474 crores in respect of disputed claims/ levies under various tax and legal matters and ₹ 2,588 crores towards Claims related to Forest development tax/ fee. In addition, the Company has assessed several claims as 'Remote' and hence are not required to be disclosed as contingent liabilities.<br><br>Taxation and litigation exposures have been identified as a key audit matter due to:<br><br>› Significance of these amounts and large number of disputed matters with various authorities.<br><br>› Significant judgement and assumptions required by management in assessing the exposure of each case to evaluate whether there is a need to set up a provision and measurement of exposures as well as the disclosure of contingent liabilities.<br><br>We focused on this matter because of the potential financial impact on the financial statements. Additionally, the treatment of taxation and litigation cases require significant judgement due to the complexity of the cases, timescales for resolution and involvement of various authorities. | Our audit procedures included the following:<br><br>› We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities.<br><br>› We obtained details of legal and tax disputed matters and evaluation made by the management and assessed management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss.<br><br>› We read external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims.<br><br>› We involved tax specialists to assist us in evaluating tax positions taken by management.<br><br>› We assessed the relevant disclosures made in the standalone Ind AS financial statements for compliance in accordance with the requirements of Ind AS 37. |

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

## Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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 Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

As described in note 52 of the Ind AS Standalone Financial Statements, effect of the merger of Dolvi Minerals and Metals Private Limited (DMMPL), Dolvi Coke Projects Limited (DCPL), JSW Steel Processing Centre Limited (SPCL) and JSW Steel (Salav) Limited (Salav) with the Company has been accounted retrospectively for all periods presented being a common control transaction. Financial Statements of DMMPL, DCPL and Salav included in the accompanying Ind AS Financial Statement for the year ended March 31, 2019 is audited by the respective companies' predecessor auditors who have expressed an unmodified opinion on those financial statements.

## 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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

   (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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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 standalone Ind AS financial statements – Refer Note 45 to the standalone Ind AS 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per VIKRAM MEHTA**
Partner
Membership No.: 105938
UDIN No: 20105938AAAABZ1929

Place of Signature: Mumbai
Date: May 22, 2020

# ANNEXURE 1

**REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE**

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment and right of use assets are held in the name of the Company except for

i. leasehold land aggregating to ₹ 67 crores wherein the lease deed has expired. As explained to us, the Company is in the process of converting the title into freehold as per the lease cum sale agreement.

ii. freehold land aggregating to ₹ 9 crores as noted below for which title deeds were not available with the Company and hence we are unable to comment on the same

| Nature of immovable Property | Total Number of Cases | As at March 31, 2020 (₹ in crore) | |
|---|---|---|---|
| | | Gross Block | Net Block |
| Land located at Maharashtra | 12 | 9 | 9 |

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

(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 ('the Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales- tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

| Name of Statue | Nature of Dues | Amount (₹ in crores)* | Period | Forum |
|---|---|---|---|---|
| The Central Excise Act, 1944 | Excise Duty | 97 | 2012-2015 | High Court |
| | | 436 | 1998-2018 | Central Excise Service Tax Appellate Tribunal (CESTAT) |
| | | 5 | 2002-2016 | Asst. Commissioner/Commissioner |
| The Custom Act, 1962 | Custom Duty | 167 | 1995-2012 | High Court |
| | | 356 | 2009-2018 | Central Excise Service Tax Appellate Tribunal (CESTAT) |
| | | 47 | 2000-2017 | Commissioner |
| Karnataka VAT, 2003 | VAT | 2 | 2006-2008 | Joint Commissioner |
| Maharashtra Value Added Tax, 2002 | VAT | 49 | 2011-2017 | Commissioner |
| The Central Sales Tax Act, 1956 | CST | 29 | 2011-2012 | High Court |
| | | 33 | 2012-2013 | Commissioner |
| Chapter V of the Finance Act, 1994 | Service Tax | 0.05 | 2006-2012 | High Court |
| | | 122 | 1998-2016 | Central Excise Service Tax Appellate Tribunal (CESTAT) |
| Income Tax Act, 1961 | Income Tax | 15 | 2004-05 | High Court |
| | | 14 | 2014- 2015 | Commissioner |

* Net of amounts paid under protest.

The above table doesn't include cases decided in favour of the Company for which the department has preferred an appeal at higher levels amounting to ₹ 625 crores (net of amount paid under protest) and matters remanded back amounting to ₹ 223 crores (net of amount paid under protest).

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, monies raised by the company by way of debt instruments in the nature of foreign currency bonds, non-convertible debentures and term loans were applied for the purposes for which they were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in fixed deposits. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer/further public offer and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per VIKRAM MEHTA**
Partner
Membership No.: 105938
UDIN No: 20105938AAAABZ1929

Place of Signature: Mumbai
Date: May 22, 2020

# ANNEXURE 2

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF JSW STEEL LIMITED

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

We have audited the internal financial controls over financial reporting of JSW Steel Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS 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 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

## Meaning of Internal Financial Controls over Financial Reporting with Reference to these standalone Ind AS financial statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to these standalone Ind AS financial statements

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

## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements 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 S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per VIKRAM MEHTA**
Partner
Membership No.: 105938
UDIN No: 20105938AAAABZ1929

Place of Signature: Mumbai
Date: May 22, 2020

# BALANCE SHEET

AS AT 31 MARCH 2020

₹ in crores

| | Notes | As at 31 March 2020 | As at 31 March 2019* |
|---|---|---|---|
| **I ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 4 | **46,117** | 51,600 |
| (b) Capital work-in-progress | 5 | **23,810** | 10,099 |
| (c) Right of use | 6 | **4,102** | - |
| (d) Intangible assets | 7 | **323** | 172 |
| (e) Intangible assets under development | | **331** | 344 |
| (f) Investments in subsidiaries, associates and joint ventures | 8 | **4,757** | 3,980 |
| (g) Financial assets | | | |
| (i) Investments | 9 | **1,242** | 1,417 |
| (ii) Loans | 10 | **8,705** | 7,675 |
| (iii) Other financial assets | 11 | **562** | 48 |
| (h) Current tax assets (net) | | **340** | 217 |
| (i) Other non-current assets | 12 | **2,378** | 3,475 |
| **Total non-current assets** | | **92,667** | **79,027** |
| **Current assets** | | | |
| (a) Inventories | 13 | **9,623** | 10,815 |
| (b) Financial assets | | | |
| (i) Trade receivables | 14 | **3,166** | 6,770 |
| (ii) Cash and cash equivalents | 15 | **3,438** | 5,366 |
| (iii) Bank balances other than (ii) above | 16 | **7,963** | 447 |
| (iv) Loans | 10 | **321** | 136 |
| (v) Derivative Assets | 17 | **275** | 229 |
| (vi) Other financial assets | 11 | **2,794** | 2,644 |
| (c) Other current assets | 12 | **1,795** | 1,991 |
| **Total current assets** | | **29,375** | **28,398** |
| **Total assets** | | **122,042** | **107,425** |
| **II EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 18 | **301** | 301 |
| (b) Other equity | 19 | **38,061** | 34,592 |
| **Total equity** | | **38,362** | **34,893** |
| **Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 20 | **39,247** | 27,666 |
| (ii) Lease liabilities | 6 | **2,716** | - |
| (iii) Derivative liabilities | 27 | **130** | - |
| (iv) Other financial liabilities | 21 | **1,308** | 1,030 |
| (b) Provisions | 22 | **322** | 235 |
| (c) Deferred tax liabilities (net) | 23 | **1,315** | 3,331 |
| (d) Other non-current liabilities | 24 | **3,048** | 4,083 |
| **Total non-current liabilities** | | **48,086** | **36,345** |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 25 | **6,813** | 5,371 |
| (ii) Trade payables | 26 | | |
| (a) Total outstanding, dues of micro and small enterprises | | **56** | 31 |
| (b) Total outstanding, dues of creditors other than micro and small enterprises | | **13,298** | 13,097 |
| (iii) Derivative Liabilities | 27 | **189** | 332 |
| (iv) Other financial liabilities | 28 | **11,980** | 15,471 |
| (v) Lease liabilities | 6 | **773** | |
| (b) Provisions | 22 | **64** | 53 |
| (c) Other current liabilities | 29 | **2,302** | 1,639 |
| (d) Current tax liabilities (net) | | **119** | 193 |
| **Total current liabilities** | | **35,594** | **36,187** |
| **Total liabilities** | | **83,680** | **72,532** |
| **Total equity and liabilities** | | **122,042** | **107,425** |

*Restated pursuant to merger (refer note 52)

**See accompanying notes to the Standalone Financial Statements**

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

**per VIKRAM MEHTA**
Partner
Membership No.: 105938

Place: Mumbai
Date: 22 May 2020

**For and on behalf of Board of Directors**

**RAJEEV PAI**
Chief Financial Officer

**LANCY VARGHESE**
Company Secretary
ICSI Membership No.: FCS 9407

Place: Mumbai
Date: 22 May 2020

**SAJJAN JINDAL**
Chairman & Managing Director
DIN 00017762

**SESHAGIRI RAO M. V. S**
Jt. Managing Director & Group CFO
DIN 00029136

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

| | | Notes | For the year ended 31 March 2020 | For the year ended 31 March 2019* |
|---|---|---|---|---|
| **I** | **Revenue from operations** | | **63,546** | 77,187 |
| | Fees for assignment of procurement contract | | **250** | - |
| | Government grant income – VAT/GST incentive relating to earlier years | | **466** | - |
| | **Total Revenue from operations** | 30 | **64,262** | **77,187** |
| **II** | **Other income** | 31 | **628** | 405 |
| **III** | **Total income (I + II)** | | **64,890** | **77,592** |
| **IV** | **Expenses:** | | | |
| | Cost of materials consumed | | **33,073** | 39,179 |
| | Purchases of stock-in-trade | | **420** | 499 |
| | Changes in inventories of finished goods and work-in-progress | 32 | **(27)** | (180) |
| | Employee benefits expense | 33 | **1,496** | 1,435 |
| | Finance costs | 34 | **4,022** | 3,789 |
| | Depreciation and amortisation expense | 35 | **3,522** | 3,421 |
| | Other expenses | 36 | **16,783** | 17,742 |
| | **Total expenses** | | **59,289** | **65,885** |
| **V** | **Profit before exceptional items and tax (III-IV)** | | **5,601** | **11,707** |
| **VI** | **Exceptional Items** | 51 | **1,309** | - |
| **VII** | **Profit before tax (V-VI)** | | **4,292** | **11,707** |
| **VIII** | **Tax expense/(credit):** | 23 | | |
| | Current tax | | **789** | 2,356 |
| | Deferred tax | | **(1,788)** | 1,230 |
| | | | **(999)** | **3,586** |
| **IX** | **Profit for the year (VII-VIII)** | | **5,291** | **8,121** |
| **X** | **Other comprehensive income** | | | |
| A | i) Items that will not be reclassified to profit and loss | | | |
| | (a) Re-measurements of the defined benefit plans | | **(19)** | (15) |
| | (b) Equity instruments through other comprehensive income | | **(255)** | 4 |
| | ii) Income tax relating to items that will not be reclassified to profit and loss | | **6** | 5 |
| | **Total (A)** | | **(268)** | **(6)** |
| B | i) Items that will be reclassified to profit and loss | | | |
| | (a) The effective portion of gains and loss on hedging instruments | | **(719)** | 31 |
| | (b) Changes in Foreign Currency Monetary Item translation difference account (FCMITDA) | | **87** | (50) |
| | ii) Income tax relating to items that will be reclassified to profit and loss | | **221** | 7 |
| | **Total (B)** | | **(411)** | **(12)** |
| | **Total Other comprehensive income/(loss) (A+B)** | | **(679)** | **(18)** |
| **XI** | **Total comprehensive income/(loss) (IX + X)** | | **4,612** | **8,103** |
| **XII** | **Earnings per equity share of ₹ 1 each** | 38 | | |
| | Basic (in ₹) | | **22.03** | 33.77 |
| | Diluted (in ₹) | | **21.89** | 33.60 |

* Restated pursuant to merger (refer note 52)

**See accompanying notes to the Standalone Financial Statements**

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

**per VIKRAM MEHTA**
Partner
Membership No.: 105938

Place: Mumbai
Date: 22 May 2020

**For and on behalf of Board of Directors**

**RAJEEV PAI**
Chief Financial Officer

**SAJJAN JINDAL**
Chairman & Managing Director
DIN 00017762

**LANCY VARGHESE**
Company Secretary
ICSI Membership No.: FCS 9407

**SESHAGIRI RAO M. V. S**
Jt. Managing Director & Group CFO
DIN 00029136

Place: Mumbai
Date: 22 May 2020

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

## A. Equity share capital

₹ in crores

| Particulars | Amount |
|---|---|
| **As at 31.03.2018** | 302 |
| Movement during the year | @ |
| **As at 31.03.2019** | 301 |
| Movement during the year | @@ |
| **As at 31.03.2020** | 301 |

@ = (0.45) crores

@@ = 0.07 crores

## B. Other equity

₹ in crores

| Particulars | Reserves and surplus | | | | | | | Items of Other Comprehensive Income/(Loss) (OCI) | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities premium | Capital redemption reserve | Debenture redemption reserve | Retained earnings | Equity settled share-based payment reserve | General reserve | Equity instruments through other comprehensive income | Effective portion of cash flow hedges | FCMITDA | |
| **Opening balance as at 1 April 2018*** | **4,495** | **5,439** | **149** | **141** | **6,638** | **41** | **10,278** | **435** | **13** | **(24)** | **27,605** |
| Profit for the year | - | - | - | - | 8,121 | - | - | - | - | - | 8,121 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | (10) | - | - | 4 | 20 | (32) | (18) |
| Dividend including dividend distribution tax | - | - | - | - | (908) | - | - | - | - | - | (908) |
| Impact of ESOP trust consolidation | - | - | - | - | (149) | - | - | - | - | - | (149) |
| Recognition of share-based payments | - | - | - | - | - | 50 | - | - | - | - | 50 |
| Transfer to Capital redemption reserve | - | - | 383 | - | - | - | (383) | - | - | - | - |
| Transfer to Debenture redemption reserve | - | - | - | 144 | (144) | - | - | - | - | - | - |
| Transfer to retained earnings realised profit on FVTOCI (refer note 8 (a)) | - | - | - | - | 36 | - | - | (36) | - | - | - |
| Capital reserve on merger | (136) | - | - | - | 27 | - | - | - | - | - | (109) |
| **Closing balance as at 31 March 2019*** | **4,359** | **5,439** | **532** | **285** | **13,611** | **91** | **9,895** | **403** | **33** | **(56)** | **34,592** |
| Profit for the year | - | - | - | - | 5,291 | - | - | - | - | - | 5,291 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | (13) | - | - | (255) | (467) | 56 | (679) |
| Dividend including dividend distribution tax | - | - | - | - | (1,190) | - | - | - | - | - | (1,190) |
| Impact of ESOP trust consolidation | - | - | - | - | 10 | - | - | - | - | - | 10 |
| Recognition of share-based payments | - | - | - | - | - | 37 | - | - | - | - | 37 |
| Transfer to Capital redemption reserve | - | - | 243 | - | - | - | (243) | - | - | - | - |
| Transfer to general reserve after exercise of options | - | - | - | - | - | (6) | 6 | - | - | - | - |
| Transfer from Debenture redemption reserve | - | - | - | (285) | - | - | 285 | - | - | - | - |
| **Closing balance as at 31 March 2020** | **4,359** | **5,439** | **775** | **-** | **17,709** | **122** | **9,943** | **148** | **(434)** | **-** | **38,061** |

*restated pursuant to merger (refer note 52)

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

**per VIKRAM MEHTA**
Partner
Membership No.: 105938

Place: Mumbai
Date: 22 May 2020

**For and on behalf of Board of Directors**

**RAJEEV PAI**
Chief Financial Officer

**SAJJAN JINDAL**
Chairman & Managing Director
DIN 00017762

**LANCY VARGHESE**
Company Secretary
ICSI Membership No.: FCS 9407

**SESHAGIRI RAO M. V. S**
Jt. Managing Director & Group CFO
DIN 00029136

Place: Mumbai
Date: 22 May 2020

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 March 2020

₹ in crores

| | For the year ended 31 March 2020 | | For the year ended 31 March 2019* | |
|---|---|---|---|---|
| **Cash flow from operating activities** | | | | |
| **Profit before tax** | | **4,292** | | 11,707 |
| **Adjustments for:** | | | | |
| Depreciation and amortisation expenses | **3,522** | | 3,421 | |
| Loss on sale of property, plant & equipment (net) | **29** | | 7 | |
| Gain on sale of financial investments designated as FVTPL | **(4)** | | (12) | |
| Interest income | **(528)** | | (225) | |
| Gain arising of financial instruments designated as FVTPL | **(16)** | | (8) | |
| Unwinding of interest on financial assets carried at amortised cost | **(45)** | | (30) | |
| Dividend income | **(31)** | | (124) | |
| Interest expense | **3,831** | | 3,515 | |
| Share based payment expense | **37** | | 50 | |
| Export obligation deferred income amortisation | **(140)** | | (160) | |
| Unrealised exchange loss | **566** | | 201 | |
| Allowance for doubtful debts, loans & advances | **96** | | 132 | |
| Loss arising from Financial instruments designated as FVTPL | **17** | | 18 | |
| Non-cash expenditure | **14** | | 6 | |
| Exceptional Items | **1,309** | | - | |
| | | **8,657** | | **6,791** |
| **Operating profit before working capital changes** | | **12,949** | | **18,498** |
| **Adjustments for:** | | | | |
| Decrease/(Increase) in inventories | **1,192** | | (488) | |
| Decrease/(Increase) in trade receivables | **3,514** | | (2,061) | |
| (Increase) in other assets | **(1,393)** | | (778) | |
| (Decrease) in trade payable | **(373)** | | (744) | |
| (Decrease)/Increase in other liabilities | **(873)** | | 3,577 | |
| Increase in provisions | **80** | | 39 | |
| | | **2,147** | | **(455)** |
| **Cash flow from operations** | | **15,096** | | **18,043** |
| Income taxes paid (net of refund received) | | **(986)** | | (2,465) |
| **Net cash generated from operating activities (A)** | | **14,110** | | **15,578** |
| **Cash flow from investing activities** | | | | |
| Purchase of property, plant & equipment, intangible assets (including under development and capital advances) | | **(10,740)** | | (8,333) |
| Proceeds from sale of property, plant & equipment | | **41** | | 31 |
| Investment in subsidiaries and joint ventures including advances and preference shares | | **(939)** | | (981) |
| Sale of other non-current investments | | **-** | | 50 |
| Purchase of current investments | | **(762)** | | (8,340) |
| Sale of current investments | | **765** | | 8,453 |
| Bank deposits not considered as cash and cash equivalents (net) | | **(7,524)** | | (185) |
| Loans to related parties | | **(1,623)** | | (3,317) |
| Loans repaid by related parties | | **1,236** | | 877 |
| Interest received | | **423** | | 189 |
| Dividend received | | **31** | | 124 |
| **Net cash used in investing activities (B)** | | **(19,092)** | | **(11,432)** |

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 March 2020

₹ in crores

| | For the year ended 31 March 2020 | For the year ended 31 March 2019* |
|---|---|---|
| **Cash flow from financing activities** | | |
| Proceeds from sale of treasury shares | **107** | - |
| Payment for purchase of treasury shares | **(101)** | (153) |
| Proceeds from non-current borrowings | **18,561** | 6,827 |
| Repayment of non-current borrowings | **(10,320)** | (4,333) |
| Proceeds from/Repayment of current borrowings (net) | **1,443** | 3,195 |
| Repayment of lease liabilities/finance lease obligation | **(503)** | (306) |
| Interest paid | **(4,371)** | (3,598) |
| Dividend paid (including corporate dividend tax) | **(1,190)** | (907) |
| Premium paid on redemption of debentures | **(572)** | - |
| **Net cash generated in financing activities (C)** | **3,054** | **725** |
| **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | **(1,928)** | **4,871** |
| **Cash and cash equivalents – opening balances** | **5,366** | **495** |
| **Cash and cash equivalents – closing balances (note 15)** | **3,438** | **5,366** |

*restated pursuant to merger (refer note 52)

## Reconciliations part of cash flows

₹ in crores

| Particulars | 1 April 19 | Cash flows(net) | Foreign exchange (Gain)/Loss | Changes in fair values | New leases | Other | 31 March 2020 |
|---|---|---|---|---|---|---|---|
| Borrowings other than finance lease obligation (including Current maturities of long-term borrowing included in other financial liabilities note 28) | 34,343 | 8,241 | 1,976 | (113) | - | (91)# | **44,356** |
| Lease liabilities (including Current maturities)* | 3,990 | (503) | - | - | 481 | (479) | **3,489** |
| Borrowings (Current) | 5,371 | 1,443 | - | - | - | (1) | **6,813** |

*All finance lease obligations are now reclassified as lease liabilities and shown separately in the balance sheet..

₹ in crores

| Particulars | 1 April 18 | Cash flows(net) | Foreign exchange (Gain)/Loss | Changes in fair values | New leases | Other | 31 March 2019 |
|---|---|---|---|---|---|---|---|
| Borrowings other than finance lease obligation (including Current maturities of long-term borrowing included in other financial liabilities note 28) | 31,095 | 2,494 | 787 | (70) | - | 37# | 34,343 |
| Finance Lease Obligations (including Current maturities) | 3,893 | (306) | - | - | 403 | - | 3,990 |
| Borrowings (Current) | 2,176 | 3,195 | - | - | - | - | 5,371 |

#Other comprises of Upfront Fees Amortisation and Interest Cost accrual on preference shares.

**Note:**

1. The cash flow statement is prepared using the "indirect method" set out in IND AS 7 – Statement of Cash Flows.

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

**per VIKRAM MEHTA**
Partner
Membership No.: 105938

Place: Mumbai
Date: 22 May 2020

**For and on behalf of Board of Directors**

**RAJEEV PAI**
Chief Financial Officer

**LANCY VARGHESE**
Company Secretary
ICSI Membership No.: FCS 9407

Place: Mumbai
Date: 22 May 2020

**SAJJAN JINDAL**
Chairman & Managing Director
DIN 00017762

**SESHAGIRI RAO M. V. S**
Jt. Managing Director & Group CFO
DIN 00029136

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## 1. General Information

JSW Steel Limited ("the Company") is primarily engaged in the business of manufacture and sale of Iron and Steel Products.

The Company is an integrated manufacturer of diverse range of steel products with its manufacturing facilities located at Vijaynagar Works in Karnataka, Dolvi Works in Maharashtra and Salem works in Tamil Nadu.

JSW Steel Limited is a public limited company incorporated in India on March 15, 1994 under the Companies Act, 1956 and listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.

## 2. Significant Accounting policies

### I. STATEMENT OF COMPLIANCE

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act, 2013, (Ind AS Compliant Schedule III), as applicable to standalone financial statement.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "financial statements").

These financial statements are approved for issue by the Board of Directors on 22 May 2020.

### II. BASIS OF PREPARATION AND PRESENTATION

The Standalone Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting year, as explained in the accounting policies below.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statement is presented in INR and all values are rounded to the nearest crores except when otherwise stated.

#### Current and non-current classification

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

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

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

## III. REVENUE RECOGNITION

### A. Sale of Goods

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognised when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their stand-alone selling prices. Revenue from sale of by products are included in revenue.

Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

#### Contract balances

**i) Contract assets including trade receivables**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

A receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e. only the passage of time is required before payment of the consideration is due).

**ii) Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from Customer

**iii) Refund liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

### B. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## IV. LEASES

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

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

### Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term and the lease term is as follows.

| Class of assets | Years |
|---|---|
| Leasehold land | 99 Years |
| Buildings | 3 to 30 years |
| Plant & Machinery | 3 to 15 years |

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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

### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e. below ₹ 5,00,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## V. FOREIGN CURRENCIES

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in 2 (XVIII) (B) (f));
- exchange difference arising on settlement/ restatement of long-term foreign currency monetary items recognised in the financial statements for the year ended 31 March 2016 prepared under previous GAAP, are capitalised as a part of the depreciable fixed assets to which the monetary item relates

and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity year/up to the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

## VI. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

## VII. GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

The benefit of a government loan at a below-market rate of interest and effect of this favorable interest is treated as a government grant. The Loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the Statement of profit and loss immediately on fulfilment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## VIII. EMPLOYEE BENEFITS

### Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the year of a plan amendment or when the Company recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in Statement of profit and loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is

rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

## IX. SHARE-BASED PAYMENT ARRANGEMENTS

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The Company has created an Employee Benefit Trust for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Company from the market, for giving shares to employees. The Company treats Trust as its extension and shared held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting year are satisfied with treasury shares.

## X. TAXES

Income tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an deferred tax asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

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

### Current and deferred tax for the year

Current and deferred tax are recognised in profit and loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax

or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

## XI. PROPERTY, PLANT AND EQUIPMENT

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under Capital work-in-progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue (net of cost) generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

| Class of assets | Years |
|---|---|
| Plant and equipment | 8 to 40 years |
| Work-rolls (shown under Plant and equipment) | 1 to 5 years |

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.

The Company has applied Ind AS 116 w.e.f. 1 April 2019 and all lease are covered under Right of use assets.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

## XII. INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

| Class of assets | Years |
|---|---|
| Computer Software & Licenses | 3-5 years |

Mining assets are amortised over the useful life of the mine or lease period whichever is lower.

The Company has elected to continue with carrying value of all its intangible assets recognised as on transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

## XIII. MINING ASSETS

### Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs – costs associated with acquisition of licenses and rights to explore, including related professional fees.

General exploration costs – costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration – Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

### Stripping cost

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

Developmental stripping costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

### Site restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit and loss over the life of the asset through depreciation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of such provisions are set out in note 22.

## XIV. IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each reporting year, the Company reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates

the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

## XV. INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## XVI. PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

## XVII. INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investment in subsidiaries, associates and joint ventures are shown at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

The Company has elected to continue with carrying value of all its investment in affiliates recognised as on transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

## XVIII. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities

at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

## A. Financial assets

### a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

### b) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classifiedas at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### c) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

**d) Impairment**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

**e) Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in statement of profit and loss and is included in the 'Other income' line item.

## B. Financial liabilities and equity instruments

**a) Classification as debt or equity**

Debt and equity instruments issued by a company are classified as either financial liabilities or as

equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**b) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**c) Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

**Financial liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

**Other financial liabilities:**

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipment. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognised as Acceptances (under trade payables) and arrangements for property, plant and equipment are recognised as other financial liabilities. Interest borne by the Company on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

**Derecognition of financial liabilities:**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

**d) Derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks, including foreign exchange forward contracts, commodity forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

**e) Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit and loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit and loss, unless designated as effective hedging instruments.

**f) Hedge accounting**

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency, interest rate and commodity risk, as either cash flow hedge, fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

**(i) Fair value hedges**

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item.

The Company designates only the spot component for derivative instruments in fair value Hedging relationship. The Company defers changes in the forward element of such instruments in hedging reserve and the same is amortised over the period of the contract.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortised cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit and loss from that date.

**(ii) Cash flow hedges**

The effective portion of changes in fair value of derivatives and non-derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in Statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit and loss in the years when the hedged item affects profit and loss, in the same line as the recognised hedged item.

However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit and loss.

**XIX. SEGMENT REPORTING:**

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

The Board of directors of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

**XX. CASH AND CASH EQUIVALENTS:**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**XXI. EARNINGS PER SHARE:**

Basic earnings per share is computed by dividing the profit and loss after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

**XXII. BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory.

Business Combination involving entities or businesses under common control shall be accounted for using the pooling of interest method based on the predecessor values retrospectively for all periods presented.

The pooling of interest method is considered to involve the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonies accounting policies and tax adjustments if any.

(iii) The components of other equity of the acquired companies are added to the same components within other equity except that any share capital and investments in the books of the acquiring entity is cancelled and the differences, if any, is adjusted in the opening retained earnings.

(iv) The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

## 3. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under Section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that

year, or in the year of the revision and future year, if the revision affects current and future year.

**A) KEY SOURCES OF ESTIMATION UNCERTAINTY**

**i) Useful lives of property, plant and equipment**

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

**ii) Impairment of investments in subsidiaries, joint-ventures and associates**

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses/operations of the investee companies as more fully described in note 51. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

**iii) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. The cases which have been determined as remote by the Company are not disclosed.

Contingent assets are neither recognised nor disclosed in the financial statements unless when an inflow of economic benefits is probable.

**iv) Fair value measurements**

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

**v) Taxes**

Pursuant to the announcement of the changes in the corporate tax regime, the Companies have an option to either opt for the new tax regime or continue to pay taxes as per the old applicable tax structure together with the other benefits available to the Companies including utilisation of the MAT credit available. This requires significant estimation in determining in which year the company would migrate to the new tax regime basis future year's taxable profits including the impact of ongoing expansion plans of the Company and consequential utilisation of available MAT credit. Accordingly, in accordance with IND AS 12 - Income Taxes, deferred tax assets and liabilities are required to be measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

During the year, the Company has assessed the outstanding deferred tax liability, and written back an amount to the extent of ₹ 2,150 crores to the Statement of Profit and loss. This is arising from the re-measurement of deferred tax liability that is expected to reverse in future when the Company would migrate to the new tax regime.

**vi) Relating to the global health pandemic from COVID-19**

On 11 March 2020, the World Health Organisation characterised the outbreak of a strain of the new coronavirus ("COVID-19") as a pandemic. This outbreak is causing significant disturbances and slow down of economic activity. The Company's operations were impacted in the month of March 2020, due to scaling down/suspending production across all plants following nationwide lockdown announced by the Government of India in view of COVID-19. The Government of India permitted certain additional activities from 20 April 2020 in non-containment zones, subject to requisite approvals as may be required. The Company could secure the requisite approvals and has accordingly commenced operations and is gradually ramping up capacity since then.

In assessing the recoverability of carrying amounts of Company's assets such as Investments in and loans/ advances (net of impairment loss/loss allowance) to subsidiaries the Company, trade receivables, inventories etc., the Company has considered various internal and external information up to the date of approval of these financial results and concluded that they are recoverable based on the estimate of values of the businesses and assets by independent external valuers which was based on cash flow projections/implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore and coal, mineable resources, and assumptions relating to operational performance including significant improvement in capacity utilisation and margins based on forecasts of demand in local markets, and capacity expansion/ availability of infrastructure facilities for mines.

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**B) CRITICAL ACCOUNTING JUDGEMENTS**

**i) Control over JSW Realty & Infrastructure Private Limited (RIPL)**

RIPL has developed a residential township in Vijayanagar, Karnataka on the land taken on lease from the Company for a period of 30 years and provides individual housing units on rent to the employees of the Company or other group companies. RIPL is not allowed to sub-let or assign its rights under the arrangement without prior written consent of the Company. Though the Company does not hold any ownership interest in RIPL, the Company has concluded that the Company has practical ability to direct the relevant activities of RIPL unilaterally, considering RIPL's dependency on the Company for funding significant portion of its operation through subscription to 73.89% of preference share capital amounting to ₹ 304 crore issued by RIPL and significant portion of RIPL's activities

**ii) Determining the lease term of contracts with renewal and termination options – Company as lessee**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

**iii) Joint control over Monnet Ispat and Energy Limited**

The consortium of JSW Steel Limited and AION Investments Private II Limited completed the acquisition of Monnet Ispat and Energy Limited ("MIEL") through their jointly controlled entity Creixent Special Steels Limited ("CSSL") on 31 August 2018. The Company has made an investment in the year 2018-19 of ₹ 375 crores through equity and redeemable preference shares in CSSL to acquire joint control in MIEL and have an effective shareholding of 23.1% in MIEL.

As per the Shareholding agreement, all the relevant activities of CSSL that affect the Company's variable returns from its involvement with CSSL/ MIEL have to be decided unanimously by a Steering Committee on which the Company has representation and thus the Company has concluded that it has joint control over CSSL.

**iv) Incentives under the State Industrial Policy**

The Company units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible for incentives under the respective State Industrial Policy and have been availing incentives in the form of VAT deferral/CST refunds.

The State Government of Maharashtra ('GOM') vide its Government Resolution (GR) issued the modalities for sanction and disbursement of incentives, under GST regime, and introduced certain new conditions/ restrictions for accruing incentive benefits granted to the Company including denying incentives in certain cases.

The management has evaluated the impact of other conditions imposed and has obtained legal advice on the tenability of these changes in the said scheme. Based on such legal advice, the Company has also made the representation to GOM and believes that said Incentives would continue to be made available to the Company under the GST regime, since the new conditions are not tenable legally and will contest these changes appropriately.

Accordingly, the Company has recognised grant income without giving effect to the above restrictions and the cumulative amount receivable towards the same is considered to be good and recoverable.

**C) NEW AND AMENDED ACCOUNTING STANDARDS:**

**Ind AS 116 – Leases**

Ind AS 116 supersedes Ind AS 17 Leases including evaluating the substance of transactions involving the legal form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the

standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. 01 April 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognised at an amount equal to the lease liability adjusted for any prepayments/ accruals recognised in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1 (IV) Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

**Leases previously classified as finance leases**

The Company applied the practical expedients provided in Ind AS 116 and did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from 1 April 2019.

**Leases previously accounted for as operating leases**

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Most of the contracts that contains extension terms are on mutual agreement between both the parties and hence the potential future rentals cannot be assessed. Certain contracts where the extension terms are unilateral are with unrelated parties and hence there is no certainty about the extension being exercised.

The weighted average incremental borrowing rate applied to the newly recognised lease liabilities pursuant to Ind AS 116 adoption as at 1 April 2019 is 9%.

Based on the above, as at 1 April 2019:

Right-of-use asset of ₹ 5,030 crores and a lease liability of ₹ 4,453 crores on the date of initial application, including right-of-use asset amounting to ₹ 4,122 crores and lease liability amounting to ₹ 3,990 crores recognised as finance lease asset and obligation respectively under erstwhile lease standard as at 31 March 2019.

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## 4. Property, Plant and Equipment

₹ in crores

| Particulars | Freehold land | Leasehold land | Buildings (Owned) | Buildings (On finance lease) | Plant and equipment (Owned) | Plant and equipment (On finance lease) | Furniture and fixtures | Vehicles and aircrafts | Office equipment | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost/deemed cost** | | | | | | | | | | |
| **At 1 April 2018*** | **1,033** | **455** | **6,661** | **172** | **45,252** | **4,870** | **109** | **136** | **60** | **58,748** |
| Additions | 7 | 1 | 506 | 18 | 3,827 | 385 | 14 | 17 | 11 | 4,786 |
| Deductions | 7 | - | - | - | 254 | - | 4 | 9 | 1 | 275 |
| Other adjustments (refer note c) | - | - | - | - | 262 | - | - | - | - | 262 |
| **At 31 March 2019*** | **1,033** | **456** | **7,167** | **190** | **49,087** | **5,255** | **119** | **144** | **70** | **63,521** |
| Transfer Out to Right of use Assets | - | 456 | - | 190 | 14 | 5,255 | - | - | - | 5,915 |
| Additions | 24 | - | 233 | - | 1,614 | - | 7 | 17 | 21 | 1,916 |
| Deductions | 14 | - | 2 | - | 178 | - | 1 | 9 | - | 204 |
| Other adjustments (refer note c) | - | - | - | - | 298 | - | - | - | - | 298 |
| **At 31 March 2020** | **1,043** | **-** | **7,398** | **-** | **50,807** | **-** | **125** | **152** | **91** | **59,616** |
| **Accumulated depreciation** | | | | | | | | | | |
| **At 1 April 2018*** | **-** | **14** | **840** | **82** | **6,821** | **905** | **40** | **36** | **27** | **8,765** |
| Depreciation | - | 5 | 307 | 12 | 2,709 | 323 | 13 | 15 | 11 | 3,395 |
| Deductions | - | - | - | - | 233 | - | 1 | 5 | - | 239 |
| **At 31 March 2019*** | **-** | **19** | **1,147** | **94** | **9,297** | **1,228** | **52** | **46** | **38** | **11,921** |
| Transfer Out to Right of use Assets | - | 19 | - | 94 | 8 | 1,228 | - | - | - | 1,349 |
| Depreciation | - | - | 318 | - | 2,636 | - | 12 | 16 | 17 | 2,999 |
| Impairment# | - | - | 3 | - | 77 | - | - | - | - | 80 |
| Deductions | - | - | - | - | 146 | - | 1 | 5 | - | 152 |
| **At 31 March 2020** | **-** | **-** | **1,468** | **-** | **11,856** | **-** | **63** | **57** | **55** | **13,499** |
| **Net book value** | | | | | | | | | | |
| **At 31 March 2020** | **1,043** | **-** | **5,930** | **-** | **38,951** | **-** | **62** | **95** | **36** | **46,117** |
| At 31 March 2019* | 1,033 | 437 | 6,020 | 96 | 39,790 | 4,027 | 67 | 98 | 32 | 51,600 |

*restated pursuant to merger

#includes exceptional item (refer note 51)

### Notes:

₹ in crores

| Description | | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| a) Freehold land which is yet to be registered in the Company's name | Acre | **19** | 19 |
| | Deemed cost | **9** | 9 |
| b) Freehold land and buildings which has been/agreed to be hypothecated/ mortgaged to lenders of related parties | Deemed cost | **275** | 255 |
| c) Other adjustments comprises: | | | |
| Borrowing cost | ₹ in crores | **2** | 25 |
| Foreign exchange loss/(gain) (including regarded as an adjustment to borrowing costs) | ₹ in crores | **296** | 237 |

d) Assets given on operating lease:

(i) The Company has entered into lease arrangements, for renting the following:

| Category of Asset | Area | Period |
|---|---|---|
| Land at Vijayanagar | 754 acres | 8 months to 30 years |
| Land at Dolvi along with certain buildings | 193 acres | 3 years to 20 years |
| Land at Palwal | 6 acres | 15 years |
| Office Premises at Mittal Tower | 1,885 sq. feet | 24 months |
| Office Premises at CBD Belapur | 33,930 sq. feet | 5 years |
| Houses at Vijayanagar Township | 14,11,027 sq. feet (2,279 Houses) | 120 months |
| Building for Vijayanagar Sports Institute | 1,96,647 sq. feet | 3 years |
| Hospital premises at Vijayanagar | 81,500 sq. feet | 20 years |

The agreements are renewable & cancellable by mutual consent of both parties. The rent paid on above is based on mutually agreed rates.

(ii) Disclosure in respect of assets given on operating lease included in following heads:

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Land** | | |
| Cost/Deemed cost | **138** | 117 |
| **Building** | | |
| Cost/Deemed cost | **233** | 215 |
| Accumulated depreciation | **24** | 18 |
| Depreciation for the year | **6** | 6 |

e) Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 20 and Note 25.

f) Property, plant and equipment includes proportionate share (50%) of assets under joint operation as below:

₹ in crores

| Particulars | Buildings (Owned) | Plant and Equipment (Owned) |
|---|---|---|
| **Cost/deemed cost** | | |
| **At 1 April 2018** | **476** | **7** |
| Additions | - | - |
| **At 31 March 2019** | **476** | **7** |
| Additions | - | - |
| **At 31 March 2020** | **476** | **7** |
| | | |
| **Accumulated depreciation** | | |
| **At 1 April 2018** | **48** | **1** |
| **Depreciation** | 16 | 1 |
| **At 31 March 2019** | **64** | **2** |
| Depreciation | 12 | 1 |
| **At 31 March 2020** | **76** | **3** |
| | | |
| **Net book value** | | |
| **At 31 March 2020** | **400** | **4** |
| At 31 March 2019 | 412 | 5 |

**5.** Capital work-in-progress includes exchange fluctuation loss (including regarded as an adjustment to borrowing costs) of ₹ 881 crores (previous year ₹ 317 crores) and borrowing cost of ₹ 574 crores (previous year ₹ 169 crores) capitalised during the year.

## 6. Right of Use assets and Lease liability

₹ in crores

| Particulars | Land | Buildings | Plant and equipment | Total |
|---|---|---|---|---|
| **Transfer In Right of use Assets** | | | | |
| Gross block | 456 | 190 | 5,255 | 5,901 |
| Accumulated depreciation | (19) | (94) | (1,228) | (1,341) |
| Additions (recognised in pursuant to Ind AS 116 adoption) | - | 26 | 444 | 470 |
| **Right-of-use assets on initial recognition as on 1 April 2019** | **437** | **122** | **4,471** | **5,030** |
| Additions | - | - | 10 | 10 |
| Deductions[#] | - | - | 451 | 451 |
| Depreciation expense | 4 | 17 | 466 | 487 |
| **At 31 March 2020** | **433** | **105** | **3,564** | **4,102** |

Leasehold land aggregating to ₹ 67 crores wherein the lease deed has expired and the Company has a right to convert the land into freehold land subject to complying with certain conditions. The Company is in the process of converting the title into freehold as per the lease cum sale agreement.

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

### LEASE LIABILITIES

| Particulars | ₹ in crores |
|---|---|
| **At 1 April 2019 (Transferred from finance lease obligation)** | 3,990 |
| Additional leases (recognised pursuant to Ind AS 116 adoption) | 463 |
| **Lease liabilities on initial recognition as on 1 April 2019** | 4,453 |
| Additions | 18 |
| Interest accrued | 472 |
| Lease principal payments | (503) |
| Lease interest payments | (472) |
| Reversal# | (479) |
| **At 31 March 2020** | **3,489** |
| Current | 773 |
| Non-current | 2,716 |

*including interest repayment

#The long term pellet supply agreement and coke supply agreement with Amba River and Coke Limited have been amended with effect from September 30, 2019. The amendments, inter alia, reduces tenure with revised payment terms. Accordingly, lease modification has assessed and reversal of ₹ 451 crores from right of use assets and ₹ 479 crores from lease liabilities has been done accordingly.

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

| Particulars | ₹ in crores |
|---|---|
| Less than 1 year | 1,105 |
| 1-5 years | 2,761 |
| More than 5 years | 883 |
| **At 31 March 2020** | **4,749** |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has lease contracts for machinery that contains variable payments amounting to ₹ 436 crores shown under cost of material consumed.

The Company has recognised ₹ 3 crores as rent expenses during the year which pertains to short-term lease/low value asset which was not recognised as part of right of use asset and also recognised a loss of ₹ 3 crores on sale & leaseback transaction entered during the year. Both of amounts are being recognised as part of other expenses.

The leases that the Company has entered with lessors are generally long-term in nature and no changes in terms of those leases are expected due to the COVID-19.

## 7. Intangible assets

₹ in crores

| Particulars | Computer software | License fees | Mining Assets | Total |
|---|---|---|---|---|
| **Cost/deemed Cost** | | | | |
| **At 1 April 2018** | **93** | **26** | **18** | **137** |
| Additions | 28 | - | 105 | 133 |
| **At 31 March 2019** | **121** | **26** | **123** | **270** |
| Additions | 33 | - | 154 | 187 |
| **At 31 March 2020** | **154** | **26** | **277** | **457** |
| | | | | |
| **Accumulated amortisation** | | | | |
| **At 1 April 2018** | **56** | **15** | **1** | **72** |
| Amortisation | 15 | 4 | 7 | 26 |
| **At 31 March 2019** | **71** | **19** | **8** | **98** |
| Amortisation | 17 | 5 | 14 | 36 |
| **At 31 March 2020** | **88** | **24** | **22** | **134** |
| | | | | |
| Net book value | | | | |
| **At 31 March 2020** | **66** | **2** | **255** | **323** |
| At 31 March 2019 | 50 | 7 | 115 | 172 |

## 8. Investments in subsidiaries, associates and joint ventures

| Particulars | Paid up value | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|
| | | No. of shares | ₹ in crores | No. of shares | ₹ in crores |
| **A Investment in equity instruments** | | | | | |
| **Unquoted** | | | | | |
| **Subsidiaries (at cost or deemed cost)** | | | | | |
| Amba River Coke Limited (refer note a) | ₹ 10 each | **93,18,98,670** | **932** | 93,18,98,670 | 932 |
| JSW Bengal Steel Limited | ₹ 10 each | **45,22,05,000** | **449** | 45,22,05,000 | 449 |
| JSW Jharkhand Steel Limited | ₹ 10 each | **9,30,33,853** | **93** | 8,80,33,853 | 88 |
| JSW Natural Resources Limited | USD 10 each | **13,65,500** | **4** | 13,65,500 | 4 |
| JSW Steel (Netherlands) B.V. | Euro 1 each | **7,07,625** | **4** | 7,07,625 | 4 |
| Periama Holdings, LLC | 0.1% interest in members' capital | **NA** | **&** | NA | & |
| JSW Steel Coated Products Limited | ₹ 10 each | **80,00,50,000** | **2,064** | 5,00,50,000 | 1,314 |
| Arima Holdings Limited | USD 100 each | **50,390** | *** | 50,390 | *** |
| Erebus Limited | USD 100 each | **2,15,420** | **$$$** | 2,15,420 | $$$ |
| Nippon Ispat Singapore (Pte) Limited | SGD 1 each | **7,84,502** | **-** | 7,84,502 | - |
| Peddar Realty Private Limited | ₹ 10 each | **10,000** | **57** | 10,000 | 57 |
| Lakeland Securities Limited | USD 100 each | **351** | **@@** | 351 | @@ |
| JSW Steel UK Limited | GBP 1 each | **5,55,200** | **3** | 5,55,200 | 3 |
| JSW Industrial Gases Private Limited | ₹ 10 each | **9,20,83,826** | **267** | 9,20,83,826 | 267 |
| JSW Steel Utkal Limited | ₹ 10 each | **4,97,49,000** | **50** | 3,94,39,000 | 39 |
| Acero Junction Holdings, Inc. | USD 0.001 each | **100** | **536** | 100 | 536 |
| Hasuad Steel Limited | ₹ 10 each | **-** | **-** | 10,000 | - |
| JSW Steel Italy Piombino S.p.A. (Formerly known as Acciaierie e Ferriere di Piombino S.p.A.) | Euro 1 each | **93,600** | **^^** | 93,600 | ^^ |
| GSI Lucchini S.p.A | Euro 1 each | **2,736** | **&&** | 2,736 | && |
| JSW Retail Limited | ₹ 10 each | **10,000** | **^** | 10,000 | ^ |
| PIOMBINO Steel Llimited | ₹ 10 each | **77,95,786** | **8** | - | - |
| Vardhaman Industries Limited | ₹ 10 each | **45,00,000** | **5** | - | - |
| JSW Vallabh Tinplate Private Limited | ₹ 10 each | **2,50,19,600** | **30** | - | - |
| JSW Vijayanagar Metallics Limited | ₹ 10 each | **10,000** | **^** | - | - |
| **Joint ventures (at cost or deemed cost)** | | | | | |
| Gourangdih Coal Limited | ₹ 10 each | **24,50,000** | **2** | 24,50,000 | 2 |
| JSW MI Steel Service Centre Private Limited | ₹ 10 each | **6,65,00,000** | **67** | 6,65,00,000 | 67 |
| JSW Severfield Structures Limited | ₹ 10 each | **19,79,37,940** | **198** | 19,79,37,940 | 198 |
| Rohne Coal Company Private Limited | ₹ 10 each | **4,90,000** | **""** | 4,90,000 | "" |
| JSW Vallabh Tinplate Private Limited | ₹ 10 each | **-** | **-** | 2,50,19,600 | 30 |
| Creixent Special Steels Limited | ₹ 10 each | **48,00,000** | **25** | 48,00,000 | 25 |
| Monnet Ispat and Energy Limited | ₹ 10 each | **399** | **&&&** | 399 | &&& |
| Vijayanagar Minerals Private Limited | ₹ 10 each | **4,000** | **@** | 4,000 | @ |
| **B Investment in limited liability partnership firm** | | | | | |
| **Unquoted subsidiary (at cost or deemed cost)** | | | | | |
| Inversiones Eurosh Limitada (unquoted) | 5% Equity Interest in the capital | **NA** | **^^^** | ^^^ | NA |
| **Total** | | | **4,794** | | **4,017** |
| Less: Aggregate amount of provision for impairment in the value of investments | | | **(37)** | | (37) |
| | | | **4,757** | | **3,980** |
| **Unquoted** | | | | | |
| Aggregate carrying value | | | **4,757** | | 3,980 |

*** ₹ 0.25 crores $$$ ₹ 0.27 crores @@ ₹ 0.22 crores "" ₹ 0.49 crores ^^^ ₹ 0.01 crores @ ₹ 40,000 & $1 @@@ ₹ 0.50 crores
^ ₹ 0.01 crores ^^ ₹ 0.19 crores && ₹ 0.19 crores $$ ₹ 0.01 crores &&& ₹ 3,990

**Note:**

(a) 30,43,73,882 shares (as at 31 March 2019 30,43,73,882 shares) are pledged to the Amba River & Coke Limited (ARCL)'s banker.

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## 9. Investments (non-current)

| Particulars | | Paid up value | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|---|
| | | | No. of shares | ₹ in crores | No. of shares | ₹ in crores |
| **A** | **Investment in equity instruments** | | | | | |
| | **Quoted-Others (at fair value through OCI)** | | | | | |
| | **Fully paid up** | | | | | |
| | JSW Energy Limited | ₹ 10 each | **8,53,63,090** | **364** | 8,53,63,090 | 619 |
| | **Unquoted** | | | | | |
| | **Others (at fair value through OCI)** | | | | | |
| | Toshiba JSW Power Systems Private Limited | ₹ 10 each | **1,10,00,000** | **-** | 1,10,00,000 | - |
| | MJSJ Coal Limited | ₹ 10 each | **1,04,61,000** | **9** | 1,04,61,000 | 9 |
| | SICOM Limited | ₹ 10 each | **6,00,000** | **5** | 6,00,000 | 5 |
| | Kalyani Mukand Limited | ₹ 1 each | **4,80,000** | **$** | 4,80,000 | $ |
| | Ispat Profiles India Limited | ₹ 1 each | **15,00,000** | **$** | 15,00,000 | $ |
| | | | | **378** | | **633** |
| **B** | **Investments in preference shares and Debentures** | **Terms** | | | | |
| | **Unquoted – (at fair value through profit and loss)** | | | | | |
| | **Subsidiaries** | | | | | |
| | JSW Steel (Netherlands) B.V. | 5% redeemable, non-cumulative of Euro 1 each | **3,99,00,250** | **217** | 3,99,00,250 | 254 |
| | JSW Realty & Infrastructure Private Limited | 10% redeemable, non-cumulative of ₹ 100 each | **1,99,15,000** | **99** | 1,99,15,000 | 89 |
| | JSW Realty & Infrastructure Private Limited | 10% redeemable, non-cumulative of ₹ 100 each (Series 1) | **50,00,000** | **37** | 50,00,000 | 34 |
| | JSW Realty & Infrastructure Private Limited | 10% redeemable, non-cumulative of ₹ 100 each (Series 2) | **53,00,000** | **29** | 53,00,000 | 27 |
| | JSW Realty & Infrastructure Private Limited | 10% redeemable, non-cumulative of ₹ 100 each | **2,14,000** | **1** | - | - |
| | Vardhaman Industries Limited | 10% p.a. Compulsorily convertible Debentures | **5,90,00,000** | **59** | - | - |
| | **Joint ventures** | | | | | |
| | Rohne Coal Company Private Limited | 1% non-cumulative of ₹ 10 each | **2,36,42,580** | **-** | 2,36,42,580 | - |
| | Rohne Coal Company Private Limited | 1% Series-A non-cumulative of ₹ 10 each | **71,52,530** | **3** | 71,52,530 | 5 |
| | Rohne Coal Company Private Limited | 1% Series-B non-cumulative of ₹ 10 each | **16,61,686** | **2** | 13,70,786 | 1 |
| | | | | **447** | | **410** |
| **C** | **Investments in preference shares** | **Terms** | | | | |
| | **Unquoted – (at amortised cost)** | | | | | |
| | **Joint ventures** | | | | | |
| | Creixent Special Steels Limited | 0.01% redeemable, cumulative of ₹ 10 each | **17,19,69,200** | **206** | 17,19,69,200 | 184 |
| | Creixent Special Steels Limited | 0.01% redeemable, cumulative of ₹ 10 each | **19,83,00,410** | **211** | 19,83,00,410 | 190 |
| | Monnet Ispat and Energy Limited | 0.01% compulsorily convertible, non-cumulative of ₹ 10 each | **601** | **@** | 601 | @ |
| | | | | **417** | | **374** |
| **D** | **Investments in Government securities (unquoted – Others) (at amortised cost)** | | | | | |
| | National Savings Certificates | | | **^^** | | ^^ |
| | (Pledged with commercial tax department) | | | | | |
| | **Total (A+B+C+D)** | | | **1,242** | | **1,417** |
| | **Quoted** | | | | | |
| | Aggregate book value | | | **364** | | 619 |
| | Aggregate market value | | | **364** | | 619 |
| | **Unquoted** | | | | | |
| | Aggregate carrying value | | | **878** | | 798 |
| | Investment at amortised cost | | | **417** | | 374 |
| | Investment at fair value through other comprehensive income | | | **378** | | 633 |
| | Investment at fair value through profit and loss | | | **447** | | 410 |

^^ ₹ 0.07 crores $ ₹ 1 @ ₹ 6,010

## 10. Loans (Unsecured)

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Loans | | | | |
| to related parties* | 9,108 | 100 | 8,070 | 47 |
| to other body corporate | 9 | - | 9 | - |
| Security deposits | 609 | 221 | 281 | 89 |
| Less : Allowance for doubtful loans (Considered doubtful) | (1,021) | - | (685) | - |
| **Total** | **8,705** | **321** | **7,675** | **136** |
| **Note** | | | | |
| Considered good (Unsecured) | 8,705 | 321 | 7,675 | 136 |
| Loans which have significant increase in Credit Risk | - | - | - | - |
| Loans which are credit impaired | - | - | - | - |
| Loans and advances to other body corporate | 9 | - | 9 | - |
| Loans and advances to related parties | 1,012 | - | 676 | - |

*Loans are given for business purpose. Refer note 44 for terms of Loan.

### MOVEMENT IN ALLOWANCE FOR DOUBTFUL LOANS

₹ in crores

| Particulars | As at 31 March 2020 |
|---|---|
| **As at 1 April 2018** | 532 |
| Additional provision transferred from guarantee towards incremental loan (refer note) | 153 |
| **As at 31 March 2019** | **685** |
| Provision written back due to repayment of loan | (326) |
| Additional provision made during the year (refer note 51) | 605 |
| Additional provision transferred from guarantee towards incremental loan (refer note) | 57 |
| **As at 31 March 2020** | **1,021** |

**Note:**

The Company had recognised financial guarantee obligation in the earlier years towards lenders of a subsidiary, against which incremental loans have been advanced to the subsidiary during the current year. Consequently, the financial guarantee obligation has been released and basis of the recoverability of the said loans provision for doubtful allowances has been recognised, resulting in NIL impact in Statement of Statement of profit & loss.

### DETAILS OF LOANS AND ADVANCES IN THE NATURE OF LOANS TO SUBSIDIARIES:

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Maximum amount outstanding during the year | Amount outstanding | Maximum amount outstanding during the year | Amount outstanding |
| JSW Steel (Netherlands) B.V. | 1,326 | 267 | 1,364 | 1,318 |
| JSW Natural Resources Limited | 138 | 138 | 146 | 124 |
| Inversiones Eurosh Limitada | 803 | 803 | 773 | 744 |
| Periama Holdings, LLC | 6,134 | 6,134 | 5,206 | 4,936 |
| JSW Steel UK Limited | 13 | 13 | 11 | 10 |
| Arima Holding Limited | # | # | # | # |
| Lakeland Securities Limited | # | # | # | # |
| Erebus Limited | # | # | # | # |
| Acero Junction Holdings, Inc. | 1,509 | 1,509 | 832 | 799 |
| Monnet Ispat and Energy Limited | 215 | 215 | 125 | 125 |
| JSW Global Business Solutions Limited | 16 | 13 | 18 | 14 |
| JSW Steel Italy Piombino S.p.A. (Formerly known as Acciaierie e Ferriere di Piombino S.p.A.) | 83 | 83 | - | - |
| Nippon Ispat Singapore (Pte) Limited | 3 | 3 | 3 | 3 |

# represents amounts below ₹ 0.50 crore

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## 11. Others financial assets (Unsecured)

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Export benefits and entitlements | 1 | 78 | 1 | 70 |
| Insurance claim receivable | - | - | 43 | - |
| Advance towards equity share capital/preference shares | 101 | - | 1 | - |
| Government grant income receivable (refer note 30a) | 326 | 2,414 | 2 | 1,825 |
| Interest receivable on | | | | |
| - loans to related parties | 118 | 685 | - | 637 |
| - Others | - | 115 | - | 7 |
| Indirect tax balances Refund due | - | 22 | - | 73 |
| Others | 16 | 70 | 1 | 32 |
| Less: Allowance for doubtful receivables | - | (590) | - | - |
| **Total** | **562** | **2,794** | **48** | **2,644** |

### MOVEMENT IN ALLOWANCE FOR DOUBTFUL LOANS

₹ in crores

| Particulars | As at 31 March 2020 |
|---|---|
| Opening Balance | - |
| Additional provision for Interest receivable from related party (refer note 51) | 586 |
| Additional provision for export incentives | 4 |
| Closing Balance | 590 |

## 12. Other assets (Unsecured)

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Capital advances | 843 | - | 1,799 | - |
| Less : Allowance for doubtful advances | (7) | - | (7) | - |
| **Other Advances** | | | | |
| Advance to suppliers | 271 | 1,042 | 571 | 957 |
| Export benefits and entitlements | 56 | 75 | 56 | 87 |
| Security deposits | 37 | 37 | 34 | 118 |
| Indirect tax balances/recoverable/credits | 1,381 | 449 | 1,214 | 692 |
| Prepayments and others | 60 | 198 | 62 | 137 |
| Less: Allowance for doubtful advances | (262) | (6) | (254) | - |
| **Total** | **2,379** | **1,795** | **3,475** | **1,991** |
| **Other Assets constitute:** | | | | |
| **Capital advances** | | | | |
| Considered good | 836 | - | 1,792 | - |
| Considered doubtful, provided | 7 | - | 7 | - |
| **Others** | | | | |
| Considered good | 1,543 | 1,795 | 1,683 | 1,991 |
| Considered doubtful, provided | 262 | 6 | 254 | - |
| Advances to suppliers | 252 | - | 250 | - |
| Prepayment and others | 7 | 6 | 2 | - |
| Indirect tax balances/recoverable/credits | 3 | - | 2 | - |

## 13. Inventories

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Raw materials (at cost) | 4,110 | 5,108 |
| Work-in-progress (at cost) | 414 | 477 |
| Semi-finished/finished goods (at cost or net realisable value) | 3,343 | 3,275 |
| Production consumables and stores and spares (at cost) | 1,734 | 1,955 |
| Others | 22 | - |
| **Total** | **9,623** | **10,815** |

Inventories have been pledged as security against certain bank borrowings, details relating to which has been described in note 20 and note 25.

### DETAILS OF STOCK-IN-TRANSIT

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Raw materials | 1,222 | 1,551 |
| Production consumables and stores and spares | 190 | 147 |
| **Total** | **1,412** | **1,698** |

## 14. Trade receivables

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - Unsecured | 3,149 | 6,682 |
| Trade Receivables which have significant increase in Credit Risk | 160 | 160 |
| Less: Allowance for doubtful debts | (143) | (72) |
| Trade Receivables – credit impaired | 10 | 10 |
| Less: Allowance for doubtful debts | (10) | (10) |
| **Total** | **3,166** | **6,770** |

### AGEING OF RECEIVABLES THAT ARE PAST DUE:

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| 60-90 days | 79 | 79 |
| 90-180 days | 56 | 298 |
| › 180 days | 410 | 524 |
| **Total** | **545** | **901** |

The credit period on sales of goods ranges from 7 to 90 days with or without security.

Before accepting any new customer, the Company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Trade receivables have been given as collateral towards borrowings details relating to which has been described in note 20 and note 25.

Credit risk management regarding trade receivables has been described in note 42 (8).

Trade receivables from related parties' details has been described in note 44.

Trade receivables does not include any receivables from directors and officers of the Company.

## 15. Cash and cash equivalents

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Balances with Banks | | - |
| In current accounts | 1,613 | 425 |
| In term deposit accounts with maturity less than 3 months at inception | 1,824 | 4,840 |
| Cheques on hand | - | 100 |
| Cash on hand | 1 | 1 |
| **Total** | **3,438** | **5,366** |

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## 16. Bank balance other than cash and cash equivalents

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Earmarked balances | | |
| - in current accounts | 35 | 29 |
| - in term deposits | 14 | - |
| Balances with Banks | | |
| In term deposit accounts | | |
| - with maturity more than 3 months but less than 12 months at inception | 7,790 | 275 |
| - with maturity more than 12 months at inception | 122 | 127 |
| In margin money | 2 | 16 |
| **Total** | **7,963** | **447** |

Earmarked bank balances are restricted in use and it relates to unclaimed dividend and Balances with banks held as margin money for security against the guarantees.

## 17. Derivative Assets

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Forward contracts | 259 | 202 |
| Commodity contracts | - | 6 |
| Interest rate swaps | 1 | 20 |
| Currency options | 15 | 1 |
| **Total** | **275** | **229** |

## 18. Equity share capital

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| | Number of Shares | | Amount (₹ in crores) | |
| **Share capital** | | | | |
| **(a) Authorised** | | | | |
| Equity shares of the par value of ₹ 1 each | 60,15,00,00,000 | 60,15,00,00,000 | 6,015 | 6,015 |
| **(b) Issued and subscribed** | | | | |
| (i) Outstanding at the beginning of the year, fully paid up | 2,41,72,20,440 | 2,41,72,20,440 | 242 | 242 |
| (ii) Less: Treasury shares held under ESOP Trust (refer note (a) below) | (1,48,16,254) | (1,55,08,976) | (2) | (2) |
| (iii) Outstanding at the end of the year, fully paid up | 2,40,23,26,186 | 2,40,17,11,464 | 240 | 240 |
| **(c) Equity shares forfeited (amount originally paid-up)** | | | 61 | 61 |
| **Total** | | | **301** | **301** |

### a) NOTE FOR SHARES HELD UNDER ESOP TRUST:

The Company has created an Employee Stock Ownership Plan (ESOP) for providing share-based payment to its employees.

ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and its subsidiaries in India. For the purpose of the scheme, the Company purchases shares from the open market under ESOP trust. The Company treats ESOP trust as its extension and shares held by ESOP trust are treated as treasury shares.

For the details of shares reserved for issue under the Employee Stock Ownership Plan (ESOP) of the Company refer note 39.

#### Movement in treasury shares

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| | Number of Shares | | Amount (₹ in crores) | |
| **Shares of ₹ 1 each fully paid up held under ESOP Trust** | | | | |
| **Equity shares as at 1 April** | 1,55,08,976 | 1,09,88,860 | 2 | 1 |
| Changes during the year | (6,92,722) | 45,20,116 | * | @ |
| **Equity shares as at 31 March** | **1,48,16,254** | **1,55,08,976** | **2** | **2** |

* ₹ (0.07) crores @ ₹ 0.45 crores

**b) RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES**

The Company has a single class of equity shares having par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**c) SHAREHOLDERS HOLDING MORE THAN 5% SHARE IN THE COMPANY ARE SET OUT BELOW**

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | No of shares | % of shares | No of shares | % of shares |
| **Equity shares** | | | | |
| JFE Steel International Europe BV | **36,25,83,070** | **15.00%** | 36,25,83,070 | 15.00% |
| JSW Techno Projects Management Ltd | **25,70,51,220** | **10.63%** | 24,73,28,450 | 10.23% |
| JSW Holdings Limited | **18,14,02,230** | **7.50%** | 17,88,37,230 | 7.40% |
| Vividh Finvest Private Limited | **14,33,70,690** | **5.93%** | 14,19,95,690 | 5.87% |

**d) SHARES ALLOTTED AS FULLY PAID-UP PURSUANT TO CONTRACTS WITHOUT PAYMENT BEING RECEIVED IN CASH DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEDING THE DATE OF THE BALANCE SHEET ARE AS UNDER:**

Nil

## 19. Other equity

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| General reserve | **9,944** | 9,895 |
| Retained Earnings | **17,709** | 13,612 |
| **Other Comprehensive Income:** | | |
| Equity instruments through other comprehensive income | **148** | 403 |
| Effective portion of cash flow hedges | **(434)** | 33 |
| Foreign currency monetary item translation difference account (FCMITDA) | **-** | (57) |
| **Other Reserves** | | |
| Equity settled share based payment reserve | **122** | 91 |
| Capital reserve | **4,359** | 4,359 |
| Capital redemption reserve | **774** | 532 |
| Securities premium reserve | **5,439** | 5,439 |
| Debenture redemption reserve | **-** | 285 |
| **Total** | **38,061** | **34,592** |

**(i) GENERAL RESERVE**

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.00% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year.

Consequent to introduction of Companies Act, 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit and loss to the General reserves. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

**(ii) RETAINED EARNINGS**

Retained earnings are the profi¬ts that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

**(iii) EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME**

The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

**(iv) EFFECTIVE PORTION OF CASH FLOW HEDGES**

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit and loss only

when the hedged transaction affects the profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

**(v) FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (FCMITDA)**

The Company has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the standalone financial statements prepared under previous GAAP for the year ended 31 March 2016. The reserve pertains to exchange differences relating to long-term foreign currency monetary items in so far as they do not relate to acquisition of depreciable capital assets, which are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised in the Statement of Profit and Loss over the balance Year of such long-term foreign currency monetary item. The Company has fully amortised the balance in the current year and the outstanding balance as on 31 March 2020 stands to NIL.

**(vi) EQUITY SETTLED SHARE BASED PAYMENT RESERVE**

The Company offers ESOP, under which options to subscribe for the Company's share have been granted to certain employees and senior management of JSW Steel and its subsidiaries. The share based payment reserve is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.

**(vii) CAPITAL RESERVE**

Reserve is primarily created on amalgamation as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

**(viii) CAPITAL REDEMPTION RESERVE**

Reserve is created for redemption of preference shares as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

**(ix) SECURITIES PREMIUM**

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

**(x) DEBENTURE REDEMPTION RESERVE**

Uptil previous year, the Indian Companies Act required companies that issue debentures to create a debenture redemption reserve (DRR) from annual profits until such debentures are redeemed. Companies were required to maintain 25% as a reserve of outstanding redeemable debentures. Accordingly, the Company created DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the Company. The amounts credited to the debenture redemption reserve was not be utilised except to redeem debentures. On redemption the amount was to be reclassified to Retained Earnings.

As per the recent amendment in Companies Act, 2013, issued by the Ministry of Corporate Affairs, listed companies are not required to create debenture redemption reserve (DRR). Accordingly, the Company has transferred the such reserve balance to general reserve as on 31 March 2020.

## 20. Borrowings (at amortised cost)

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Bonds (unsecured) | 10,554 | - | 3,459 | 3,459 |
| Debentures (secured) | 5,000 | - | 2,000 | 1,841 |
| Term loans | | | | |
| Secured | 10,743 | 2,468 | 10,139 | 1,980 |
| Unsecured | 11,464 | 2,525 | 8,491 | 2,841 |
| Acceptance for Capital Projects with maturity more than 1 year | | | | |
| Secured | 650 | 61 | - | - |
| Unsecured | 929 | 115 | - | - |
| Deferred government loans (unsecured) | 135 | 25 | 79 | 31 |
| Other Loans | | | | |
| Finance Lease obligations (unsecured) | - | - | 3,638 | 352 |
| Preference Shares (unsecured) | - | - | - | 231 |
| | **39,475** | **5,194** | **27,806** | **10,735** |
| Unamortised upfront fees on borrowing | (228) | (85) | (140) | (68) |
| | **39,247** | **5,109** | **27,666** | **10,667** |
| Less: Current maturities of long-term debt clubbed under Other financial liabilities (note 28) | - | (5,109) | - | (10,667) |
| **Total** | **39,247** | **-** | **27,666** | **-** |

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-current | Current | Non-current | Current | | |
| **A. Bonds/Debentures** | | | | | |
| **Bonds (Unsecured)** | | | | | |
| 3,015 | - | - | - | 5.375% Repayable on 04.04.2025 | |
| 3,769 | - | - | - | 5.95% Repayable on 18.04.2024 | |
| 3,769 | - | 3,459 | - | 5.25% Repayable on 13.04.2022 | - |
| - | - | - | 3,459 | 4.75% Repaid on 12.11.2019 | - |
| 10,554 | - | 3,459 | 3,459 | | |
| **Debentures(secured)** | | | | | |
| 1,000 | - | - | - | 8.90% secured NCDs of ₹ 10,00,000 each are redeemable in four tranches<br>a) ₹ 250 crores on 23.01.2027<br>b) ₹ 250 crores on 23.01.2028<br>c) ₹ 250 crores on 23.01.2029 and<br>d) ₹ 250 crores on 23.01.2030 | First *pari passu* charge on property, plant and equipments related to Cold Rolling Mill 1 and 2 complex located at Vijayanagar Works, Karnataka (other than specifically carved out). |
| 2,000 | - | - | - | 8.79% secured NCDs of ₹ 10,00,000 each are redeemable in four tranches<br>a) ₹ 500 crores on 18.10.2026<br>b) ₹ 500 crores on 18.10.2027<br>c) ₹ 500 crores on 18.10.2028 and<br>d) ₹ 500 crores on 18.10.2029 | First *pari passu* charge on property, plant and equipments upto 5 mtpa capacity situated at Dolvi works, Maharashtra (other than specifically carved out). |
| 1,000 | - | 1,000 | - | 10.34% secured NCDs of ₹ 10,00,000 each are redeemable in three tranches<br>a) ₹ 330 crores on 18.1.2022<br>b) ₹ 330 crores on 18.1.2023<br>c) ₹ 340 crores on 18.1.2024 | First *pari passu* charge on property, plant and equipments related to 2.8 mtpa expansion project located at Vijayanagar Works, Karnataka and a flat at Vasind, Maharashtra. |
| 1,000 | - | 1,000 | - | 10.02% secured NCDs of ₹ 10,00,000 each are redeemable in two tranches<br>a) ₹ 500 crores on 20.05.2023<br>b) ₹ 500 crores on 19.07.2023 | First *pari passu* charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra. |
| - | - | - | 44 | 10.60% secured NCDs of ₹ 7,50,000 each are redeemed as 2 half yearly instalments of ₹ 21.875 crores each from 02.08.2019 to 02.02.2020 | *Pari passu* first charge by ay of legal mortgage on land situated in the State of Gujarat. *Pari passu* first charge by way of equitable mortgage on property, plant and equipments related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka |
| - | - | - | 400 | 9.72% secured NCDs of ₹ 10,00,000 each are redeemed on 23.12.2019 | First *pari passu* charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra. |
| - | - | - | 700 | Secured zero coupon NCDs redeemed at a premium of 12.15% p.a. accrued quarterly on 22.10.2019 | Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019.<br>- Secured by way of pledge of 40,000,000 equity shares of a subsidiary (Dolvi Minerals and Metals Pvt Ltd - merged into JSW Steel Ltd with appointed date 1 April 2019), held by JSW Steel Limited. |
| - | - | - | 250 | 10.40% secured NCDs of ₹ 10,00,000 each are redeemed on 19.08.2019 | First *pari passu* charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra. |
| - | - | - | 425 | 10.60% secured NCDs of ₹ 10,00,000 each are redeemed on 19.08.2019 | First *pari passu* charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra. |
| - | - | - | 22 | 10.60% secured NCDs of ₹ 6,25,000 each are redeemed on 02.07.2019 | *Pari passu* first charge by way of legal mortgage on land situated in the State of Gujarat.<br>*Pari passu* first charge by way of equitable mortgage on property, plant and equipments related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka |
| **5,000** | **-** | **2,000** | **1,841** | | |

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-current | Current | Non-current | Current | | |
| **B. Term Loans** | | | | | |
| **Rupee Term Loans From Banks (Secured)** | | | | **Weighted average interest cost as on 31 March 2020 is 8.91%** | |
| 709 | - | 110 | - | 12 quarterly instalments of ₹ 8.861 crores each from 30.06.2021-31.03.2024<br>04 quarterly instalments of ₹ 44.306 crores each from 30.06.2024-31.03.2025<br>08 quarterly instalments of ₹ 53.167 crores each from 30.06.2025 - 31.03.2027 | First *pari passu* charge on expansion project at Dolvi Works, Maharashtra from 5 mtpa to 10 mtpa capacity (other than specifically carved out). |
| 219 | 31 | - | - | 23 Quarterly instalments of ₹ 10.41 crores each from 30.09.2020 - 31.03.2026 and last instalment of ₹ 10.57 crore on 30.06.2026 | First *pari passu* charge on property, plant and equipments related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka. |
| 418 | 86 | 393 | 46 | 23 equal quarterly instalments of ₹ 21.43 crores each from 30.06.2020 to 31.12.2025 and last instalment of ₹ 11.06 crores on 31.03.2026 | Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019.<br>First pari-passu charge on property, plant and equipments of 1.5 mtpa coke oven plant (i.e. Phase I under erstwhile Dolvi Coke Projects Ltd) at Dolvi Works, Maharashtra |
| 394 | 66 | 450 | 38 | 1 quarterly instalment of ₹ 9.375 crores on 30.06.2020<br>8 quarterly instalments of ₹ 18.75 crores each from 30.09.2020-30.06.2022<br>12 quarterly instalments of ₹ 25 crores each from 30.09.2022-30.06.2025 | First *pari passu* charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out). |
| 400 | 100 | - | - | 20 quarterly instalments of ₹ 25 crores each from 30.06.2020-31.03.2025 | First *pari passu* charge on property, plant and equipments related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka. |
| 470 | 105 | 550 | 100 | Repayable in 3 quarterly instalments of ₹ 25 crores each from 30.06.2020 to 31.12.2020<br>12 quarterly instalments of ₹ 30 crores each from 31.03.2021 to 31.12.2023<br>4 quarterly instalments of ₹ 35 crores each from 31.03.2024 to 31.12.2024 | Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019.<br>First charge on entire immovable and movable fixed assets located at Salav works (erstwhile JSW Steel Salav Limited), Maharashtra. |
| 375 | 100 | 475 | 25 | 19 quarterly instalments of ₹ 25 crores each from 15.06.2020-15.12.2024 | First *pari passu* charge on property, plant and equipments situated at Salem Works, Tamil Nadu. |
| 563 | 75 | 638 | 75 | 2 Quarterly instalments of ₹ 18.75 crores each from 27.07.2020 - 27.10.2020<br>16 Quarterly instalments of ₹ 37.50 crores each from 27.01.2021 - 27.10.2024 | First pari-passu charge on property, plant and equipments upto 5 mtpa capacity situated at Dolvi works, Maharashtra. |
| 758 | 192 | 902 | 192 | 7 quarterly instalments of ₹ 48 crores each from 30.06.2020 - 31.12.2021<br>9 quarterly instalments of ₹ 64 crores each from 31.3.2022 - 31.03.2024<br>1 quarterly instalment of ₹ 38.35 crores on 30.06.2024 | First charge on entire movable and immovable property, plant and equipments upto 5 mtpa capacity situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/machinery procured out of proceeds of ECA/ECB/FCL) both present and future. |
| 319 | 75 | 375 | 75 | 5 quarterly instalments of ₹ 18.75 crores each from 30.06.2020-30.06.2021<br>12 quarterly instalments of ₹ 25 crores each from 30.09.2021-30.06.2024 | First *pari passu* charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out). |
| 600 | 200 | 750 | 125 | 16 Quarterly instalment of ₹ 50 crores each from 30.06.2020 - 31.03.2024 | First charge on 3.2 mtpa expansion property, plant and equipments situated at Vijayanagar Works Karnataka |

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| **Non-current** | **Current** | Non-current | Current | | |
| **938** | **94** | 1,031 | 63 | 2 Quarterly instalments of ₹ 15.625 crores each from 31.07.2020 - 31.10.2020<br>04 Quarterly instalments of ₹ 62.50 crores each from 31.01.2021 - 31.10.2021<br>08 Quarterly instalments of ₹ 93.75 crores each from 31.01.2022 - 31.10.2023 | First charge on property, plant and equipments upto 5 mtpa capacity situated at Dolvi works, Maharashtra. |
| **700** | **150** | 813 | 150 | 8 quarterly instalments of ₹ 37.5 crores each from 30.06.2020 - 31.03.2022<br>4 quarterly instalments of ₹ 43.75 crores each from 30.06.2022 - 31.03.2023<br>2 quarterly instalments of ₹ 187.5 crores each from 30.06.2023 - 30.09.2023 | First *pari passu* charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka. |
| **125** | **50** | 163 | 50 | 14 Quarterly instalments of ₹ 12.5 crores each from 30.06.2020 - 30.09.2023. | First charge on property, plant and equipments upto 5 mtpa capacity situated at Dolvi works, Maharashtra. |
| **225** | **100** | 325 | 100 | 13 quarterly instalments of ₹ 25 crores each from 01.06.2020 - 01.06.2023 | First charge on 3.2 mtpa expansion property, plant and equipments situated at Vijayanagar Works Karnataka |
| **1,164** | **-** | - | - | 4 quarterly instalments of ₹ 116.40 crores each from 30.06.2021 - 31.03.2022<br>4 quarterly instalments of ₹ 174.60 crores each from 30.06.2022-31.03.2023 | First *pari passu* charge on the mining rights/ assets proposed to be acquired for the 4 iron ore blocks acquired in the State of Odisha. |
| **1,250** | **200** | 1,400 | 200 | 5 Quarterly instalments of ₹ 50 crores each from 30.06.2020 - 30.06.2021<br>4 Quarterly instalments of ₹ 125 crores each from 30.09.2021 - 30.06.2022<br>2 Quarterly instalments of ₹ 350 crores each from 30.09.2022 - 31.12.2022 | First charge on property, plant and equipments upto 5 mtpa capacity situated at Dolvi works, Maharashtra. |
| **388** | **150** | 500 | 150 | 5 quarterly instalments of ₹ 37.5 crores each from 30.06.2020 - 30.06.2021<br>4 quarterly instalments of ₹ 43.75 crores each from 30.06.2021 - 30.06.2022<br>2 quarterly instalments of ₹ 87.5 crores each from 30.09.2022 - 31.12.2022 | First *pari passu* charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka. |
| **109** | **63** | 156 | 63 | 11 quarterly instalments of ₹ 15.625 crores each from 30.06.2020 - 31.12.2022 | First *pari passu* charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out). |
| **90** | **160** | 215 | 125 | 2 quarterly instalments of ₹ 35 crores each from 30.06.2020 - 30.09.2020<br>4 quarterly instalments of ₹ 45 crores each from 31.12.2020 - 30.09.2021 | First charge on 3.2 mtpa expansion property, plant and equipments (other than assets specifically carved out) situated at Vijayanagar Works Karnataka |
| **-** | **375** | 338 | 338 | 2 quarterly instalments of ₹ 37.50 crores each from 30.06.2020 - 30.09.2020<br>2 quarterly instalments of ₹ 150 crores each from 31.12.2020 - 31.03.2021 | First charge on 3.2 mtpa expansion property, plant and equipments (other than assets specifically carved out) situated at Vijayanagar Works Karnataka |
| **Total Rupee Term Loans From Banks (Secured)** | | | | | |
| **10,213** | **2,371** | **9,583** | **1,913** | | |

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-current | Current | Non-current | Current | | |
| **Foreign Currency Term Loans From Banks (Secured)** | | | | **Weighted average interest cost as on 31 March 2020 is 5.00%** | |
| 531 | 97 | 556 | 67 | 24 equal quarterly instalments of ₹ 24.23 crores each from 30.06.2020 to 31.03.2026 | Loan in books of JSW Steel Ltd. pursuant to merger with appointed date being 01.04.2019 |
| | | | | 1 instalment of ₹ 46.09 crores on 30.06.2026 | First pari-passu charge on property, plant and equipments of 1.5 mtpa coke oven plant (i.e. Phase I under erstwhile Dolvi Coke Projects Ltd) at Dolvi Works, Maharashtra |
| **531** | **97** | **556** | **67** | | |
| **Total Term Loan-Secured** | | | | | |
| **10,743** | **2,468** | **10,139** | **1,980** | | |
| **Rupee Term Loans From Banks (Unsecured)** | | | | **Weighted average interest cost as on 31 March 2020 is 8.63%** | |
| 750 | - | | | 1 instalment of ₹ 250 crores on 05.04.2021 and 1 instalment of ₹ 500 crore on 05.09.2021 | |
| 30 | 120 | 150 | 120 | 5 quarterly instalments of ₹ 30 crores each from 20.06.2020 to 20.06.2021 | |
| - | 250 | 257 | 492 | 1 instalment of ₹ 250 crores each on 20.05.2020 | |
| **780** | **370** | **407** | **612** | | |
| **Foreign Currency Term Loans From Banks (Unsecured)** | | | | **Weighted average interest cost as on 31 March 2020 is 3.82%** | |
| 286 | 15 | - | - | 20 equal semi-annual instalment of ₹ 15.05 crores from 31.10.2020 to 30.04.2030 | |
| 176 | 20 | 110 | - | 20 equal semi-annual instalment of ₹ 9.798 crores from 31.08.2020 to 28.02.2030 | |
| 142 | 16 | 78 | - | 20 equal semi-annual instalment of ₹ 7.892 crores from 30.06.2020 to 31.12.2029 | |
| 293 | 34 | - | - | 19 equal semi-annual instalment of ₹ 17.238 crores from 30.06.2020 to 30.06.2029 | |
| 180 | 23 | 168 | - | 17 equal semi-annual instalment of ₹ 6.515 crores from 25.06.2020 to 25.06.2028 and 1 instalment of ₹ 2.683 crores on 25.12.2028 | |
| | | | | 17 equal semi-annual instalment of ₹ 5.205 crores from 25.06.2020 to 25.06.2028 and 1 instalment of ₹ 1.809 crores on 25.12.2028 | |
| 364 | 52 | 210 | 11 | 16 equal semi-annual instalment of ₹ 13.56 crores from 25.09.2020 to 25.03.2028 and 1 instalment of ₹ 0.24 crore on 25.09.2028. | |
| | | | | 16 equal semi-annual instalment of ₹ 12.252 crores from 25.09.2020 to 25.03.2028 and 1 instalment of ₹ 2.637 crores on 25.09.2028. | |
| 54 | 9 | 59 | 8 | 14 semi annual instalments of ₹4.533 crores each from 31.07.2020 to 31.1.2027 | - |
| 116 | 37 | - | - | 8 equal semi-annual instalment of ₹ 18.634 crores from 30.08.2020 to 29.02.2024 and 1 instalment of ₹ 3.987 crores on 31.12.2026 | |
| 186 | 33 | - | - | 13 equal semi-annual instalment of ₹ 16.42 crores from 25.06.2020 to 25.06.2026 and 1 instalment of ₹ 5.274 crores on 25.12.2026 | |

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| **Non-current** | **Current** | Non-current | Current | | |
| **91** | **21** | 103 | 20 | 8 half yearly instalments of ₹ 3.40 crores each from 31.07.2020 to 31.01.2024. | - |
| | | | | 9 half yearly instalments of ₹ 1.21 crores each from 30.04.2020 to 30.4.2024 | |
| | | | | 12 semi annual instalments of ₹ 2.23 crores each from 25.09.2020 to 25.03.2026 | |
| | | | | 12 semi annual instalments of ₹ 2.27 crores each from 25.09.2020 to 25.3.2026. | |
| | | | | 13 semi annual instalments of ₹ 1.596 crores each from 25.06.2020 to 25.06.2026. | |
| **1,885** | **-** | - | - | 2 annual instalments of ₹ 621.934 crores from 19.03.2024 to 19.03.2025 and | |
| | | | | 1 instalment of ₹ 640.78 crores on 19.03.2026 | |
| **69** | **14** | 76 | 13 | 12 semi annual instalments of ₹ 4.715 crores each from 23.07.2020 to 23.01.2026 | - |
| | | | | 12 semi annual instalments of ₹2.21 crores each from 06.08.2020 to 05.02.2026 | |
| **786** | **-** | - | - | 3 annual instalments of ₹ 238.72 crores from 27.12.2023 to 26.12.2025 | |
| | | | | 3 annual instalment of ₹ 23.216 crores from 22.01.2024 to 22.01.2026 | |
| **565** | **-** | 519 | - | 4 equal instalment of ₹ 141.35 crores from 19.10.2022 to 19.10.2025 | |
| **942** | **-** | 865 | - | 4 annual instalments of ₹ 235.58 crores from 16.07.2022 to 16.07.2025 | |
| **302** | **-** | 277 | - | 4 annual instalments of ₹ 75.386 crores from 12.07.2022 to 12.07.2025 | |
| **141** | **111** | 231 | 102 | 10 equal semi annual instalments of ₹ 1.697 crores each from 25.09.2020 to 25.03.2025 | - |
| | | | | 2 equal annual instalments of ₹ 100.51 crores from 13.8.2020 to 13.8.2021 | |
| | | | | 9 equal semi annual instalments of ₹ 3.45 crores each from 25.09.2020 to 25.09.2024 and 1 semi annual instalment of ₹ 2.906 crores on 25.03.2025 | |
| **150** | **39** | 172 | 35 | 9 equal semi annual instalments of ₹ 6.32 crores each from 09.07.2020 to 09.07.2024 and 1 semi annual instalment of ₹ 5.57 crores on 09.01.2025 | - |
| | | | | 9 equal semi annual instalments of ₹ 13.004 crores each from 09.07.2020 to 09.07.2024 and 1 semi annual instalment of ₹ 9.42 crores on 09.01.2025 | |
| **1,583** | **-** | 1,453 | - | 4 annual instalments of ₹ 395.78 crores from 12.10.2021 to 12.10.2024 | |
| **754** | **-** | 692 | - | Repayable on 05.04.2024 | |

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-current | Current | Non-current | Current | | |
| 300 | 218 | 475 | 200 | 3 half yearly instalments of ₹ 62.70 crores each from 31.05.2020 to 31.05.2021 | - |
| | | | | 7 half yearly instalments of ₹ 40.07 crores each from 30.04.2020 to 30.04.2023 | |
| | | | | 8 half yearly instalments of ₹ 6.10 crores each from 18.09.2020 to 18.03.2024 | |
| 43 | 14 | 53 | 13 | 8 half yearly instalments of ₹ 7.22 crores each from 30.09.2020 to 31.03.2024 | - |
| 43 | 14 | 53 | 13 | 8 half yearly instalments of ₹ 7.18 crores each from 28.08.2020 to 28.02.2024 | - |
| 246 | 84 | 300 | 76 | 8 half yearly instalments of ₹ 18.01 crores each from 19.7.2020 to 19.1.2024 | - - |
| | | | | 7 half yearly instalments of ₹ 24.02 crores each from 19.7.2020 to 19.7.2023 and 1 half yearly instalment of ₹ 18.24 crores on 19.1.2024 | |
| 30 | 10 | 37 | 9 | 8 equal semi annual instalments of ₹ 4.966 crores each from 15.06.2020 to 15.12.2023 | - |
| 678 | - | 623 | - | Repayable in three tranches | - |
| | | | | a) ₹ 376.93 crores on 21.2.2022 | |
| | | | | b) ₹ 37.69 crores on 06.03.2022 | |
| | | | | c) ₹ 263.85 crores on 03.07.2022 | |
| 277 | 260 | 493 | | Repayable in two tranches | - |
| | | | | a) ₹ 260.29 crores on 27.4.2020 | |
| | | | | b) ₹ 276.56 crores on 27.4.2021 | |
| - | 1,131 | 1,038 | - | 3 equal instalments of ₹ 376.93 crores each on 07.04.2020, 21.9.2020 and 21.3.2021 | - |
| - | - | - | 1,729 | Repaid on 20.03.2020 | - |
| **10,684** | **2,155** | **8,083** | **2,229** | | |
| **Total Term Loan – Unsecured** | | | | | |
| 11,464 | 2,525 | 8,491 | 2,841 | | |
| **C. Acceptance for Capital Projects more than 1 year** | | | | | |
| **Acceptance – Secured** | | | | | |
| 633 | - | - | - | Repayment of 10 cases 2021-22 - ₹ 56.96 crores on various dates. | First *pari passu* charge on movable fixed assets of 1.5 mtpa Coke Oven Plant (Phase 2) at Dolvi Works, Maharashtra. |
| | | | | Repayment of 77 cases 2022-23 - ₹ 576.11 crores on various dates | |
| 8 | 61 | - | - | Repayment of 05 cases in 2020-21 - ₹ 61.12 crores on various dates. | First *pari passu* charge on expansion project at Dolvi Works, Maharashtra from 5 mtpa to 10 mtpa capacity (other than specifically carved out). |
| | | | | Repayment of 03 cases in 2021-22 - ₹ 7.67 crores on various dates. | |
| 9 | - | - | - | Repayment of ₹ 9.12 crores on 01.08.2022 | First *pari passu* charge on movable fixed assets of 1.5 mtpa Coke Oven Plant (Phase 2) at Dolvi Works, Maharashtra. |
| **650** | **61** | **-** | **-** | | |
| **Acceptance – Unsecured** | | | | | |
| 268 | 101 | - | - | Repayment of 10 cases in 2020-21 - ₹ 101.23 crores on various dates | |
| | | | | Repayment of 38 cases in 2021-22 - ₹ 141.59 crores on various dates | |
| | | | | Repayment of 23 cases in 2022-23 - ₹ 126.42 crores on various dates | |
| 661 | 14 | - | - | Repayment of 04 cases in 2020-21 - ₹ 14.03 crores on various dates | |
| | | | | Repayment of 57 cases in 2021-22 - ₹ 196.24 crores on various dates | |
| | | | | Repayment of 117 cases in 2022-23 - ₹ 465.35 crores on various dates | |
| **929** | **115** | | | | |

₹ in crores

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| **Non-current** | **Current** | Non-current | Current | | |
| **C. Acceptance for Capital Projects more than 1 year** | | | | | |
| **1,579** | **176** | **-** | **-** | | |
| **D. Deferred Payment Liabilities** | | | | | |
| **Deferred Sales Tax Loan (Unsecured)** | | | | | |
| 134 | - | 58 | - | Interest free loan Payable after 14 years by 31.3.2032 | |
| 1 | 25 | 21 | 31 | Interest free loan and payable in 42 varying monthly instalments starting from 12.4.2018 to 12.9.2021 | - |
| **135** | **25** | **79** | **31** | | |
| **E. Financial Lease Obligations** | | | | | |
| - | - | 3,638 | 352 | Varying monthly instalments from 8 to 15 years | |
| **F. Preference Shares** | | | | | |
| - | - | - | 231 | 0.01% CPRS Redeemable at par in 4 quarterly instalments starting from 15.06.2018 to 15.03.2020 | - |
| **-** | **-** | **-** | **231** | | |
| **G. Unamortised Upfront Fees on Borrowing** | | | | | |
| (228) | (85) | (140) | (68) | | - |
| **Total Amount in ₹ crores** | | | | | |
| **39,247** | **5,109** | **27,666** | **10,667** | | |

Pursuant to the Covid 19 pandemic, the Reserve Bank of India, vide its notification reference RBI/2019-20/186 dated 27 March 2020, announced a "Covid 19 Regulatory Package" to mitigate the adverse impact of the pandemic and ensure continuity of viable businesses. As per this package banks were inter alia permitted to grant a moratorium of three months on payment of all instalments (principal and interest) on Term loans falling due between 1 March 2020 and 31 May 2020. The Company opted to avail the package relating to term loans and the same was approved by the lenders in line with RBI's notification. Accordingly, the financial statement has been prepared giving effect to the above.

## 21. Other financial liabilities (Non-current, at amortised cost)

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | **Non-current** | **Current** | Non-current | Current |
| Rental and other deposits | **32** | **52** | 33 | 47 |
| Retention money for capital projects | **403** | **1,072** | 481 | 171 |
| Premium on redemption of debentures | **-** | **-** | - | 490 |
| Allowance for financial guarantees | **873** | **-** | 516 | - |
| | **1,308** | **1,124** | **1,030** | **708** |
| Less: Amount clubbed under Other financial liabilities(note 28) | **-** | **(1,124)** | - | (708) |
| **Total** | **1,308** | **-** | **1,030** | **-** |

### MOVEMENTS IN ALLOWANCES FOR FINANCIAL GUARANTEES

₹ in crores

| Particulars | Amount |
|---|---|
| **As at 1 April 2018** | **642** |
| Release of financial guarantees (refer note 10) | **(153)** |
| Exchange fluctuations | **27** |
| **As at 31 March 2019** | **516** |
| Additional created during the year | **376** |
| Release of financial guarantees (refer note 10) | **(57)** |
| Exchange fluctuations | **38** |
| **As at 31 March 2020** | **873** |

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## 22. Provisions

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Provision for employee benefits (refer note 41)** | | | | |
| Provision for compensated absences | 120 | 18 | 96 | 15 |
| Provision for gratuity | 172 | 39 | 129 | 37 |
| Provision for long service award | 12 | 2 | - | - |
| Provision for Provident fund | - | 5 | - | 1 |
| **Other provisions** | | | | |
| Mine closure provision | 18 | - | 8 | - |
| Others | - | - | 2 | |
| **Total** | **322** | **64** | **235** | **53** |

### MOVEMENT OF MINE CLOSURE PROVISION DURING THE YEAR

₹ in crores

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Opening Balance | 8 | 2 |
| Additions during the year | 9 | 5 |
| Unwinding of discount and changes in the discount rate | 1 | # |
| **Closing Balance** | **18** | **8** |

# represents amounts below ₹ 0.5 crore

Site restoration expenditure is incurred on an ongoing basis until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

## 23. Income tax

Indian companies are subject to Indian income tax on a standalone basis. For each fiscal year, the entity profit and loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Statutory income tax is charged at 30% plus a surcharge and education cess.

MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT for the fiscal year 2019-20 is charged at 15% plus a surcharge and education cess. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

### A. INCOME TAX EXPENSE

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Current tax :** | | |
| Current tax (MAT) (including earlier years reversal/adjustments) | 789 | 2,356 |
| | **789** | **2,356** |
| **Deferred tax :** | | |
| Deferred tax | 81 | 1,323 |
| MAT credit entitlement | 198 | (93) |
| (Restoration)/reversal of MAT credit entitlement | 22 | - |
| Reversal of DTL on measurement due to change in tax rate (Refer note below) | (2,150) | - |
| Tax provision/(reversal) for earlier years | 61 | - |
| **Total deferred tax** | **(1,788)** | **1,230** |
| **Total tax expense** | **(999)** | **3,586** |

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

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Profit before tax** | **4,292** | 11,707 |
| Enacted tax rate in India | **34.94%** | 34.94% |
| **Expected income tax expense at statutory tax rate** | **1,500** | **4,090** |
| Reversal of DTL on measurement due to change in tax rate (Refer note below) | **(2,150)** | - |
| Expenses not deductible in determining taxable profit | **226** | 58 |
| Income not recognised in book profit | **-** | 158 |
| Income exempt from taxation/taxable separately | **(103)** | (355) |
| Tax holiday and allowances | **(382)** | (371) |
| Income taxable at lower rate | **-** | 10 |
| Tax provision/(reversal) for earlier years | **(67)** | (4) |
| Others | **(23)** | - |
| **Tax expense for the year** | **(999)** | **3,586** |
| **Effective income tax rate** | **-23.28%** | **30.63%** |

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') subsequently amended in Finance Act issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions.

During the year ended 31 March 2020, Company had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. Based on the detailed assessment carried out the management, deferred tax liabilities on temporary differences expected to reverse during the period in which the Company would be under the new tax regime and accordingly applied the new rate for measuring the said deferred tax liabilities in accordance with the requirements of IND AS 12 - 'Income Taxes". This has resulted in reversal of deferred tax liabilities amounting to ₹ 2150 crores.

There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 45).

## B. DEFERRED TAX LIABILITIES (NET)

Significant components of deferred tax assets/(liabilities) recognised in the financial statements are as follows:

₹ in crores

| Deferred tax balance in relation to | As at 31 March 2019 | Recognised/ reversed through profit and loss | Recognised in/ reclassified from other comprehensive income | As at 31 March 2020 |
|---|---|---|---|---|
| Property, plant and equipment | (10,253) | 2,043 | - | **(8,210)** |
| Carried forward business loss/unabsorbed depreciation | 391 | (391) | - | **-** |
| Cash flow hedges/FCMITDA | 14 | - | 221 | **235** |
| Provisions for employee benefit/loans and advances and guarantees | 629 | 511 | 6 | **1,146** |
| Lease liabilities | 1,393 | (174) | - | **1,219** |
| Others | 79 | 20 | - | **99** |
| MAT credit entitlement | 4,416 | (220) | - | **4,196** |
| **Total** | **(3,331)** | **1,788** | **227** | **(1,315)** |

₹ in crores

| Deferred tax balance in relation to | As at 31 March 20118 | Recognised/ reversed through profit and loss | Recognised in/ reclassified from other comprehensive income | As at 31 March 2019 |
|---|---|---|---|---|
| Property, plant and equipment | (9,724) | (529) | - | (10,253) |
| Carried forward business loss/unabsorbed depreciation | 1,425 | (1,034) | - | 391 |
| Cash flow hedges/FCMITDA | 7 | - | 7 | 14 |
| Provisions for employee benefit/loans and advances and guarantees | 561 | 63 | 5 | 629 |
| Finance Lease obligation | 1,360 | 33 | - | 1,393 |
| Others | (65) | 144 | - | 79 |
| MAT credit entitlement | 4,323 | 93 | - | 4,416 |
| **Total** | **(2,113)** | **(1,230)** | **12** | **(3,331)** |

The Company expects to utilise the MAT credit within a period of six financial years within the time limit available under Income Tax Act.

Deferred tax asset on long-term capital losses of ₹ 203 crores and ₹ 2,025 crores expiring in fiscal year 2021-22 and 2024-25 respectively has not been recognised in the absence of probable future taxable capital gains.

Deferred tax asset on short-term capital losses of ₹ 677 crores expiring in fiscal year 2024-25 has not been recognised in the absence of probable future taxable capital gains.

## 24. Other liabilities (Non-current)

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Employees Car Deposits | 4 | 4 |
| Advances from customer | 3,044 | 4,079 |
| **Total** | **3,048** | **4,083** |

Advance from customer includes amount outstanding relating to a five year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. for supply of Steel Products. Duferco S.A had provided an interest bearing advance amount of US $ 700 million under this agreement. The advance and interest will be adjusted by export of steel products to Duferco S.A . Current portion of ₹ 1,010 crores (31 March 2019 ₹ 763 crores) has been included in note 29.

## 25. Borrowings (current, at amortised cost)

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Working capital rupee loans from banks (secured) | 2,930 | 730 |
| Export Packing Credit in Rupee from Banks (unsecured) | - | 69 |
| Commercial papers (unsecured) | 3,883 | 4,572 |
| **Total** | **6,813** | **5,371** |

### BORROWING HAVE BEEN DRAWN AT FOLLOWING RATE OF INTEREST

₹ in crores

| Particulars | Rates of interest |
|---|---|
| Cash Credit (CC) | 8.25% p.a. to 9.25% p.a. |
| Commercial Papers (CP) | 7.20% p.a. to 8.65% p.a. |
| Export Packing Credit (EPC) | 6.40% p.a. to 7.90% p.a. |

Working capital loans of ₹ 2,930 crores (31 March 2019 ₹ 730 crores) are secured by:

i) *pari passu* first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts/receivables of the Company, both present and future.

ii) *pari passu* second charge on movable properties and immovable properties forming part of the property, plant and equipment of the Company, both present and future except such properties as may be specifically excluded.

## 26. Trade payables

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (a) Total outstanding, dues of micro and small enterprises | 56 | 31 |

**DISCLOSURE PERTAINING TO MICRO, SMALL AND MEDIUM ENTERPRISES (AS PER INFORMATION AVAILABLE WITH THE COMPANY):**

₹ in crores

| Description | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Principal amount outstanding as at end of year | 56 | 31 |
| Principal amount overdue more than 45 days | - | - |
| Interest due and unpaid as at end of year | - | - |
| Interest paid to the supplier | - | - |
| Payments made to the supplier beyond the appointed day during the year | * | - |
| Interest due and payable for the year of delay | * | - |
| Interest accrued and remaining unpaid as at end of year | - | - |
| Amount of further interest remaining due and payable in succeeding year | - | - |

*under legal evaluation

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (b) Total outstanding, dues of creditors other than micro and small enterprises | | |
| Acceptances | 8,056 | 8,937 |
| Other than acceptances | 5,242 | 4,160 |
| **Total** | **13,298** | **13,097** |

Acceptances include credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. The arrangements are interest-bearing and are payable within one year.

Payables Other than acceptances are normally settled within 180 days.

Trade payables from related parties' details has been described in note 44.

## 27. Derivative Liabilities

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Forward Contracts | 125 | - | 305 | - |
| Commodity Contracts | 61 | - | - | - |
| Interest Rate Swaps | - | 130 | 27 | - |
| Currency Options | 3 | - | - | - |
| **Total** | **189** | **130** | **332** | **-** |

## 28. Other financial liabilities (Current, at amortised cost)

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Current maturities of long-term debt (refer note 20) | 5,109 | 10,315 |
| Current maturities of finance lease obligation (refer note 20) | - | 352 |
| Current dues of other long-term liabilities(refer note 21) | 1,124 | 708 |
| Payables for capital projects | | |
| Acceptances | 2,511 | 1,252 |
| Other than Acceptances | 2,002 | 1,566 |
| Interest accrued but not due on borrowings | 633 | 424 |
| Payables to employees | 218 | 158 |
| Unclaimed Matured debentures and accrued interest thereon | - | - |
| Unclaimed dividends | 32 | 26 |
| Unclaimed amount of sale proceeds of fractional shares | 3 | 3 |
| Others | 348 | 667 |
| **Total** | **11,980** | **15,471** |

Acceptances include credit availed by the Company from Banks for payment to suppliers for capital items.

The arrangements are interest-bearing and are payable within one year.

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## 29. Other current liabilities

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Advances from customers | 1,487 | 990 |
| Statutory liabilities | 342 | 495 |
| Export obligation deferred income | 473 | 154 |
| **Total** | **2,302** | **1,639** |

Current portion of ₹ 1,010 crores (31 March 2019 ₹ 763 crores) relating to APSA. Refer note 24.

Export obligation deferred income represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment accounted for as government grant and accounted in revenue on fulfilment of export obligation.

## 30. Revenue from operations

₹ in crores

| Particulars | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **Sale of products** | | | |
| Domestic turnover | | 52,326 | 67,185 |
| Export turnover | | 9,989 | 8,025 |
| | A | 62,315 | 75,210 |
| **Other operating revenues** | | | |
| Government grant income | | | |
| Gain on fair value of deferred GST government loan | | 583 | 1,127 |
| Export obligation deferred income amortization | | 140 | 160 |
| Export benefits and entitlements income | | 297 | 242 |
| Unclaimed liabilities written back | | 144 | 263 |
| Miscellaneous income* | | 67 | 185 |
| | B | 1,231 | 1,977 |
| **Total** | A+B | 63,546 | 77,187 |
| Government grant Income -VAT/ GST Incentive relating to earlier years (refer note a) | | 466 | - |
| Fees for assignment of procurement contract (refer note b) | | 250 | - |
| **Total Revenue from operations** | | 64,262 | 77,187 |

*includes income from scrap sales, CST incentive etc.

### PRODUCT-WISE TURNOVER

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|---|---|---|---|---|
| | Tonnes | ₹ in crores | Tonnes | ₹ in crores |
| MS slabs | 2,28,336 | 756 | 3,47,603 | 1,274 |
| Hot rolled coils/steel plates/sheets | 86,52,886 | 32,995 | 87,56,033 | 39,312 |
| Galvanised coils/sheets | 4,28,848 | 2,129 | 4,63,278 | 2,527 |
| Cold rolled coils/sheets | 18,42,608 | 8,328 | 20,68,763 | 10,603 |
| Steel billets & blooms | 4,02,306 | 1,553 | 4,28,573 | 1,728 |
| Long rolled products | 35,20,862 | 14,011 | 36,91,473 | 16,742 |
| Others | - | 2,543 | | 3,024 |
| **Total** | | **62,315** | | **75,210** |

**Notes:**

**a) Incentives under the State Industrial Policy**

The Company units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible for incentives under the respective State Industrial Policy and have been availing incentives in the form of VAT deferral/CST refunds historically. The Company currently recognises income for such government grants based on the State Goods & Service Tax rates instead of VAT rates, in accordance with the relevant notifications issued by the State of Maharashtra and the State of Karnataka post implementation of Goods & Services Tax (GST).

a) During October 2019, the Company has received an in-principle approval for eligibility from the Government of Maharashtra in response to the application filed by the Company for incentive under PSI Scheme 2007 on its investment for expansion from 3.3 mtpa to 5 mtpa at Dolvi unit for the period beginning May 2016 onwards.

Accordingly, during the year Company had recognised grant income amounting to ₹ 466 crores in relation to earlier year.

b) The State Government of Maharashtra (GOM) vide its Government Resolution (GR) dated 20 December 2018 issued the modalities for sanction and disbursement of incentives, under GST regime, and introduced certain new conditions / restrictions for accruing incentive benefits granted to the Company.

The management has evaluated the impact of other conditions imposed and has obtained legal advice on the tenability of these changes in the said scheme. Based on such legal advice, the Company has also made the representation to GOM and believes that said Incentives would continue to be made available to the Company under the GST regime, since the new conditions are not tenable legally and will contest these changes appropriately.

**b)** During the year, the Company received an amount of ₹ 250 crores as consideration from a vendor for assignment of its long-term supply contract in favor of a third party with same terms and conditions over the remaining term of the contract and have accordingly recognised one-time income in relation to the same.

**c) Ind AS 115 Revenue from Contracts with Customers**

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has assessed that impact of COVID 19 on its revenue stream due to disruption in supply chain, drop in demand, termination or deferment of contracts by customers etc. and have recognised revenue only when the control over the goods or services is transferred to the customer.

The Company sales to customers was affected in the last week of March 2020 as measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses in India, resulting in an economic slowdown.

The Company has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 40):

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Revenue from contracts with customer – Sale of products (including shipping services) | 62,315 | 75,210 |
| Other operating revenue | 1,947 | 1,977 |
| **Total revenue from operations** | **64,262** | **77,187** |
| India | 54,273 | 69,162 |
| Outside India | 9,989 | 8,025 |
| **Total revenue from operations** | **64,262** | **77,187** |
| **Timing of revenue recognition** | | |
| At a point in time | 64,262 | 77,187 |
| **Total revenue from operations** | **64,262** | **77,187** |

## CONTRACT BALANCES

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Trade Receivables (refer note 14) | 3,166 | 6,770 |
| **Contract liabilities** | | |
| Advance from customers (refer note 24 and 29) | 4,531 | 5,069 |

The credit period on sales of goods ranges from 7 to 90 days with or without security.

As at 31 March 2020, ₹ 153 crores (previous ₹ 82 crores) was recognised as provision for allowance for doubtful debts on trade receivables.

Contract liabilities include long term and short term advances received for sale of goods. The outstanding balances of these accounts decreased in due to adjustment against receivable balances. Long term advances are detailed in note 24.

Amount of revenue recognised from amounts included in the contract liabilities at the beginning of the year ₹ 990 crores (previous year ₹232 crores) and performance obligations satisfied in previous years ₹ NIL (previous year ₹ NIL).

Out of the total contract liabilities outstanding as on 31 March 2020, ₹ 1,487 crores (previous ₹ 990 crores) will be recognized by 31 March 2021 and remaining thereafter.

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

### REFUND LIABILITIES

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Arising from volume rebates and discount (included in Other Financial Liabilities- note 28) | 305 | 637 |

The Company does not have any significant adjustments between the contracted price and revenue recognized in the statement of profit and loss account.

## 31. Other income

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Interest Income earned on financial assets that are not designated as FVTPL | | |
| Loans to related parties | 180 | 124 |
| Bank deposits | 305 | 14 |
| Other Interest income | 44 | 87 |
| Gain on sale of current investments designated as FVTPL | 4 | 12 |
| Fair value gain arising from financial instruments designated as FVTPL | 16 | 8 |
| Unwinding of interest on financial assets carried at amortised cost | 45 | 31 |
| Guarantees/Standby letter of credit commission | 3 | 3 |
| Dividend income from investments in subsidiaries, associates and joint ventures | 31 | 124 |
| Provision for doubtful debts/loans/advances written back (net) | - | 2 |
| Others | * | - |
| **Total** | **628** | **405** |

*₹ 0.40 crore

## 32. Changes in inventories of finished goods and work-in-progress

₹ in crores

| Particulars | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **Opening stock** | | | |
| Semi finished/finished goods | | 3,274 | 2,881 |
| Work-in-progress | | 478 | 691 |
| | **A** | **3,752** | **3,572** |
| **Closing stock** | | | |
| Semi finished/finished goods | | 3,365 | 3,274 |
| Work-in-progress | | 414 | 478 |
| | **B** | **3,779** | **3,752** |
| | **C (A-B)** | **(27)** | **(180)** |

## 33. Employee benefits expense

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Salaries and wages | 1,282 | 1,229 |
| Contribution to provident and other funds (refer note 41) | 110 | 84 |
| Expenses on employees stock ownership plan | 30 | 44 |
| Staff welfare expenses | 74 | 78 |
| **Total** | **1,496** | **1,435** |

The JSWSL Employees Samruddhi Plan 2019 (Plan) was approved by a special resolution passed by the shareholders of the Company by way of a postal ballot on 17 May 2019. The Plan was effective from 1 April 2019.

The scheme is a one-time scheme applicable only for certain permanent employees (Eligible Employee) of the Company. The Eligible Employee can purchase the Equity Shares from the open market by availing a loan provided by a bank / non-banking financial institution ("Lending Agency") identified by the Company to facilitate acquisition of Equity Shares by the Eligible Employees under the Plan. The plan provides that the Company shall service 75% of the total interest liability owed to the Lending Agency and the balance 25% will be borne by the Eligible Employee. The interest expense recognised in the financial statements during the year was ₹ 6 crores.

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## 34. Finance costs

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Interest: | | |
| Bonds and Debentures | 727 | 796 |
| Others | 2,593 | 2,150 |
| Dividend on redeemable preference shares | 12 | 41 |
| Interest on lease liabilities/finance lease obligations | 472 | 510 |
| Unwinding of interest on financial liabilities carried at amortised cost | 27 | 18 |
| Exchange differences regarded as an adjustment to borrowing costs | 89 | 143 |
| Other borrowing costs | 98 | 126 |
| Interest on Income Tax | 4 | 5 |
| **Total** | **4,022** | **3,789** |

## 35. Depreciation and amortisation expense

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Depreciation of property, plant and equipment | 2,999 | 3,395 |
| Amortisation of intangible assets | 36 | 26 |
| Depreciation of Right to use assets | 487 | - |
| **Total** | **3,522** | **3,421** |

## 36. Other expenses

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Stores and spares consumed | 3,098 | 3,590 |
| Power and fuel | 5,533 | 6,437 |
| Rent | 3 | 29 |
| Repairs and maintenance | | |
| Plant and machinery | 1,010 | 1,284 |
| Buildings | 35 | 34 |
| Others | 18 | 27 |
| Insurance | 97 | 68 |
| Rates and taxes | 142 | 63 |
| Carriage and freight | 3,354 | 3,558 |
| Jobwork and processing charges | 604 | 760 |
| Commission on sales | 28 | 29 |
| Net loss/(gain) on foreign currency transactions and translation# | 679 | 490 |
| Donations and contributions | 56 | 24 |
| CSR Expenditure | 140 | 64 |
| Fair value Loss arising from Financial instruments designated as FVTPL | 17 | 18 |
| Royalty and others – direct mining cost | 651 | 272 |
| Allowance for financial guarantee | 376 | - |
| Allowances for doubtful debts, loans and advances (net): | | |
| Allowances for doubtful debts, loans and advances | 93 | 132 |
| Reversal for allowance for doubtful loans | (326) | - |
| Loss on sale of property, plant and equipment (net) | 29 | 7 |
| Miscellaneous expenses | 1,146 | 856 |
| **Total** | **16,783** | **17,742** |

#including hedging cost of ₹ 307 crores (previous year ₹ 290 crores)

**Note:**

**a) Auditors remuneration (excluding tax) included in miscellaneous expenses:**

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Statutory audit fees (including limited reviews) | 6 | 6 |
| Tax audit fees | 1 | 1 |
| Fees for capital market transactions and other certifications* | 3 | 2 |
| Other services | # | # |
| Out of pocket expenses | # | # |
| **Total** | **10** | **9** |

#represents amounts below ₹ 0.5 crore

*Fees for capital market transactions amounting to ₹ 2 crores treated as part of upfront fees adjusted against borrowings.

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

**b) Corporate Social Responsibility (CSR)**

The Company has incurred an amount of ₹ 140 crores (31 March 2019 ₹ 64 crore) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 and is included in other expenses.

₹ in crores

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|---|---|---|---|---|
| | In Cash | Yet to be Paid in Cash | In Cash | Yet to be Paid in Cash |
| (a) Gross amount required to be spent by the Company during the year | 139 | | 64 | |
| (b) Amount spend on: | | | | |
| (i) Construction/acquisition of assets | * | - | 1 | - |
| (ii) On purposes other than (i) above (for CSR projects) | 121 | 19 | 54 | 9 |

*represents ₹ 0.14 crore

## 37. Research and development activities

Details of expenditure incurred in respect of research and development activities undertaken during the year is as follows:

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Manufacturing and other expenditure | 30 | 33 |
| Depreciation expense | 14 | 13 |
| Capital expenditure (including capital work-in-progress) | 24 | 12 |

## 38. Earnings per share (EPS)

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Profit/(Loss) attributable to equity shareholders (₹ in crores) (A) | 5,291 | 8,121 |
| **Weighted average number of equity shares for basic EPS (B)** | **2,40,21,45,868** | **2,40,46,25,681** |
| Effect of dilution: | | |
| Weighted average number of treasury shares held through ESOP trust | 1,50,74,572 | 1,25,94,759 |
| **Weighted average number of equity shares adjusted for the effect of dilution (C)** | **2,41,72,20,440** | **2,41,72,20,440** |
| Basic EPS (Amount in ₹) (A/B) | 22.03 | 33.77 |
| Diluted EPS (Amount in ₹) (A/C) | 21.89 | 33.60 |

For details regarding treasury shares held through ESOP trust (refer note 18(a)).

## 39. Employee share based payment plans

**ESOP SCHEME 2016**

The Board of Directors of the Company at its meeting held on 29 January 2016, formulated the JSWSL EMPLOYEES STOCK OWNERSHIP PLAN 2016 ("ESOP Plan"). At the said meeting, the Board authorised the ESOP Committee for the superintendence of the ESOP Plan.

ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and its' subsidiaries in India.

Three grants would be made under ESOP plan 2016 to eligible employees on the rolls of the Company as at 1 April 2016, 1 April 2017 and 1 April 2018.

During the year the Company has made supplementary grants under the JSWSL Employee stock ownership Plan 2016 to its permanent employees who are on the rolls of the Company and its Indian subsidiaries as on 5 December 2019 and the same was approved by the ESOP committee in its meeting held on 5 December 2019.

The maximum value and share options that can be awarded to eligible employees is calculated by reference to certain percentage of individuals fixed salary compensation. 50% of the grant would vest at the end of the third year and 50% of the grant would vest at the end of the fourth year with a vesting condition that the employee is in continuous employment with the Company till the date of vesting.

The exercise price is determined by the ESOP committee at a certain discount to the primary market price on the date of grant.

A total of 2,86,87,000 options are available for grant to the eligible employees of the Company and a total of 31,63,000 options would be available for grant to the eligible employees of the Indian subsidiaries of the Company under the ESOP Plan.

These options are equity settled and are accounted for in accordance with the requirement applying to equity settled transactions.

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

The details of an employee share based payments plan operated through a trust for ESOP 2016 are as follows:

| Option series | Options granted | Options vested | Grant date | Vesting period | Exercise price | Average Fair value at grant date | Method of settlement |
|---|---|---|---|---|---|---|---|
| **1st Grant** | 70,24,090 | 58,02,065 | 17 May 2016 | 17 May 2016 till 31 March 2020 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant) | 103.65 | 67.48 | Equity |
| **2nd Grant** | 48,40,425 | 20,81,697 | 16 May 2017 | 16 May 2017 till 31 March 2020 (for 50% of the grant) and 16 May 2017 to 31 March 2021 (for remaining 50% of the grant) | 161.36 | 104.04 | Equity |
| **3rd Grant** | 31,69,393 | NIL | 14 May 2018 | 14 May 2018 till 31 March 2021 (for 50% of the grant) and 14 May 2018 to 31 March 2022 (for remaining 50% of the grant) | 263.24 | 167.15 | Equity |
| **Supplementary Grant** | 1,85,595 | NIL | 5 December 2019 | up to 6 December 2020 | 207.84 | 91.07 | Equity |
| | 1,19,910 | | | up to 6 December 2020 for 50% of the options granted and upto 31 March 2021 for remaining 50% of the options granted | 207.84 | 92.55 | |
| | 55,002 | | | up to 31 March 2021 for 50% of the options granted and upto 31 March 2022 for remaining 50% of the options granted | 207.84 | 98.63 | |

The outstanding position as at 31 March 2020 is summarised below:

| Particulars | ESOP 2016 | | |
|---|---|---|---|
| | 1st Grant | 2nd Grant | 3rd Grant |
| Date of grant | | | |
| - original grant | 17 May 2016 | 16 May 2017 | 14 May 2018 |
| - supplementary grant | 5 December 2019 | 5 December 2019 | 5 December 2019 |
| Share Price on date of grant | | | |
| - original grant | 129.56 | 201.70 | 329.05 |
| - supplementary grant | 259.80 | 259.80 | 259.80 |
| Outstanding as on 1 April 2018 | 66,72,800 | 47,70,020 | - |
| Transfer in | 1,00,110 | 48,264 | 19,690 |
| Transfer Out | 4,29,270 | 2,20,726 | 13,027 |
| Granted during the period | - | - | 31,69,393 |
| Forfeited during the period | 23,640 | - | - |
| Lapsed during the period | - | - | - |
| Exercised during the period | - | - | - |
| Outstanding as on 31 March 2019 | 63,20,000 | 45,97,558 | 31,76,056 |
| Granted during the period* | 1,85,595 | 1,19,920 | 55,002 |
| Transfer in | 28,370 | 31,678 | 8,329 |
| Transfer Out | 4,18,990 | 2,78,188 | 1,93,376 |
| Forfeited during the period | 1,27,315 | 1,87,655 | 1,32,092 |
| Lapsed during the period | - | - | - |
| Exercised during the period | 8,11,215 | - | - |
| Outstanding as on 31 March 2020 | 51,76,445 | 42,83,313 | 29,13,919 |
| of above – vested outstanding options | 49,90,850 | 20,81,697 | - |
| of above – unvested outstanding options | 1,85,595 | 22,01,617 | 29,13,919 |
| Vesting Period | | | |
| - Original | 17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant) | 16 May 2017 till 31 March 2020 (for 50% of the grant) and 16 May 2017 to 31 March 2021 (for remaining 50% of the grant) | 14 May 2018/5 December 2019 till 31 March 2021 (for 50% of the grant) and 14 May 2018/5 December 2019 to 31 March 2022 (for remaining 50% of the grant) |
| - Supplementary | 5 December 2019 to 6 December 2020 for the subsequent grants | 5 December 2019 to 6 December 2020 for 50% of the options granted and upto 31st March, 2021 for remaining 50% of the options granted | |
| Exercise Period | 4 years from vesting date | 4 years from vesting date | 4 years from vesting date |

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| Particulars | ESOP 2016 | | |
|---|---|---|---|
| | 1st Grant | 2nd Grant | 3rd Grant |
| Weighted average remaining contract life | | | |
| - original grant | 42 months | 54 months | 66 months |
| - Supplementary grant | 57 months | 59 months | 66 months |
| Exercise price | | | |
| - Original grants | 103.65 | 161.36 | 263.24 |
| - Supplementary grants | 207.84 | 207.84 | 207.84 |
| Weighted average share price for shares exercised during the year | 249.05 | Not applicable | Not applicable |
| A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: | The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are: | The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are: | The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are: |
| Expected volatility | Volatility was calculated using standard deviation of daily change in stock price | Volatility was calculated using standard deviation of daily change in stock price | Volatility was calculated using standard deviation of daily change in stock price. |
| Original grants | The volatility used for valuation is 39.23 % for options with 3 years vesting and 39.62 % with 4 years vesting | The volatility used for valuation is 33.76 % for options with 3 years vesting and 37.43 % with 4 years vesting | The volatility used for valuation is 33.23 % for options with 3 years vesting and 33.28 % with 4 years vesting |
| Supplementary grants | The volatility used for valuation is 32.30 % for options with 1 year vesting | The volatility used for valuation is 32.30 % for options with 1 year vesting and 32.10% with 1.32 years vesting | The volatility used for valuation is 32.10 % for options with 1.32 years vesting and 32.21% with 2.32 years vesting |
| Expected option life | The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2 | The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2 | The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2 |
| Expected dividends | | | |
| Original grants | ₹ 1.10 per share | ₹ 0.75 per share | ₹ 2.25 per share |
| Supplementary grants | ₹ 4.10 per share | ₹ 4.10 per share | ₹ 4.10 per share |
| Risk-free interest rate | Zero coupon sovereign bond yields were utilised with maturity equal to expected term of the option | Zero coupon sovereign bond yields were utilised with maturity equal to expected term of the option | Zero coupon sovereign bond yields were utilised with maturity equal to expected term of the option |
| Original grants | The rate used for calculation is 7.36% (for 3 years vesting) & 7.44% (for 4 years vesting) | The rate used for calculation is 6.87% (for 3 years vesting) & 6.96% (for 4 years vesting) | The rate used for calculation is 7.85% (for 3 years vesting) & 7.92% (for 4 years vesting) |
| Supplementary grants | The rate used for calculation is 5.67% (for 1 year vesting) | The rate used for calculation is 5.67% (for 1 year vesting) & 5.76% (for 1.32 years vesting) | The rate used for calculation is 5.76% (for 1.32 years vesting) & 6.02% (for 2.32 years vesting) |
| The method used and the assumptions made to incorporate the effects of expected early exercise | Black-Scholes Options pricing model | Black-Scholes Options pricing model | Black-Scholes Options pricing model |
| How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility | The following factors have been considered:<br>(a) Share price<br>(b) Exercise prices<br>(c) Historical volatility<br>(d) Expected option life<br>(e) Dividend Yield | | |
| Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition | | | |

*as part of supplementary grants

## 40. Segment reporting

The Company is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker for assessment of Company's performance and resource allocation.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below

### a) REVENUE FROM OPERATIONS

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Domestic | 54,273 | 69,162 |
| Export | 9,989 | 8,025 |
| **Total** | **64,262** | **77,187** |

Revenue from operations have been allocated on the basis of location of customers.

### b) NON-CURRENT ASSETS

All non-current assets other than financial instruments of the Company are located in India.

### c) CUSTOMER CONTRIBUTING MORE THAN 10% OF REVENUE

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| JSW Steel Coated Products Limited | 8,635 | 10,128 |

## 41. Employee benefits

### a) DEFINED CONTRIBUTION PLAN

The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs.

Company's contribution to provident fund & family pension scheme recognised in statement of profit and loss of ₹ 57 crores (31 March 2019: ₹ 49 crores) (included in note 33).

Contribution towards Company owned trust is detailed in Defined benefit plans

### b) DEFINED BENEFIT PLANS

The Company sponsors funded defined benefit plans for all qualifying employees. The level of benefits provided depends on the member's length of service and salary at retirement age.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days' salary for each year of service until the retirement age of 58, 60 and 62, without any payment ceiling. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The fund is managed by JSW Steel limited Employee Gratuity Trust and it is governed by the Board of trustees. The Board of trustees are responsible for the administration of the plan assets and for defining the investment strategy.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Government securities and debt instruments. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the value of the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

No other post-retirement benefits are provided to these employees.

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2020 by Independent, Qualified Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

### (i) Gratuity:

₹ in crores

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 | |
|---|---|---|---|
| | Funded | Funded | Unfunded |
| **a) Liability recognised in the balance sheet** | | | |
| **i) Present value of obligation** | | | |
| Opening balance | **243** | **205** | **2** |
| Service cost | **16** | 14 | # |
| Interest cost | **18** | 16 | # |
| Actuarial loss on obligation | **19** | 15 | # |
| Benefits paid | **(10)** | (10) | - |
| Liability in | **#** | 3 | - |
| Liability transfer | **-** | (2) | - |
| Closing balance | **286** | **241** | **2** |
| **Less:** | | | |
| **ii) Fair value of plan assets** | | | |
| Opening balance | **77** | 74 | |
| Interest Income | **5** | 6 | |
| Actuarial (loss)/gain on plan assets | **#** | # | |
| Employers' contribution | **-** | 3 | |
| Benefits paid | **(7)** | (6) | |
| Closing balance | **75** | **77** | |
| Amount recognised in balance sheet (refer note 22) | **211** | **164** | **2** |
| **b) Expenses recognised in statement of profit and loss** | | | |
| Service cost | **16** | 14 | |
| Interest cost | **18** | 16 | |
| Expected return on plan assets | **(5)** | (5) | |
| **Component of defined benefit cost recognised in statement of profit and loss** | **29** | **25** | **-** |
| **Remeasurement of net defined benefit liability** | | | |
| - Actuarial (gain)/loss on defined benefit obligation | **19** | 15 | # |
| - Return on plan assets (excluding interest income) | **#** | # | |
| **Component of defined benefit cost recognised in other comprehensive income** | **19** | **15** | **#** |
| Transferred to preoperative expenses | **#** | (2) | - |
| **Total** | **48** | **38** | **#** |
| **c) Actual return on plan assets** | **5** | **6** | **-** |
| **d) Break up of plan assets:** | | | |
| (i) ICICI Prudential Life Insurance Co. Limited (ICICI) | | | |
| Balanced fund | **3** | 3 | |
| Debt fund | **3** | # | |
| Short-term debt fund | **#** | # | |
| Group Short Term Debt Fund III | **-** | 3 | |
| (ii) HDFC Standard Life Insurance Co. Limited (HDFC) | | | |
| Defensive managed fund | **#** | # | |
| Secure managed fund | **7** | 6 | |
| Stable managed fund | **-** | # | |
| (iii) SBI Life Insurance Co. Limited – Cap assured fund (SBI) | **44** | 47 | |
| (iv) LIC of India – Insurer managed fund (LIC) | **17** | 18 | |
| **Total** | **75** | **77** | |

# represents amounts below ₹ 0.5 crores

During the year, entire unfunded liabilities have been funded.

**e) Principal actuarial assumptions:**

₹ in crores

| | Valuation as at 31 March 2020 | Valuation as at 31 March 2019 | |
|---|---|---|---|
| | Funded | Funded | Unfunded |
| Discount rate | **6.84%** | **7.79%** | **7.79% -7.88%** |
| Expected rate(s) of salary increase | **6%** | 6% | 6% |
| Expected return on plan assets | **6.84%** | 7.79% | - |
| Attrition rate | **2%** | 2% | 2% |
| Mortality rate during employment | Indian assured lives mortality (2006-2008) | | |

**f) Experience adjustments:**

₹ in crores

| Particulars | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 |
|---|---|---|---|---|---|
| Defined benefit obligation | 286 | 243 | 196 | 175 | 143 |
| Plan assets | 75 | 77 | 65 | 53 | 50 |
| Surplus/(deficit) | (211) | (166) | (131) | (122) | (93) |
| Experience adjustments on plan liabilities – Loss/(gain) | 19 | 15 | 3 | 17 | 3 |
| Experience adjustments on plan assets – Gain/(loss) | # | # | # | # | # |

# represents amounts below ₹ 0.50 crore

**g)** The Company expects to contribute ₹ 39 crores (previous year ₹ 37 crores) to its gratuity plan for the next year.

**h)** The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2019: 10 years).

**i)** In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

**j)** Expected return on plan assets is based on expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

**k)** The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**l)** The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plan is as follows:

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Defined benefit obligation | 286 | 243 |
| Plan assets | 75 | 77 |
| **- net liability/(asset) arising from defined benefit obligation** | **211** | **166** |

### Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and attrition. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (23) | 26 | (19) | 22 |
| Future salary growth (1% movement) | 26 | (23) | 22 | (19) |
| Attrition rate (1% movement) | 2 | (2) | 3 | (3) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### Fund Allocation

| Particulars | SBI | HDFC | ICICI | LIC |
|---|---|---|---|---|
| **As on 31 March 2020** | **58.69%** | **9.83%** | **8.39%** | **23.09%** |
| As on 31 March 2019 | 60.79% | 8.50% | 7.57% | 23.14% |

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

### Category of assets average percentage allocation fund wise as on 31 March 2020

| Particulars | SBI | HDFC | ICICI | LIC |
|---|---|---|---|---|
| Government securities | - | 44.57% | 34.14% | 20% |
| Debt | 92.51% | 51.43% | 51.81% | Balance invested in approved investments as specified in schedule 1 of IRDA guidelines |
| Equity | 6.39% | 0.14% | 8.12% | |
| Others | 1.10% | 3.85% | 5.93% | |

### Maturity analysis of projected benefit obligation

₹ in crores

| Particulars | Less than a year | Between 1 to 5 years | Over 5 years | Total |
|---|---|---|---|---|
| **As at 31 March 2020** | | | | |
| Projected benefit payable | 23 | 81 | 487 | 591 |
| As at 31 March 2019 | | | | |
| Projected benefit payable | 19 | 67 | 451 | 537 |

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles.

**(ii) Provident fund:**

Provident Fund for certain eligible employees is managed by the Company through JSW Steel Employees Provident Fund Trust, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The Company makes monthly contributions to provident fund managed by trust for qualifying employees. The Trustees of JSW Steel Employees Provident Fund Trust are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and the relevant provisions prescribed under the law.

The members of the Provident Fund Trust are entitled to the rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The shortfall, if any, is made good by the Company in the year in which it arises.

As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the Company as at 31 March 2020 is 8.50%.

Out of the total contribution made for Provident Fund in Defined Contribution Plan, ₹ 27 crores (previous year ₹ 20 crores) is made to the JSW Steel Employees Provident Fund Trust.

The funds of the Trust have been invested under various securities in accordance with the rules prescribed by the Government of India.

The Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and interest rate guarantee shortfall of ₹ 4 crores (Previous year – ₹ 1 crore) is recognised in the Statement of Profit and Loss.

**Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:**

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Total plan assets @ | 588 | 505 |
| Total plan liabilities @ | 593 | 499 |
| Discount rate | 6.84% | 7.79% |
| Rate of return on assets | 8.49% | 8.55% |
| Guaranteed rate of return | 8.50% | 8.65% |

@ JSW Steel Employees Provident Fund Trust as at 31 March 2020 as per the unaudited financial statements

**(iii) Other long-term benefits:**

**(a)** Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. Employee are entitled to encash leave while serving in the Company at the rate of daily salary, as per current accumulation of leave days.

**(b) Long Service Award**

The Company has a policy to recognise the long service rendered by employees and celebrate their long association with the Company. This scheme is called – Long Association of Motivation, Harmony & Excitement(LAMHE). The award is paid at milestone service completion years of 10, 15, 20 and 25 years.

## 42. Financial Instruments

### 42.1 CAPITAL RISK MANAGEMENT

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Long-term borrowings | 39,247 | 27,666 |
| Current maturities of long-term debt | 5,109 | 10,315 |
| Current maturities of finance lease obligation | - | 352 |
| Short-term borrowings | 6,813 | 5,371 |
| Less: Cash and cash equivalent | (3,438) | (5,366) |
| Less: Bank balances other than cash and cash equivalents | (7,963) | (447) |
| **Net debt** | **39,768** | **37,891** |
| **Total equity** | **38,362** | **34,893** |
| **Gearing ratio** | **1.04** | **1.09** |

(i) Equity includes all capital and reserves of the Company that are managed as capital.

(ii) Debt is defined as long and short term borrowings (excluding derivatives and financial guarantee contracts), as described in notes 20 and 25.

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## 42.2 CATEGORIES OF FINANCIAL INSTRUMENTS

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

### As at 31 March 2020

₹ in crores

| Particulars | Amortised cost | Fair value through other comprehensive income | Fair value through profit and loss | Derivatives in hedging relationship | Total carrying value | Total fair value |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Investments | 417 | 378 | 447 | - | 1,242 | 1,250 |
| Trade receivables | 3,166 | - | - | - | 3,166 | 3,166 |
| Cash and cash equivalents | 3,438 | - | - | - | 3,438 | 3,438 |
| Bank balances other than cash and cash equivalents | 7,963 | - | - | - | 7,963 | 7,963 |
| Loans | 9,026 | - | - | - | 9,026 | 9,026 |
| Derivative Assets | - | - | 275 | - | 275 | 275 |
| Other financial assets | 3,356 | - | - | - | 3,356 | 3,356 |
| **Total** | **27,366** | **378** | **722** | **-** | **28,466** | **28,474** |
| **Financial liabilities** | | | | | | |
| Long term Borrowings* | 44,356 | - | - | - | 44,356 | 45,039 |
| Lease Liabilities | 3,489 | - | - | - | 3,489 | 3,720 |
| Short-term Borrowings | 6,813 | - | - | - | 6,813 | 6,813 |
| Trade payables | 13,354 | - | - | - | 13,354 | 13,354 |
| Derivative liabilities | - | - | 78 | 241 | 319 | 319 |
| Other financial liabilities | 8,179 | - | - | - | 8,179 | 8,179 |
| **Total** | **76,191** | **-** | **78** | **241** | **76,510** | **77,193** |

* including current maturities of long-term debt

### As at 31 March 2019

₹ in crores

| Particulars | Amortised cost | Fair value through other comprehensive income | Fair value through profit and loss | Derivatives in hedging relationship | Total carrying value | Total fair value |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Investments | 374 | 633 | 410 | - | 1,417 | 1,418 |
| Trade receivables | 6,770 | - | - | - | 6,770 | 6,770 |
| Cash and cash equivalents | 5,366 | - | - | - | 5,366 | 5,366 |
| Bank balances other than cash and cash equivalents | 447 | - | - | - | 447 | 447 |
| Loans | 7,811 | - | - | - | 7,811 | 7,811 |
| Derivative Assets | # | - | 148 | 81 | 229 | 229 |
| **Other financial assets** | 2,692 | - | - | - | 2,692 | 2,692 |
| **Total** | **23,460** | **633** | **558** | **81** | **24,732** | **24,732** |
| Financial liabilities | | | | | | |
| Long-term borrowings * | 38,333 | - | - | - | 38,333 | 39,120 |
| Short-term borrowings | 5,371 | - | - | - | 5,371 | 5,371 |
| Trade payables | 13,128 | - | - | - | 13,128 | 13,128 |
| Derivative liabilities | - | - | 296 | 36 | 332 | 332 |
| Other financial liabilities | 5,834 | - | - | - | 5,834 | 5,834 |
| **Total** | **62,666** | **-** | **296** | **36** | **62,998** | **63,785** |

* including current maturities of long-term debt and finance lease obligations

# represents amounts below ₹ 0.5 crore

## 43. Fair value hierarchy of financial instruments

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short-term nature.

A significant part of the financial assets is classified as Level 1 and Level 2. The fair value of these assets is marked to an active market or based on observable market data which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in equity instruments, debt securities and derivatives, accordingly, any material volatility is not expected.

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 | Level | Valuation techniques and key inputs |
|---|---|---|---|---|
| Quoted investments in equity shares measured at FVTOCI | **364** | 619 | 1 | Quoted bid prices in an active market |
| Unquoted investments in equity shares measured at FVTOCI | **9** | 9 | 3 | Net Asset value of share arrived has been considered as fair value |
| Unquoted investments in equity shares measured at FVTOCI | **5** | 5 | 3 | Cost is approximate estimate of fair value |
| Non-current investments in unquoted compulsory convertible debentures measured at FVTPL | **59** | - | 2 | Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). |
| Non-current investments in unquoted preference shares measured at FVTPL | **388** | 410 | 3 | Discounted cash flow - Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks |
| Derivative Assets | **275** | 229 | 2 | Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). |
| Derivative Liabilities | **319** | 332 | | |

## SENSITIVITY ANALYSIS OF LEVEL 3:

| Particulars | Valuation technique | Significant unobservable inputs | Change | Sensitivity of the input to fair value |
|---|---|---|---|---|
| Investments in unquoted Preference shares | DCF method | Discounting Rate of 8.85 % | 0.50% | 0.50% Increase (decrease) in the discount would decrease (increase) the fair value by ₹ 5 crores (₹ 5 crores) |
| Investments in unquoted equity shares | NAV method | Cost is approximate estimate of fair value | - | No sensitivity in the fair value of the investments. |

## RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENT

₹ in crores

| Particulars | Amount |
|---|---|
| **Balance as at 1 April 2018** | **358** |
| Additions made during the period | **103** |
| Allowance for loss | **(2)** |
| Gain recognised in the statement of profit and loss | **(35)** |
| **Balance as at 31 March 2019** | **424** |
| Additions made during the period | **2** |
| Allowance for loss | **(40)** |
| Gain recognised in the statement of profit and loss | **16** |
| **Balance as at 31 March 2020** | **402** |

## DETAILS OF FINANCIAL ASSETS/LIABILITIES MEASURED AT AMORTISED COST BUT FAIR VALUE DISCLOSED IN CATEGORY-WISE

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 | Level | Valuation techniques and key inputs |
|---|---|---|---|---|
| **Loans** | | | | Discounted cash flow on observable Future cash flows are based on terms of discounted at a rate that reflects market risks |
| Carrying value | **9,026** | 7,811 | 2 | |
| Fair value | **9,026** | 7,811 | | |
| **Investments** | | | | Discounted cash flow on observable Future cash flows are based on terms of discounted at a rate that reflects market risks |
| Carrying value | **417** | 374 | 2 | |
| Fair value | **425** | 375 | | |
| **Long Term Borrowing** | | | | Discounted cash flow on observable Future cash flows are based on terms of discounted at a rate that reflects market risks |
| Carrying value | **44,356** | 38,333 | 2 | |
| Fair value | **45,039** | 39,120 | | |

There have been no transfers between Level 1 and Level 2 during the period.

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

The Asset and Liability position of various outstanding derivative financial instruments is given below:

₹ in crores

| Particulars | Underlying | Nature of Risk being Hedged | 31-Mar-20 | | | 31-Mar-19 | | |
|---|---|---|---|---|---|---|---|---|
| | | | Asset | Liability | Net Fair Value | Asset | Liability | Net Fair Value |
| **Cash Flow Hedges** | | | | | | | | |
| **Designated & Effective Hedges** | | | | | | | | |
| Forwards Currency Contracts | Highly probable Forecast Sales | Exchange rate movement risk | - | (49) | (49) | 59 | - | 59 |
| Interest rate Swap | Long-term Foreign currency borrowings | Interest rate Risk | - | (130) | (130) | 20 | (27) | (7) |
| Commodity Contract | | Price Risk | - | (61) | (61) | 6 | - | 6 |
| **Designated & Ineffective hedges** | | | | | | | | |
| Forwards Currency Contracts | Highly probable Forecast Sales | Exchange rate movement risk | - | (33) | (33) | 100 | - | 100 |
| **Fair Value Hedges** | | | | | | | | |
| **Designated Hedges** | | | | | | | | |
| Forwards Currency Contracts | Highly probable Forecast Sales | Exchange rate movement risk | 213 | (3) | 210 | 4 | (304) | (300) |
| **Non-Designated Hedges** | | | | | | | | |
| Forwards Currency Contracts | Trade payables & Acceptance | Exchange rate movement risk | 16 | (0) | 16 | - | - | - |
| Forwards Currency Contracts | Long-term Foreign currency borrowings | Exchange rate movement risk | - | (1) | (1) | - | - | - |
| Forwards Currency Contracts | Loans and advance | Exchange rate movement risk | - | (37) | (37) | - | - | - |
| Interest rate Swap | Long-term Foreign currency borrowings | Interest rate Risk | 1 | - | 1 | - | - | - |
| Options Contract | Trade payables & Acceptance | Exchange rate movement risk | 15 | (3) | 12 | 1 | (0) | 1 |
| | | | 245 | (317) | (72) | 190 | (331) | (141) |
| Cancellation of forwards Contracts | | | 30 | (2) | 28 | 39 | (1) | 38 |
| **Total** | | | 275 | (319) | (44) | 229 | (332) | (103) |

### DETAILS OF NON-DERIVATIVE FINANCIAL INSTRUMENTS DESIGNATED AS HEDGING INSTRUMENTS DURING THE YEAR:

| Cash Flow hedges | 31 March 2020 | |
|---|---|---|
| | Value in USD Mio | Fair Value ₹ in Crs |
| Long term borrowings | 638 | (333) |
| Acceptances | 328 | (118) |
| | 966 | (451) |

### 43.1 FINANCIAL RISK MANAGEMENT

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

## 43.2 MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimise the effects of these risks by using derivative and non-derivative financial instruments to hedge risk exposures. The use of financial derivatives and non-derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

## 43.3 FOREIGN CURRENCY RISK MANAGEMENT

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency.

In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts, options and other non-derivative financial instruments like long-term foreign currency borrowings and acceptances. At any point in time, the Company hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months using derivative instruments. Forecasted sales beyond the period of 6 months are hedged using non-derivative financial instruments basis the tenure of the specific long term foreign currency borrowings. In respect of imports and other payables, the Company hedges its payables as when the exposure arises. Short term exposures are hedged progressively based on their maturity.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The Company basis its assessment believes that the probability of the occurrence of the forecasted sales transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting year are as follows:

### Currency exposure as at 31 March 2020

₹ in crores

| Particulars | USD | EURO | INR | JPY | Other | Total |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Non-current investments | - | 217 | 1,025 | - | - | 1,242 |
| Loans | 7,848 | 85 | 1,080 | - | 13 | 9,026 |
| Trade receivables | 263 | 21 | 2,882 | - | - | 3,166 |
| Cash and cash equivalents | - | - | 3,438 | - | - | 3,438 |
| Bank balances other than cash and cash equivalents | - | - | 7,963 | - | - | 7,963 |
| Derivative assets | 275 | - | - | - | - | 275 |
| Other financial assets | 202 | 2 | 3,152 | - | - | 3,356 |
| **Total financial assets** | **8,588** | **325** | **19,540** | **-** | **13** | **28,466** |
| **Financial liabilities** | | | | | | |
| Long-term borrowings | 21,686 | 929 | 16,099 | 533 | - | 39,247 |
| Lease liabilities | - | - | 3,489 | - | - | 3,489 |
| Short-term borrowings | - | - | 6,813 | - | - | 6,813 |
| Trade payables | 8,607 | 40 | 4,674 | 31 | 2 | 13,354 |
| Derivative liabilities | 319 | - | - | - | - | 319 |
| Other financial liabilities | 4,588 | 2,061 | 6,342 | 234 | 63 | 13,288 |
| **Total financial liabilities** | **35,200** | **3,030** | **37,417** | **798** | **65** | **76,510** |

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

### Currency exposure as at 31 March 2019

₹ in crores

| Particulars | USD | EURO | INR | JPY | Other | Total |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Non-current investments | - | 254 | 1,163 | - | - | 1,417 |
| Loans | 7,253 | 2 | 546 | - | 10 | 7,811 |
| Trade receivables | 808 | 272 | 5,690 | - | - | 6,770 |
| Cash and cash equivalents | - | - | 5,366 | - | - | 5,366 |
| Bank balances other than cash and cash equivalents | - | - | 447 | - | - | 447 |
| Derivative Assets | 228 | - | 1 | - | - | 229 |
| Other financial assets | 637 | - | 2,055 | - | - | 2,692 |
| **Total financial assets** | **8,926** | **528** | **15,268** | **-** | **10** | **24,732** |
| **Financial liabilities** | | | | | | |
| Long-term borrowings | 11,298 | 268 | 15,686 | 414 | - | 27,666 |
| Short-term borrowings | - | - | 5,371 | - | - | 5,371 |
| Trade payables | 9,831 | 71 | 3,193 | 32 | 1 | 13,128 |
| Derivative liabilities | 332 | - | - | - | - | 332 |
| Other financial liabilities | 6,961 | 1,502 | 7,554 | 463 | 21 | 16,501 |
| **Total financial liabilities** | **28,422** | **1,841** | **31,804** | **909** | **22** | **62,998** |

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

₹ in crores

| Particulars | Increase (strengthening of INR) | | Decrease (weakening of INR) | |
|---|---|---|---|---|
| | **31 March 2020** | 31 March 2019 | **31 March 2020** | 31 March 2019 |
| **Receivable** | | | | |
| USD/INR | **(70)** | (90) | **70** | 90 |
| **Payable** | | | | |
| USD/INR | **274** | 208 | **(274)** | (208) |

The forward exchange contracts entered into by the Company and outstanding are as under:

| As at | Nature | No. of Contracts | Type | US$ Equivalent (Millions) | INR Equivalent (crores) | MTM of Option (₹ in crores) |
|---|---|---|---|---|---|---|
| 31 March 2020 | **Assets** | **125** | **Buy** | **886** | **6,683** | **229** |
| | | **-** | **Sell** | **-** | **-** | **-** |
| | **Liabilities** | **10** | **Buy** | **118** | **886** | **(4)** |
| | | **27** | **Sell** | **398** | **3,003** | **(119)** |
| 31 March 2019 | Assets | 20 | Buy | 190 | 1,311 | 4 |
| | | 48 | Sell | 503 | 3,481 | 159 |
| | Liabilities | 125 | Buy | 1,207 | 8,351 | (304) |
| | | 0 | Sell | - | - | - |

Currency options to hedge against fluctuations in changes in exchange rate:

| As at | Nature | No. of Contracts | US$ Equivalent (Millions) | INR Equivalent (crores) | MTM (₹ in crores) |
|---|---|---|---|---|---|
| 31 March 2020 | **Assets** | **20** | **317** | **2,390** | **15** |
| | **Liabilities** | **1** | **15** | **113** | **(3)** |
| 31 March 2019 | Assets | 3 | 40 | 277 | 1 |
| | Liabilities | 1 | 10 | 69 | (0) |

**Unhedged currency risk position:**

**I) Amounts receivable in foreign currency**

| | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | US$ equivalent (Millions) | INR Equivalent (crores) | US$ equivalent (Millions) | INR Equivalent (crores) |
| Trade receivables | 38 | 284 | 156 | 1080 |
| Balances with banks | - | - | | |
| - in Fixed deposit account | - | - | - | - |
| - in Current account | - | - | - | - |
| Advances/Loans to subsidiaries | 894 | 6,736 | 1,142 | 7,902 |

**II) Amounts payable in foreign currency**

| | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | US$ equivalent (Millions) | INR Equivalent (crores) | US$ equivalent (Millions) | INR Equivalent (crores) |
| Loans payable | 3,352 | 25,266 | 2,467 | 17,579 |
| Acceptances | - | - | 21 | 147 |
| Trade payables | - | - | 7 | 47 |
| Payable for capital projects | 332 | 2,502 | 334 | 2,307 |
| Interest accrued but not due on borrowings | 59 | 446 | 38 | 265 |
| Other provisions | 116 | 871 | 75 | 516 |

## 43.4 COMMODITY PRICE RISK:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company is subject to fluctuations in prices for the purchase of iron ore, coking coal, ferro alloys, zinc, scrap and other raw material inputs. The Company purchased primarily all of its iron ore and coal requirements at prevailing market rates during the year ended 31 March 2020.

The Company aims to sell the products at prevailing market prices. Similarly, the Company procures key raw materials like iron ore and coal based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.

Commodity hedging is used primarily as a risk management tool to secure the future cash flows in case of volatility by entering into commodity forward contracts.

Hedging commodity is based on its procurement schedule and price risk. Commodity hedging is undertaken as a risk offsetting exercise and, depending upon market conditions hedges, may extend beyond the financial year. The Company is presently hedging maximum up to 100% of its consumption.

The following table details the Company's sensitivity to a 5% movement in the input price of iron ore and coking coal. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5% and vice-versa.

₹ in crores

| Commodity | Increase for the year ended | | Decrease for the year ended | |
|---|---|---|---|---|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Iron ore lumps/fines | 514 | 611 | (514) | (611) |
| Coal/Coke | 920 | 1,178 | (920) | (1,178) |

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The commodity forward contracts entered into by the Company and outstanding at the year-end are as under:

| As at | Nature | No. of Contracts | Commodity Name | Quantity (Iron Ore, Coking Coal – MT) (Brent Crude – Mio Barrels) | US$ Equivalent of notional value (Millions) | INR equivalent (crores) | MTM of Commodity contract (₹ in crores) |
|---|---|---|---|---|---|---|---|
| **31 March 2020** | **Assets** | | | | | | |
| | **Liabilities** | **20** | **Liquified Natural Gas** | **9,702,000** | **37** | **281** | **(56)** |
| **31 March 2019** | Assets | 1 | BRENT CRUDE | 45,000 | 2 | 17 | 4 |
| | Liabilities | | | | | | |

The commodity option contracts entered into by the Company and outstanding at the year-end are as under:

| As at | Nature | No. of Contracts | Commodity Name | US$ Equivalent of notional value (Millions) | INR equivalent (crores) | MTM of Commodity contract (₹ in crores) |
|---|---|---|---|---|---|---|
| **31 March 2020** | **Assets** | | | | | |
| **31 March 2019** | Assets | 6 | COKING COAL | 9 | 65 | # |

# represents amounts below ₹ 0.5 crore

### 43.5 INTEREST RATE RISK

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 both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Company hedges up to 20% of interest risk in US dollars. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short-term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Fixed rate borrowings | **20,459** | 20,231 |
| Floating rate borrowings | **24,209** | 18,310 |
| **Total gross borrowings** | **44,668** | **38,541** |
| Less: Upfront fees | **(312)** | (208) |
| **Total borrowings (refer note 20)** | **44,356** | **38,333** |

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31 March 2020 would decrease/increase by ₹ 242 crores (for the year ended 31 March 2019: decrease/increase by ₹ 183 crores). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

The following table details the nominal amounts and remaining terms of interest rate swap contracts outstanding at the year-end.

| As at | Nature | No. of Contracts | US$ Equivalent of notional value (Millions) | MTM of IRS (₹ in crores) |
|---|---|---|---|---|
| 31 March 2020 | **Assets** | **3** | **60** | **1** |
| | **Liabilities** | **22** | **335** | **(130)** |
| 31 March 2019 | Assets | 13 | 220 | 20 |
| | Liabilities | 15 | 245 | (27) |

## 43.6 CREDIT RISK MANAGEMENT:

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets, financial guarantees and derivative financial instruments. The Company has assessed the change in counterparty credit risk due to COVID 19 and believe that the same are fully recoverable.

Moreover, given the diverse nature of the Company's business trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer (other than the Group Companies) accounted for 10% or more of the trade receivables in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties. In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. The assessment is carried out considering the segment of customer, impact seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable. Basis this assessment, the allowance for doubtful trade receivables as at 31 March 2020 is considered adequate.

**Movements in allowances for bad and doubtful debts**

₹ in crores

| Particulars | Amount |
|---|---|
| **As at 1 April 2018** | **78** |
| Additional Allowance | **4** |
| **As at 31 March 2019** | **82** |
| Additional Allowance | **71** |
| **As at 31 March 2020** | **153** |

For current investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Company's mutual fund and bond investments. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 28,466 crores as at 31 March 2020 and ₹ 24,732 crores as at 31 March 2019, being the total carrying value of trade receivables, balances with bank, bank deposits, current investments, loans and other financial assets.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. The Company based on past experiences does not expect any material loss on its receivables and hence no provision is deemed necessary on account of expected credit loss ('ECL').

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach (i.e. lifetime expected credit loss model) for impairment of trade receivables/contract assets. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

For all other financial assets, if credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used.

## 43.7 LIQUIDITY RISK MANAGEMENT

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity

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## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment Years and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting year. The contractual maturity is based on the earliest date on which the Company may be required to pay.

### Liquidity exposure as at 31 March 2020

₹ in crores

| Particulars | 〈 1 year | 1-5 years | 〉5 years | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Non-current investments | - | 67 | 1,175 | 1,242 |
| Loans | 321 | 8,680 | 25 | 9,026 |
| Trade receivables | 3,166 | - | - | 3,166 |
| Cash and cash equivalents | 3,438 | - | - | 3,438 |
| Bank balances other than cash and cash equivalents | 7,963 | - | - | 7,963 |
| Derivative assets | 275 | - | - | 275 |
| Other financial assets | 2,794 | 562 | - | 3,356 |
| **Total financial assets** | 17,957 | 9,309 | 1,200 | 28,466 |
| **Financial liabilities** | | | | |
| Long-term borrowings | - | 30,179 | 9,068 | 39,247 |
| Lease liabilities | 773 | 2,142 | 574 | 3,489 |
| Short-term borrowings | 6,813 | - | - | 6,813 |
| Trade payables | 13,354 | - | - | 13,354 |
| Derivative liabilities | 189 | 130 | - | 319 |
| Other financial liabilities | 11,979 | 1,302 | 7 | 13,288 |
| **Total financial liabilities** | 33,108 | 33,815 | 9,587 | 76,510 |
| Interest pay out liability | 2,240 | 6,326 | 1,236 | 9,802 |

### Liquidity exposure as at 31 March 2019

₹ in crores

| Particulars | 〈 1 year | 1-5 years | 〉5 years | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Non-current investments | - | # | 1,417 | 1,417 |
| Loans | 136 | 7,640 | 35 | 7,811 |
| Trade receivables | 6,770 | - | - | 6,770 |
| Cash and cash equivalents | 5,366 | - | - | 5,366 |
| Bank balances other than cash and cash equivalents | 447 | 0 | - | 447 |
| Derivative Assets | 229 | - | - | 229 |
| Other financial assets | 2,069 | 390 | 233 | 2,692 |
| **Total financial assets** | 15,017 | 8,030 | 1,685 | 24,732 |
| **Financial liabilities** | | | | |
| Long-term borrowings | 366 | 22,386 | 4,914 | 27,666 |
| Short-term borrowings | 5,371 | - | - | 5,371 |
| Trade payables | 13,128 | - | - | 13,128 |
| Derivative Liabilities | 332 | - | - | 332 |
| Other financial liabilities | 15,471 | 1,023 | 7 | 16,501 |
| **Total financial liabilities** | 34,668 | 23,409 | 4,921 | 62,998 |
| Interest pay out liability | 3,511 | 4,393 | 241 | 8,145 |

# represents amounts below ₹ 0.5 crores

The amount of guarantees/standby letter of credit given on behalf of subsidiaries included in Note 46 represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting year, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

### Collateral

The Company has pledged part of its trade receivables, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered. (Refer note 20 and 25).

## 44. Related party disclosures as per Ind AS 24 :

| A. | **Name of related parties** |
|---|---|
| 1 | **Subsidiaries** |
| | JSW Steel (Netherlands) B.V. |
| | JSW Steel (UK) Limited |
| | JSW Steel (USA) Inc. |
| | Periama Holdings, LLC |
| | Purest Energy, LLC |
| | Meadow Creek Minerals, LLC |
| | Hutchinson Minerals, LLC |
| | R.C. Minerals, LLC |
| | Keenan Minerals, LLC |
| | Peace Leasing, LLC |
| | Prime Coal, LLC |
| | Planck Holdings, LLC |
| | Rolling S Augering, LLC |
| | Periama Handling, LLC |
| | Lower Hutchinson Minerals, LLC |
| | Caretta Minerals, LLC |
| | JSW Panama Holdings Corporation |
| | Inversiones Eurosh Limitada |
| | Santa Fe Mining |
| | Santa Fe Puerto S.A. |
| | JSW Natural Resources Limited |
| | JSW Natural Resources Mozambique Limitada |
| | JSW ADMS Carvo Lda |
| | Nippon Ispat Singapore (PTE) Limited |
| | Erebus Limited |
| | Arima Holding Limited |
| | Lakeland Securities Limited |
| | JSW Steel Processing Centres Limited (merged with JSW Steel Limited w.e.f. 01.04.2019) |
| | JSW Bengal Steel Limited |
| | JSW Natural Resources India Limited |
| | JSW Energy (Bengal) Limited |
| | JSW Natural Resource Bengal Limited |
| | JSW Jharkhand Steel Limited |
| | Amba River Coke Limited |
| | JSW Steel Coated Products Limited |
| | Peddar Realty Private Limited |
| | JSW Steel (Salav) Limited (merged with JSW Steel Limited w.e.f. 01.04.2019) |
| | Dolvi Minerals & Metals Private Limited (merged with JSW Steel Limited w.e.f. 01.04.2019) |
| | Dolvi Coke Projects Limited (merged with JSW Steel Limited w.e.f. 01.04.2019) |
| | JSW Industrial Gases Private Limited |
| | JSW Realty & Infrastructure Private Limited |
| | JSW Steel Italy S.r.l. |
| | JSW Utkal Steel Limited |
| | Hasaud Steel Limited |
| | Creixent Special Steels Limited (ceased w.e.f. 27.08.2018) |
| | Milloret Steel Limited (ceased w.e.f. 31.08.2018) |
| | Acero Junction Holdings, Inc. (w.e.f. 15.06.2018) |
| | JSW Steel USA Ohio, Inc. (w.e.f. 15.06.2018) |
| | JSW Steel Italy Piombino S.p.A. (formerly known as Aferpi S.p.A.) (w.e.f. 24.07.2018) |
| | Piombino Logistics S.p.A.- A JSW Enterprise (formerly known as Piombino Logistics S.p.A.) (w.e.f. 24.07.2018) |
| | GSI Lucchini S.p.A. (w.e.f. 24.07.2018) |
| | JSW Retail Limited (w.e.f. 20.09.2018) |
| | Makler Private Limited (w.e.f. 06.06.2019) |
| | Piombino Steel Limited (w.e.f. 06.06.2019) |
| | JSW Vijayanagar Metallics Limited (w.e.f. 24.12.2019) |
| | Vardhman Industries Limited (w.e.f. 31.12.2019) |
| | JSW Vallabh Tinplate Private Limited (w.e.f. 31.12.2019) |
| 2 | **Joint Ventures** |
| | Vijayanagar Minerals Private Limited |
| | Rohne Coal Company Private Limited |
| | JSW Severfield Structures Limited |
| | Gourangdih Coal Limited |
| | GEO Steel LLC (ceased w.e.f. 28.01.2020) |
| | JSW Structural Metal Decking Limited |
| | JSW MI Steel Service Centre Private Limited |
| | JSW Vallabh Tinplate Private Limited (ceased w.e.f. 31.12.2019) |

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| | |
|---|---|
| **A.** | **Name of related parties** |
| | Accialtalia S.p.A. (ceased w.e.f. 16.04.2018) |
| | Creixent Special Steels Limited (w.e.f. 28.08.2018) |
| | Monnet Ispat & Energy Limited (w.e.f. 31.08.2018) |
| **3** | **Key Management Personnel** |
| | Mr. Sajjan Jindal (Non-Independent Executive Director) |
| | Mr. Seshagiri Rao M V S (Non-Independent Executive Director) |
| | Dr. Vinod Nowal (Non-Independent Executive Director) |
| | Mr. Jayant Acharya (Non-Independent Executive Director) |
| | Mr. Rajeev Pai (Chief Financial Officer) |
| | Mr. Lancy Varghese (Company Secretary) |
| **4** | **Independent Non-Executive Director** |
| | Mr. Ganga Ram Baderiya – Nominee Director, KSIIDC |
| | Mr. Hiroyuki Ogawa – Nominee Director, JFE Steel Corporation |
| | Mrs. Punita Kumar Sinha |
| | Mr. Malay Mukherjee |
| | Mr. Haigreve Khaitan |
| | Mr. Seturaman Mahalingam |
| | Mrs. Nirupama Rao |
| | Mr. Harsh Charandas Mariwala |
| **5** | **Relatives of Key Management Personnel** |
| | Mrs. Savitri Devi Jindal |
| | Mr. Prithvi Raj Jindal |
| | Mr. Naveen Jindal |
| | Mrs. Nirmala Goyal |
| | Mrs. Urmila Bhuwalka |
| | Mrs. Seema Jajodia |
| | Mrs. Sangita Jindal |
| | Mrs. Tarini Jindal Handa |
| | Mrs. Tanvi Shete |
| | Mr. Parth Jindal |
| **6** | **Other Related Parties** |
| | JSW Energy Limited |
| | JSW Energy (Barmer) Limited (formerly known as Raj West Power Limited) |
| | JSW Power Trading Company Limited (formerly known JSW Green Energy Limited) |
| | JSW Hydro Energy Limited (formerly known as Himachal Baspa Power Company Limited) |
| | JSW Energy (Kutehr) Limited |
| | JSW Solar Limited |
| | Jindal Stainless Limited |
| | JSL Lifestyle Limited |
| | Jindal Saw Limited |
| | Jindal Saw USA LLC |
| | Jindal Tubular (India) Limited |
| | Jindal Urban Waste Management Limited |
| | Jindal Rail Infrastructure Limited |
| | Jindal Steel & Power Limited |
| | India Flysafe Aviation Limited |
| | JSW Infrastructure Limited |
| | JSW Jaigarh Port Limited |
| | South West Port Limited |
| | JSW Dharamatar Port Private Limited |
| | JSW Paradip Terminal Private Limited |
| | Jaigarh Digni Rail Limited |
| | JSW Cement Limited |
| | JSW Cement, FZE |
| | South West Mining Limited |
| | JSW Projects Limited |
| | JSW IP Holdings Private Limited |
| | JSoft Solutions Limited |
| | Reynold Traders Private Limited |
| | JSW Techno Projects Management Limited |
| | JSW Global Business Solutions Limited |
| | Everbest Consultancy Services Private Limited |
| | Jindal Industries Private Limited |
| | JSW Foundation |
| | Jindal Technologies & Management Services Private Limited |
| | Epsilon Carbon Private Limited |
| | JSW Living Private Limited |
| | JSW International Tradecorp Pte. Limited |
| | Jindal Education Trust |

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## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| | |
|---|---|
| **A.** | **Name of related parties** |
| | JSW Paints Private Limited |
| | Toshiba JSW Power System Private Limited |
| | MJSJ Coal Limited |
| | JSW Bengaluru Football Club Private Limited |
| | JSW Shipping & Logistics Private Limited (formerly known as Utkarsh Advisory Services Private Limited) |
| | Epsilon Aerospace Private Limited |
| | Neotrex Steel Wires Private Limited |
| | Neotrex Steel Private Limited |
| | Khaitan & Company |
| | Vinar Systems Private Limited (ceased w.e.f. 31.05.2018) |
| | Eurokids International Private Limited |
| | J Sagar Associates |
| | Danta Enterprises Private Limited |
| | Glebe Trading Private Limited |
| | JSW Holdings Limited |
| | JSW Investments Private Limited |
| | JSW Logistics Infrastructure Private Limited |
| | Sahyog Holdings Private Limited |
| | Virtuous Tradecorp Private Limited |
| | S K Jindal and Sons HUF |
| | P R Jindal HUF |
| **7** | **Post-Employment Benefit Entity** |
| | JSW Steel EPF Trust |
| | JSW Steel Group Gratuity Trust |
| | JSW Steel Limited Employee Gratuity Fund |

## B. Transactions with related parties for year ended

₹ in crores

| Particulars | Subsidiaries | | Joint ventures | | Other related parties^ | | Total | |
|---|---|---|---|---|---|---|---|---|
| | FY 2019-20 | FY 2018-19 | FY 2019-20 | FY 2018-19 | FY 2019-20 | FY 2018-19 | FY 2019-20 | FY 2018-19 |
| **Purchase of goods/power & fuel/services/branding expenses** | | | | | | | | |
| Amba River Coke Limited | 3,655 | 4,971 | - | - | - | - | 3,655 | 4,971 |
| JSW Energy Limited | - | - | - | - | 2,174 | 2,609 | 2,174 | 2,609 |
| JSW International Tradecorp Pte. Limited | - | - | - | - | 13,348 | 16,300 | 13,348 | 16,300 |
| Others | 296 | 304 | 84 | 106 | 1,746 | 1,794 | 2,126 | 2,204 |
| **Total** | **3,951** | **5,275** | **84** | **106** | **17,268** | **20,703** | **21,303** | **26,084** |
| **Reimbursement of expenses incurred on our behalf by** | | | | | | | | |
| JSW Retail Limited | 13 | 2 | - | - | - | - | 13 | 2 |
| JSW Steel Coated Products Limited | 5 | - | - | - | - | - | 5 | - |
| Amba River Coke Limited | 5 | - | - | - | - | - | 5 | - |
| JSW MI Steel Service Center Private Limited | - | - | - | 1 | - | - | - | 1 |
| JSW Energy Limited | - | - | - | - | 3 | 3 | 3 | 3 |
| Others | 1 | - | - | - | 1 | - | 2 | - |
| **Total** | **24** | **2** | **-** | **1** | **4** | **3** | **28** | **6** |
| **Sales of goods/power & fuel/services/assets** | | | | | | | | |
| JSW Steel Coated Products Limited | 8,635 | 10,128 | - | - | - | - | 8,635 | 10,128 |
| Others | 1,778 | 637 | 792 | 873 | 2,532 | 3,128 | 5,102 | 4,638 |
| **Total** | **10,413** | **10,765** | **792** | **873** | **2,532** | **3,128** | **13,737** | **14,766** |
| **Other income/interest income/dividend income** | | | | | | | | |
| JSW Steel Coated Products Limited | 12 | 50 | - | - | - | - | 12 | 50 |
| Amba River Coke Limited | 48 | 49 | - | - | - | - | 48 | 49 |
| Acero Junction Holdings, Inc. | 95 | 25 | - | - | - | - | 95 | 25 |
| JSW Industrial Gases Private Limited | 22 | 125 | - | - | - | - | 22 | 125 |
| Others | 2 | - | 20 | 11 | 52 | 35 | 74 | 46 |
| **Total** | **179** | **249** | **20** | **11** | **52** | **35** | **251** | **295** |
| **Liabilities written back** | | | | | | | | |
| JSW Steel Coated Products Limited | - | 3 | - | - | - | - | - | 3 |
| JSW MI Steel Service Center Private Limited | - | - | - | 3 | - | - | - | 3 |
| South West Port Limited | - | - | - | - | - | 3 | - | 3 |
| Jindal Saw Limited | - | - | - | - | - | 3 | - | 3 |
| JSW Projects Limited | - | - | - | - | - | 3 | - | 3 |
| JSW Infrastructure Limited | - | - | - | - | - | 11 | - | 11 |
| Others | - | - | - | - | - | 1 | - | 1 |
| **Total** | **-** | **3** | **-** | **3** | **-** | **21** | **-** | **27** |
| **Purchase of assets** | | | | | | | | |
| JSW Severfield Structures Limited | - | - | 762 | 416 | - | - | 762 | 416 |
| Jindal Steel & Power Limited | - | - | - | - | 238 | 228 | 238 | 228 |
| JSW Cement Limited | - | - | - | - | 228 | 124 | 228 | 124 |
| Others | 84 | 19 | 16 | 6 | 121 | 17 | 221 | 42 |
| **Total** | **84** | **19** | **778** | **422** | **587** | **369** | **1,449** | **810** |

₹ in crores

| Particulars | Subsidiaries | | Joint ventures | | Other related parties^ | | Total | |
|---|---|---|---|---|---|---|---|---|
| | FY 2019-20 | FY 2018-19 | FY 2019-20 | FY 2018-19 | FY 2019-20 | FY 2018-19 | FY 2019-20 | FY 2018-19 |
| **Capital/revenue advances given** | | | | | | | | |
| Amba River Coke Limited | 400 | 300 | - | - | - | - | 400 | 300 |
| Jindal Steel & Power Limited | - | - | - | - | 200 | - | 200 | - |
| JSW Dharamatar Port Private Limited | | | | | 200 | - | 200 | - |
| Others | 13 | 3 | - | - | - | - | 13 | 3 |
| **Total** | **413** | **303** | **-** | **-** | **400** | **-** | **813** | **303** |
| **Capital/revenue advances received back** | | | | | | | | |
| Amba River Coke Limited | 400 | - | - | - | - | - | 400 | - |
| Jindal Steel & Power Limited | - | - | - | - | 200 | - | 200 | - |
| Others | 13 | - | - | - | - | - | 13 | - |
| **Total** | **413** | **-** | **-** | **-** | **200** | **-** | **613** | **-** |
| **Security deposits given/(received back)** | | | | | | | | |
| JSW Shipping & Logistics Private Limited | - | - | - | - | 116 | 60 | 116 | 60 |
| India Flysafe Aviation Limited | - | - | - | - | (10) | (11) | (10) | (11) |
| **Total** | **-** | **-** | **-** | **-** | **106** | **49** | **106** | **49** |
| **Lease deposits received** | | | | | | | | |
| JSW Realty & Infrastructure Private Limited | - | 3 | - | - | - | - | - | 3 |
| JSW Cement Limited | - | - | - | - | - | 11 | - | 11 |
| **Total** | **-** | **3** | **-** | **-** | **-** | **11** | **-** | **14** |
| **Lease and other advances refunded** | | | | | | | | |
| Amba River Coke Limited | - | 100 | - | - | - | - | - | 100 |
| JSW Infrastructure Limited | - | - | - | - | - | 53 | - | 53 |
| **Total** | **-** | **100** | **-** | **-** | **-** | **53** | **-** | **153** |
| **Donation/ CSR expenses** | | | | | | | | |
| JSW Foundation | - | - | - | - | 72 | 25 | 72 | 25 |
| **Total** | **-** | **-** | **-** | **-** | **72** | **25** | **72** | **25** |
| **Recovery of expenses incurred by us on their behalf** | | | | | | | | |
| JSW Steel Coated Products Limited | 91 | 73 | - | - | - | - | 91 | 73 |
| JSW Cement Limited | - | - | - | - | 45 | 43 | 45 | 43 |
| JSW International Tradecorp Pte. Limited | - | - | | | 119 | - | 119 | - |
| Others | 21 | 28 | 5 | 19 | 46 | 50 | 72 | 97 |
| **Total** | **112** | **101** | **5** | **19** | **210** | **93** | **327** | **213** |
| **Investments/share application money given** | | | | | | | | |
| JSW Steel Coated Products Limited | 750 | - | - | - | - | - | 750 | - |
| Creixent Special Steels Limited | - | 5 | - | 370 | - | - | - | 375 |
| JSW Realty & Infrastructure Private Limited | 2 | 103 | - | - | - | - | 2 | 103 |
| Others | 187 | 48 | 1 | 38 | - | - | 188 | 86 |
| **Total** | **939** | **156** | **1** | **408** | **-** | **-** | **940** | **564** |
| **Investments /share application money refunded** | | | | | | | | |
| Rohne Coal Company Private Limited | - | - | * | - | - | - | * | - |
| **Total** | **-** | **-** | ***** | **-** | **-** | **-** | ***** | **-** |
| **Sale of investment** | | | | | | | | |
| Hasaud Steel Limited | * | - | - | - | - | - | * | - |
| **Total** | ***** | **-** | **-** | **-** | **-** | **-** | ***** | **-** |

₹ in crores

| Particulars | Subsidiaries | | Joint ventures | | Other related parties^ | | Total | |
|---|---|---|---|---|---|---|---|---|
| | FY 2019-20 | FY 2018-19 | FY 2019-20 | FY 2018-19 | FY 2019-20 | FY 2018-19 | FY 2019-20 | FY 2018-19 |
| **Interest expenses** | | | | | | | | |
| JSW Steel Coated Products Limited | 18 | - | - | - | - | - | 18 | - |
| Amba River Coke Limited | - | 1 | - | - | - | - | - | 1 |
| **Total** | **18** | **1** | **-** | **-** | **-** | **-** | **18** | **1** |
| **Guarantees and collaterals provided by the company on behalf** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | 1,037 | 323 | - | - | - | - | 1,037 | 323 |
| JSW Steel (USA) Inc. | 97 | 913 | - | - | - | - | 97 | 913 |
| Acero Junction Holdings, Inc. | 569 | 983 | - | - | - | - | 569 | 983 |
| JSW Steel Italy Piombino S.p.A. | 472 | 589 | - | - | - | - | 472 | 589 |
| Others | - | 25 | - | - | - | - | - | 25 |
| **Total** | **2,175** | **2,833** | **-** | **-** | **-** | **-** | **2,175** | **2,833** |
| **Guarantees and collaterals released** | | | | | | | | |
| JSW Steel (USA) Inc. | - | 363 | - | - | - | - | - | 363 |
| JSW Steel (Netherlands) B.V. | - | 582 | - | - | - | - | - | 582 |
| Periama Holdings, LLC | - | 343 | - | - | - | - | - | 343 |
| **Total** | **-** | **1,288** | **-** | **-** | **-** | **-** | **-** | **1,288** |
| **Provision for loans & advances written back to profit & loss** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | 326 | - | - | - | - | - | 326 | - |
| **Total** | **326** | **-** | **-** | **-** | **-** | **-** | **326** | **-** |
| **Provision for corporate guarantee** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | 376 | - | - | - | - | - | 376 | - |
| **Total** | **376** | **-** | **-** | **-** | **-** | **-** | **376** | **-** |
| **Provision for loans & advances/interest receivable** | | | | | | | | |
| Periama Holdings, LLC | 377 | - | - | - | - | - | 377 | - |
| Inversiones Eurosh Limitada | 814 | - | - | - | - | - | 814 | - |
| **Total** | **1,191** | **-** | **-** | **-** | **-** | **-** | **1,191** | **-** |
| **Adjustment of receivable/(payable)** | | | | | | | | |
| JSW Steel Coated Products Limited | 605 | 110 | - | - | - | - | 605 | 110 |
| **Total** | **605** | **110** | **-** | **-** | **-** | **-** | **605** | **110** |
| **Lease interest cost** | | | | | | | | |
| Amba River Coke Limited | 206 | 290 | - | - | - | - | 206 | 290 |
| JSW Industrial Gases Private Limited | 18 | - | - | - | - | - | 18 | - |
| JSW Projects Limited | - | - | - | - | 132 | 156 | 132 | 156 |
| JSW Techno Projects Management Limited | - | - | - | - | 84 | 54 | 84 | 54 |
| JSW Jaigarh Port Limited | - | - | - | - | 4 | - | 4 | - |
| JSW Dharamatar Port Private Limited | - | - | - | - | 13 | - | 13 | - |
| **Total** | **224** | **290** | **-** | **-** | **233** | **210** | **457** | **500** |
| **Lease liabilities/finance lease obligations repayments** | | | | | | | | |
| Amba River Coke Limited | 190 | 80 | - | - | - | - | 190 | 80 |
| JSW Industrial Gases Private Limited | 27 | - | - | - | - | - | 27 | - |
| JSW Projects Limited | - | - | - | - | 228 | 204 | 228 | 204 |
| JSW Techno Projects Management Limited | - | - | - | - | 17 | 8 | 17 | 8 |
| JSW Jaigarh Port Limited | - | - | - | - | 2 | - | 2 | - |
| JSW Dharamatar Port Private Limited | - | - | - | - | 7 | - | 7 | - |
| **Total** | **217** | **80** | **-** | **-** | **254** | **212** | **471** | **292** |

₹ in crores

| Particulars | Subsidiaries | | Joint ventures | | Other related parties^ | | Total | |
|---|---|---|---|---|---|---|---|---|
| | **FY 2019-20** | FY 2018-19 | **FY 2019-20** | FY 2018-19 | **FY 2019-20** | FY 2018-19 | **FY 2019-20** | FY 2018-19 |
| **Redemption/sale of Shares** | | | | | | | | |
| Amba River Coke Limited | **-** | 12 | **-** | - | **-** | - | **-** | 12 |
| JSW Steel Coated Products Limited | **-** | 38 | **-** | - | **-** | - | **-** | 38 |
| **Total** | **-** | **50** | **-** | **-** | **-** | **-** | **-** | **50** |
| **Loans given** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | **83** | 779 | **-** | - | **-** | - | **83** | 779 |
| Periama Holdings, LLC | **723** | 975 | **-** | - | **-** | - | **723** | 975 |
| Acero Junction Holdings, Inc. | **596** | 1,406 | **-** | - | **-** | - | **596** | 1,406 |
| Others | **130** | 32 | **90** | 125 | **-** | - | **220** | 157 |
| **Total** | **1,532** | **3,192** | **90** | **125** | **-** | **-** | **1,622** | **3,317** |
| **Dividend paid** | | | | | | | | |
| JSW Holdings Limited | **-** | - | **-** | - | **73** | 57 | **73** | 57 |
| JSW Techno Projects Management Limited | **-** | - | **-** | - | **101** | 74 | **101** | 74 |
| Sahyog Holdings Private Limited | **-** | - | **-** | - | **46** | 35 | **46** | 35 |
| Others | **-** | - | **-** | - | **98** | 77 | **98** | 77 |
| **Total** | **-** | **-** | **-** | **-** | **318** | **243** | **318** | **243** |
| **Loans given received back** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | **1,193** | - | **-** | - | **-** | - | **1,193** | - |
| Acero Junction Holdings, Inc. | **-** | 580 | **-** | - | **-** | - | **-** | 580 |
| Periama Holdings, LLC | **6** | 274 | **-** | - | **-** | - | **6** | 274 |
| Others | **35** | 12 | **-** | - | **2** | 11 | **37** | 23 |
| **Total** | **1,234** | **866** | **-** | **-** | **2** | **11** | **1,236** | **877** |

^ Includes relatives of Key Management Personnel, *Less than ₹ 0.50 crores

**Notes**:

1. The Company makes monthly contributions to provident fund managed by JSW Steel EPF Trust for qualifying Vijayanagar employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Company contributed ₹ 22 crores. (FY 2018-19: ₹ 20 crores)

2. The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). During the year, the Company did not contribute. (FY 2018-19: ₹ 3 crores)

3. In view of the uncertainty involved in collectability, interest income of ₹ 531 crores have not been recognised on loan provided to certain overseas subsidiaries.

4. During the year, JSW Steel Limited has transferred environment clearance certificate issued for its slag grinding & mixing unit to JSW Cement Limited for no consideration.

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## Compensation to key management personnel:

₹ in crores

| Nature of Transaction | FY 2019-20 | FY 2018-19 |
|---|---|---|
| Short-term employee benefits | 56 | 86 |
| Post-employment benefits | 1 | 1 |
| Other long-term benefits | - | - |
| Termination benefits | - | - |
| Share-based payment | - | - |
| **Total Compensation to key management personnel** | **57** | **87** |

**Notes**:

1. As the future liability for gratuity 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. The Company has recognised an expenses of ₹ 3 crores (previous year ₹ 4 crores) towards employee stock options granted to Key Managerial Personnel. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not been exercised.
3. Dividend paid to key management personnel is ₹ 0.18 crores (FY 2018-19: ₹ 0.14 crores), not included above.
4. The Independent Non-Executive Directors are paid remuneration by way of commission and sitting fees. The commission payable to the Non-Executive Directors is based on the number of meetings of the Board attended by them and their Chairmanship/Membership of Audit Committee during the year, subject to an overall ceiling of 1% of the net profits approved by the Members. The Company pays sitting fees at the rate of ₹ 20,000/- for each meeting of the Board and sub-committees attended by them. The amount paid to them by way of commission and sitting fees during FY 2019-20 is ₹ 3 crores (FY 2018-19 is ₹ 3 crores), which is not included above.

## Terms and conditions

### Sales:

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended 31st March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

### Purchases:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are based on made on normal commercial terms and conditions and market rates.

### Loans to overseas subsidiaries:

The Company had given loans to subsidiaries for general corporate purposes. The loan balances as on 31 March 2020 was ₹ 8,979 crores (As on 31 March 2019: ₹ 7,978 crores). These loans are unsecured and carry an interest rate ranging from LIBOR + 395-615 basis points and repayable within a period of three years.

### Guarantees to subsidiaries:

Guarantees provided to the lenders of the subsidiaries are for availing term loans and working capital facilities from the lender banks.

The transactions other than mentioned above are also in the ordinary course of business and at arms' length basis.

## C. Amount due to/from related parties

₹ in crores

| Particulars | Subsidiaries | | Joint ventures | | Other related parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| **Party's Name** | | | | | | | | |
| **Trade payables** | | | | | | | | |
| JSW Energy Limited | - | - | - | - | 306 | 214 | 306 | 214 |
| JSW International Tradecorp Pte. Limited | - | - | - | - | 1321 | 1241 | 1321 | 1241 |
| Others | 50 | 82 | 115 | 7 | 378 | 199 | 543 | 288 |
| **Total** | **50** | **82** | **115** | **7** | **2,005** | **1,654** | **2,170** | **1,743** |
| **Advance received from customers** | | | | | | | | |
| JSW Steel Coated Products Limited | 147 | - | - | - | - | - | 147 | - |
| JSW Steel Italy Piombino S.p.A. | - | 1 | - | - | - | - | - | 1 |
| Others | * | - | 3 | - | 2 | * | 5 | * |
| **Total** | **147** | **1** | **3** | **-** | **2** | ***** | **152** | **1** |
| **Lease & other deposits received** | | | | | | | | |
| JSW Severfield Structures Limited | - | - | 13 | 13 | - | - | 13 | 13 |
| JSW Energy Limited | - | - | - | - | 11 | 11 | 11 | 11 |
| JSW Cement Limited | - | - | - | - | 11 | 11 | 11 | 11 |
| Others | 13 | 13 | - | - | 17 | 16 | 30 | 29 |
| **Total** | **13** | **13** | **13** | **13** | **39** | **38** | **65** | **64** |
| **Trade receivables** | | | | | | | | |
| Peddar Realty Private Limited | 110 | 155 | - | - | - | - | 110 | 155 |
| JSW Steel Coated Products Limited | - | 700 | - | - | - | - | - | 700 |
| JSW Vallabh Tinplate Private Limited | 53 | - | - | 66 | - | - | 53 | 66 |
| JSW MI Steel Service Center Private Limited | - | - | 44 | 41 | - | - | 44 | 41 |
| Epsilon Carbon Private Limited | - | - | - | - | 101 | 115 | 101 | 115 |
| Others | - | 12 | - | 22 | 43 | 77 | 43 | 111 |
| **Total** | **163** | **867** | **44** | **129** | **144** | **192** | **351** | **1,188** |
| **Share application money given** | | | | | | | | |
| JSW Bengal Steel Limited | 63 | - | - | - | - | - | 63 | - |
| JSW Utkal Steel Limited | 38 | - | - | - | - | - | 38 | - |
| Others | * | - | * | * | - | - | * | * |
| **Total** | **101** | **-** | ***** | ***** | **-** | **-** | **102** | ***** |
| **Capital/revenue advances (including other receivables)** | | | | | | | | |
| Amba River Coke Limited | 21 | 445 | - | - | - | - | 21 | 445 |
| JSW Projects Limited | - | - | - | - | 49 | 49 | 49 | 49 |
| JSW Dharamatar Port Private Limited | - | - | - | - | 200 | - | 200 | - |
| Others | 16 | - | 63 | 67 | 16 | 50 | 95 | 117 |
| **Total** | **37** | **445** | **63** | **67** | **265** | **99** | **365** | **611** |
| **Loan and advances given** | | | | | | | | |
| Periama Holdings, LLC | 6,134 | 4,936 | - | - | - | - | 6,134 | 4,936 |
| JSW Steel (Netherlands) B.V. | 267 | 1,318 | - | - | - | - | 267 | 1,318 |
| Acero Junction Holdings, Inc. | 1,509 | 799 | - | - | - | - | 1,509 | 799 |
| Others | 1,069 | 925 | 216 | 125 | 13 | 14 | 1,298 | 1,064 |
| **Total** | **8,979** | **7,978** | **216** | **125** | **13** | **14** | **9,208** | **8,117** |

₹ in crores

| Particulars | Subsidiaries | | Joint ventures | | Other related parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| **Interest receivable** | | | | | | | | |
| Inversiones Eurosh Limitada | 209 | 192 | - | - | - | - | 209 | 192 |
| Periama Holdings, LLC | 431 | 396 | - | - | - | - | 431 | 396 |
| Acero Junction Holdings, Inc. | 116 | 19 | - | - | - | - | 116 | 19 |
| Others | 36 | 29 | - | - | 11 | - | 47 | 29 |
| **Total** | **792** | **636** | **-** | **-** | **11** | **-** | **803** | **636** |
| **Allowances for loans & advances given/interest receivable** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | 207 | 476 | - | - | - | - | 207 | 476 |
| Periama Holdings, LLC | 377 | - | - | - | - | - | 377 | - |
| Inversiones Eurosh Limitada | 1,011 | 197 | - | - | - | - | 1,011 | 197 |
| Others | 4 | 3 | - | - | - | - | 4 | 3 |
| **Total** | **1,599** | **676** | **-** | **-** | **-** | **-** | **1,599** | **676** |
| **Security & other deposits given** | | | | | | | | |
| JSW Shipping & Logistics Private Limited | - | - | - | - | 175 | 59 | 175 | 59 |
| India Flysafe Aviation Limited | - | - | - | - | 193 | 203 | 193 | 203 |
| **Total** | **-** | **-** | **-** | **-** | **368** | **262** | **368** | **262** |
| **Lease liabilities/ finance lease obligations** | | | | | | | | |
| Amba River Coke Limited | 1,364 | 2,032 | - | - | - | - | 1,364 | 2,032 |
| JSW Industrial Gases Private Limited | 185 | - | - | - | - | - | 185 | - |
| JSW Projects Limited | - | - | - | - | 1,052 | 1,280 | 1,052 | 1,280 |
| JSW Techno Projects Management Limited | - | - | - | - | 550 | 567 | 550 | 567 |
| JSW Jaigarh Port Limited | - | - | - | - | 46 | - | 46 | - |
| JSW Dharamatar Port Private Limited | - | - | - | - | 138 | - | 138 | - |
| **Total** | **1,549** | **2,032** | **-** | **-** | **1,786** | **1,847** | **3,335** | **3,879** |
| **Guarantees and collaterals provided by the company on behalf** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | 1,582 | 518 | - | - | - | - | 1,582 | 518 |
| Periama Holdings, LLC | 503 | 922 | - | - | - | - | 503 | 922 |
| JSW Steel (USA) Inc. | 1,033 | 488 | - | - | - | - | 1,033 | 488 |
| Acero Junction Holdings, Inc. | 1,658 | 968 | - | - | - | - | 1,658 | 968 |
| JSW Steel Italy Piombino S.p.A. | 985 | 396 | - | - | - | - | 985 | 396 |
| Others | 146 | 143 | - | - | - | - | 146 | 143 |
| Less : Loss allowance against aforesaid | (873) | (516) | - | - | - | - | (873) | (516) |
| **Total** | **5,034** | **2,919** | **-** | **-** | **-** | **-** | **5,034** | **2,919** |

*Less than ₹ 0.50 crores

**Note:**

1. The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). As on 31 March 2020, the fair value of plan assets was as ₹ 75 crores. (As at 31 March 2019: ₹ 68 crores).

## 45. Contingent liabilities:

### (i) DISPUTED CLAIMS/LEVIES (EXCLUDING INTEREST, IF ANY) IN RESPECT OF:

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Excise Duty | 481 | 452 |
| Customs Duty | 467 | 456 |
| Income Tax | 32 | 19 |
| Sales Tax/VAT/Special Entry tax | 1,433 | 1,251 |
| Service Tax | 685 | 644 |
| Miscellaneous | - | 3 |
| Levies by local authorities – Statutory | 53 | 53 |
| Levies relating to Energy/Power Obligations | 277 | 208 |
| Claims by suppliers and other parties | 46 | 60 |
| **Total** | **3,474** | **3,146** |

a) Excise duty cases includes disputes pertaining to availment of CENVAT credit, valuation methodologies, classification of gases under different chapter heading.

b) Customs duty cases includes disputes pertaining to import of Iron ore fines and lumps under different chapter headings, utilisation of SHIS licences for clearance of imported equipment, payment of customs duty Steam Coal through Krishnapatnam Port and anti-dumping duty on Met Coke used in Corex.

c) Sales Tax/VAT/Special Entry tax cases includes disputes pertaining to demand of special entry tax in Karnataka and demand of cess by department of transport in Goa.

d) Service Tax cases includes disputes pertaining to availment of service tax credit on ineligible services, KKC amount paid but no credit availed, denial of credit distributed as an ISD, service tax on railway freight not taken as per prescribed documents.

e) Income Tax cases includes disputes pertaining to transfer pricing and other matters.

f) Levies by local authorities – Statutory cases includes disputes pertaining to payment of water charges and enhanced compensation.

g) Levies relating to Energy/Power Obligations cases includes disputes pertaining to uninterrupted power charges by Karnataka Power Transmission Company Ltd., belated payment surcharge, claims for the set off of renewable power obligations against the power generated in its captive power plants and dues relating to additional surcharge imposed on captive consumption by Maharashtra State Electricity Distribution Company Ltd.

h) Claims by Suppliers and other parties includes quality claims issues raised by suppliers and others.

i) There are several other cases which has been determined as remote by the Company and hence not been disclosed above.

### (ii) FOREST DEVELOPMENT TAX/FEE:

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Claims related to Forest Development Tax/Fee | 2,588 | 2,160 |
| Amount paid under protest | 920 | 920 |

In response to a petition filed by the iron ore mine owners and purchasers (including the Company) contesting the levy of Forest Development Tax (FDT) on iron ore on the ground that the State does not have jurisdiction to legislate in the field of major minerals which is a central subject, the Honourable High Court of Karnataka vide its judgement dated 3 December 2015 directed refund of the entire amount of FDT collected by Karnataka State Government on sale of iron ore by private lease operators and National Mineral Development Corporation Limited (NMDC). The Karnataka State Government has filed an appeal before the Supreme Court of India ("SCI"). SCI has not granted stay on the judgement but stayed refund of FDT. The matter is yet to be heard by SCI. Based on merits of the case and supported by a legal opinion, the Company has not recognised provision for FDT of ₹ 1,043 crores (including paid under protest – ₹ 665 crores) and treated it as a contingent liability.

The State of Karnataka on 27 July 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI, and based on merits of the case duly supported by a legal opinion and a favourable order from the High Court, the Company has not recognised provision for FDF amount of ₹ 1,545 crores (including paid under protest – ₹ 255 crores) pertaining to the private lease operators & NMDC and treated it as contingent liability.

## 46. Financial guarantees

The Company has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its group companies.

Refer below for details of financial guarantees issued:

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Guarantees | 5,278 | 2,386 |
| Standby letter of credit facility | 503 | 922 |
| Less: Loss allowance against aforesaid | (873) | (516) |
| **Total** | **4,908** | **2,792** |

## 47. Commitments

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 11,789 | 15,025 |

**OTHER COMMITMENTS:**

(a) The Company from time to time provides need based support to subsidiaries and joint ventures entity towards capital and other requirements.

(b) The Company has entered into a five-year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. ("DSA") for supply of Steel Products. Duferco S.A. has provided an interest bearing advance amount of US $700 million under this agreement, secured by committed export of steel products to Duferco S.A. Out of this US $590 million is pending towards fulfilment.

(c) The Company has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports within the stipulated year. Such export obligations at year end aggregate to

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Export promotion capital goods scheme | 15,225 | 10,146 |

(d) The Company has given guarantees aggregating ₹ 127 crores (previous year ₹ 127 crores) on behalf of subsidiaries to Commissioner of Customs in respect of goods imported.

**48.** In assessing the carrying amounts of Investments in and loans/advances (net of impairment loss/loss allowance) to certain subsidiaries and a joint ventures and financial guarantees to certain subsidiaries (listed below), the Company considered various factors as detailed there against and concluded they are recoverable.

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**(a) INVESTMENT, LOANS AND FINANCIALS GUARANTEES AS PER TABLE BELOW:**

| As at 31 March 2020 | JSW Steel (Netherlands) B.V. ("NBV") | Periama Holdings LLC ("PHL") | Acero Junction Holdings LLC ("Acero") | JSW Steel Italy Piombino S.p.A. ("JSIP") | GSI Lucchini S.p.A. ("GSI") |
|---|---|---|---|---|---|
| Investments | 221 | - | 536 | * | * |
| Loans (including interest accrued) | 68 | 6,189 | 1,625 | 85 | - |
| Financial Guarantees | 711 | 1,536 | 1,658 | 985 | 20 |

| As at 31 March 2019 | JSW Steel (Netherlands) B.V. ("NBV") | Periama Holdings LLC ("PHL") | Acero Junction Holdings LLC ("Acero") | JSW Steel Italy Piombino S.p.A. ("JSIP") | GSI Lucchini S.p.A. ("GSI") |
|---|---|---|---|---|---|
| Investments | 259 | - | 536 | * | * |
| Loans (including interest accrued) | 848 | 5,332 | 818 | 85 | - |
| Financial Guarantees | - | 1,410 | 968 | 396 | 16 |

*represents ₹ 0.19 crores

Estimate of values of the businesses and assets by independent external values based on cash flow projections/implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore and coal, mineable resources, and assumptions relating to discount rate, future margins, increase in operational performance on account of committed capital expenditure and significant improvement in capacity utilisation and margins based on forecasts of demand in local markets, availability of infrastructure facilities for mines and the likely impact of COVID-19 on the said operations.

**(b)** Equity shares of JSW Bengal Steel Limited, a subsidiary (carrying amount of investments: ₹ 446 crores as at 31 March 2020 ₹ 446 crores as at 31 March 2019 and share application money of ₹ 62 crores as at 31 March 2020; Nil as at 31 March 2019) - Evaluation of the status of its integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal by the said subsidiary and the plans for commencing construction of the said complex.

**(c)** Equity shares of JSW Jharkhand Steel Limited, a subsidiary (carrying amount: ₹ 93 crores as at 31 March 2020; ₹ 88 crores as at 31 March 2019 and share application money of ₹ 1 crore as at 31 March 2020; Nil as at 31 March 2019) - Evaluation of the status of its integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand by the said subsidiary and the plans for commencing construction of the said complex.

**(d)** Equity shares of Peddar Realty Private Limited (PRPL), a subsidiary (carrying amount of investments: ₹ 24 crores as at 31 March 2020; ₹ 24 crores as at 31 March 2019, and receivable of ₹ 110 crores as at 31 March 2020; ₹ 155 crores as at 31 March 2019) -Valuation by an independent valuer of the residential complex in which PRPL holds interest.

**(e)** Investment of ₹ 4 crores (₹ 4 crores as at 31 March 2019) and loan of ₹ 163 crores (₹ 147 crores as at 31 March 2019) relating to JSW Natural Resources Mozambique Limitada and JSW ADMS Carvo Limitada (step down subsidiaries) - Assessment of minable reserves by independent experts based on the plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities, and infrastructure is developed.

**(f)** Equity shares of JSW Severfield Structures Limited, a joint venture (carrying amount: ₹ 198 crores as at 31 March 2020; ₹ 198 crores as at 31 March 2019) - Cash flow projections approved by the said JV which are based on estimates and assumptions relating to order book, capacity utilisation, operational performance, market prices of materials, inflation, terminal value, etc.

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

**(g)** Preference shares of JSW Realty & Infrastructure Private Limited, a subsidiary (carrying amount: ₹ 166 crores as at 31 March 2020; ₹ 150 crores as at 31 March 2019 and loans of ₹ 16 crores as at 31 March 2020; Nil as at 31 March 2019) - Estimates of value of business based on the cash flow projections approved by the Management. The assessments include significant assumptions relating to operational performance, expansion, rentals and other charges, inflation and terminal value.

**(h)** Equity and Preference shares of, Creixent Special Steels Limited, a joint venture, (carrying amount: ₹ 442 crores as at 31 March 2020; ₹ 399 crores as at 31 March 2019) and loan of ₹ 1 crore as at 31 March 2020; Nil as at 31 March 2019) - Estimates of value of business based on the cash flow projections approved by the management. The assessments include significant assumptions such as expansion, capacity utilization, operational performance, future margins, discount rates, and terminal value.

**49.** Pursuant to the Corporate insolvency resolution process under the Insolvency Bankruptcy Code, the resolution plan submitted by the Company for Vardhman Industries Limited (VIL) was approved, by the Hon'ble National Company Law Tribunal (NCLT), New Delhi, by its order dated 19 December 2018 and as clarified by its order dated 16 April 2019 and by the Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated 4 December 2019 and as clarified by its order dated 11 December 2019.

The Company completed the acquisition of VIL on 31 December 2019 by infusing ₹ 63.50 crores in VIL and has been issued equity shares and compulsorily convertible debentures (CCDs) by VIL in lieu thereof. Accordingly, VIL has become a wholly owned subsidiary of the Company.

VIL is mainly engaged in the manufacturing and marketing of Colour Coated Coils & Sheets and has a production capacity of 3,000 tonnes per month with manufacturing facility located at Rajpura, Patiala (Punjab).

**50.** The Company submitted the Resolution Plan in respect of Bhushan Power and Steel Limited (BPSL), a company currently undergoing insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code. The Committee of Creditors (CoC) approved the Resolution Plan and the Resolution Professional issued the Letter of Intent to the Company on 11 February 2019, which was duly accepted by the Company. The Resolution Plan is approved by the National Company Law Tribunal (NCLT) vide its order dated 5 September 2019, and subsequently an appeal preferred by the Company has been allowed by the National Company Law Appellate Tribunal (NCLAT) vide its order 17 February 2020. The erstwhile promoters and few operation creditors preferred an Appeal before the Hon'ble Supreme Court against the NCLAT order. The said Appeals along with the Petition of CoC are pending before the Hon'ble Supreme Court for adjudication.

**51.** Exceptional items for the year ended 31 March 2020 includes impairment provision of:

| Particulars | Inversiones Eurosh Limitada | JSW Netherlands B.V. (NBV) | Periama Holdings LLC ("PHL") | Total |
|---|---|---|---|---|
| Allowance on doubtful loans | 605 | - | - | 605 |
| Allowance on doubtful interest receivables | 209 | - | 377 | 586 |
| Fair value Loss on preference shares designated as FVTPL | - | 38 | - | 38 |
| | **814** | **38** | **377** | **1,229** |
| Impairment on property plant & equipment | - | - | - | 80 |
| **Total** | | | | **1,309** |

(a) ₹ 852 crores relating to overseas subsidiaries towards the value of investments made and loans given and interest accrued thereon based on the overall assessment of recoverable value considering increased uncertainty in restarting the Iron ore mining operations at Chile on account of COVID 19 outbreak.

(b) ₹ 377 crores on interest receivables from an overseas subsidiary in USA based on the assessment of recoverable value of the US operations. The said assessment includes significant assumptions such as discount rate, increase in operational performance on account of committed capital expenditure, mining production, future margins, and the likely impact of COVID 19 on the said operations; and

(c) ₹ 80 crores towards identified items of property, plant and equipment of the Company.

**52.** During the quarter ended 30 September 2019, the Mumbai Bench of the National Company Law Tribunal (NCLT), through its order dated 6 June 2019 and the Ahmedabad Bench of the NCLT, through its order dated 14 August 2019, had approved the scheme of Amalgamation of its wholly-owned subsidiaries, Dolvi Minerals and Metals Private Limited, Dolvi Coke Projects Limited, JSW Steel Processing Centre Limited, and JSW Steel (Salav) Limited with the Company. All these subsidiaries are in the business of manufacture of steel, raw materials required for making steel and other ancillary services. Accordingly, the Company had accounted for the merger under the pooling of interest method retrospectively for all periods presented as prescribed in IND AS 103 – Business Combinations of entities under common control. The previous period/year numbers have been accordingly restated. The Impact of the merger on these financial statements is as under:

₹ in crores

| Particulars | Net Assets acquired | Consideration paid/Investments made | Capital Reserve |
|---|---|---|---|
| Dolvi Minerals and Metals Private Limited ('DMMPL') | 350 | 399 | (49) |
| Capital reserve on additional stake acquisition of DMMPL in 2019-20 | - | - | (87) |
| JSW Steel Processing Centre Limited ('SPCL') | 50 | 50 | - |
| JSW Steel (Salav) Limited | 1,335 | 424 | 911 |
| **Total Capital reserve recognised on merger** | | | **774** |

This resulted in restatement of financial statement, the changes in major heads are as below:

₹ in crores

| Particulars | As at 31 March 2019 | |
|---|---|---|
| | Reported | Restated |
| Property Plant and equipment | 49,245 | 51,600 |
| Borrowings including current maturities of long-term borrowings and short-term borrowings | 41,937 | 43,703 |
| Total Equity | 35,162 | 34,893 |

₹ in crores

| Particulars | Year ended 31 March 2019 | |
|---|---|---|
| | Reported | Restated |
| Revenue from operations | 76,727 | 77,187 |
| Profit before tax | 11,817 | 11,707 |
| Profit after tax | 8,259 | 8,121 |

**53.** Previous year figures have been re-grouped/re-classified wherever necessary.

## 54. Events occurring after balance sheet

On 22 May 2020 the board of directors recommended a final dividend of ₹ 2.00 per equity share be paid to shareholders for financial year 2019-20, which is subject to approval by the shareholders at the Annual General Meeting to be held on 23 July 2020. If approved, the dividend would result in a cash outflow of ₹ 483 crores.

## 55. Standards issued but not yet effective

There are no standards that have been issued but not yet effective.

## 56. Additional information

### A) C.I.F. VALUE OF IMPORTS:

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| - Capital goods | 4,382 | 3,345 |
| - Raw materials (including power and fuel) | 15,444 | 22,198 |
| - Stores & spare parts | 872 | 1,330 |
| - Traded Goods | - | 12 |

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## B) EXPENDITURE IN FOREIGN CURRENCY:

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Interest and finance charges | 1,370 | 1,168 |
| Ocean freight | 490 | 387 |
| Technical know-how | 27 | 64 |
| Commission on sales | 18 | 17 |
| Legal & professional fees | 28 | 7 |
| Others | 48 | 75 |

## C) EARNINGS IN FOREIGN CURRENCY:

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| F.O.B. value of exports | 9,580 | 7,699 |
| Interest Income | 97 | - |

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

**per VIKRAM MEHTA**
Partner
Membership No.: 105938

Place: Mumbai
Date: 22 May 2020

**For and on behalf of Board of Directors**

**RAJEEV PAI**
Chief Financial Officer

**LANCY VARGHESE**
Company Secretary
ICSI Membership No.: FCS 9407

Place: Mumbai
Date: 22 May 2020

**SAJJAN JINDAL**
Chairman & Managing Director
DIN 00017762

**SESHAGIRI RAO M. V. S**
Jt. Managing Director & Group CFO
DIN 00029136

# Consolidated Financial Statements


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# INDEPENDENT AUDITOR'S REPORT

To the Members of JSW Steel Limited

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of JSW Steel Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its joint ventures, comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group and its joint ventures as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group and its joint ventures 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 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 audit opinion on the consolidated Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recoverability of Goodwill, Property plant and Equipment (PPE), Capital work in progress (CWIP), Right-of-use assets and Advances related to certain business** *(as described in note 48 of the consolidated Ind AS financial statements)* | |
| As at March 31, 2020, the Group has carrying amount of:<br>• Goodwill of ₹ 396 crores,<br>• Property plant and Equipment, capital work in progress, advances and license fees of ₹ 8,126 crores<br>• Inventories ₹ 91 crores<br>• Right-of-use assets ₹ 78 crores<br>• Investment in equity and preference share ₹ 449 crores<br>• Loan to related party ₹ 1 crore<br>related to certain businesses incurring losses or where projects are on hold.<br><br>The Group has also recognised impairment allowance of ₹ 725 crores during the year ended March 31, 2020 in respect of property plant and equipment and goodwill and other receivables related to certain overseas businesses, as described in note 47 of the consolidated Ind AS financial statements.<br><br>Assessment of the recoverable amount of Goodwill, Property plant and Equipment (PPE), capital work in progress, Capital work in progress (CWIP), Leasehold land, Inventories and Advances related to certain businesses has been identified as a key audit matter due to:<br>• Significance of the carrying amount of these balances.<br>• The assessment requires management to make significant estimates concerning the estimated future cash flows, qualitative assessments of the status of the project and its future depending on balance work to be performed or approvals to be received, associated discount rates and growth rates based on management's view of future business prospects including any possible impact arising out of the pandemic on these estimates.<br>• Changes to any of these assumptions could lead to material changes in the estimated recoverable amount, impacting both potential impairment charges and potential reversals of impairment taken in prior years. | Our audit procedures included the following:<br>• We obtained and read management's assessment for impairment.<br>• We performed test of controls over impairment process through inspection of evidence of performance of these controls.<br>• We assessed the impairment model prepared by the management and the assumptions used, with particular attention to the following:<br>- Benchmarking or assessing key market related assumptions used in the impairment models, including discount rates, long term growth rate, risk free rate of return, weight average cost of capital, production schedule against external data.<br>- assessing the cash flow forecasts including possible impact on account of global pandemic through analysis of actual past performance and comparison to previous forecasts;<br>- testing the mathematical accuracy and performing sensitivity analyses of the models and scenarios built into these models for varied potential impact on account of pandemic;<br>- understanding the commercial prospects of the assets/ projects, and comparison of assumptions with external data sources;<br>• We assessed the competence, capabilities and objectivity of the experts used by the Group in the process of determining recoverable amounts.<br>• We assessed the conclusions reached by management and those charged with governance on account of various estimates and judgements including possible impact of pandemic.<br>• We assessed the compliance of the disclosures made in note 48 of the consolidated Ind AS financial statements with the accounting standards. |
| **Recoverability of VAT deferral / refunds under the GST regime** *(as described in note 31 of the consolidated Ind AS financial statements)* | |
| The Group's units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible and have been availing interest free VAT deferral loan / Net VAT refunds as an incentive under the incentive schemes notified by the State of Maharashtra and Karnataka.<br><br>The Group has recognised income in relation these grants being the difference between the net present value of these interest free loans granted to the Group and the nominal value of such loans to the extent of SGST collected by the Group in respect of sales eligible for such grants, eligible incentive of Net SGST paid, as applicable, in accordance with the Industrial Promotion subsidy schemes and notifications issued by the State of Maharashtra and Karnataka.<br><br>The State Government of Maharashtra ('GoM') vide its Government Resolution (GR) dated 20 December 2018, revised on 8 March 2019, has issued the modalities for sanction and disbursement of Incentives under GST regime, which includes certain additional conditions for eligibility and prescribed a new formula for determination of the incentives. Further during the year GOM vide its GR dated 16 September 2019 amended definition of 'Gross SGST', 'Net SGST' and certain conditions related to eligibility of incentive prescribed in GR dated 20 December 2018.<br><br>The State Government of Karnataka vide its circular dated 26 February 2019, has issued guidelines for certification of the eligible incentive amount.<br><br>The amount of incentive recognized during the year amounts to ₹ 1,089 crores and cumulative balance of these receivables amount to ₹ 2,917 crores | Our audit procedures included the following:<br>• We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the recognition and measurement of government grants and income accruing therefrom.<br>• We read eligibility certificates in respect of VAT deferral / refund incentives available to Company.<br>• We read the notification issued by the Government of Maharashtra and Government of Karnataka stating eligibility of VAT deferral / refunds under the GST regime.<br>• We read Government Resolution dated 20 December 2018, revision made on 8 March 2019, and amendment made on 16 September 2019 issued by Government of Maharashtra in respect of modalities for sanction and disbursement of Incentives under GST regime.<br>• We read circular dated 26 February 2019 issued by the State Government of Karnataka in respect of guidelines for certification of the eligible incentive amount.<br>• We read letter dated October 18, 2019 issued by Director of Industries of Maharashtra for in-principle approval for issuance of eligibility certificate for availing incentive under PSI 2007 scheme. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| We considered VAT deferral / refund incentive as a Key audit matter due to:<br>• Significance of amount accrued during the year and carrying amount of these receivables as at March 31, 2020<br>• Significant judgement involved in assessment of the eligibility of incentive under the new GST regime. | • We read the legal opinion obtained by the management for assessing the impact of new eligibility conditions and formula for determination incentives based on latest Government Resolution issued by GoM including assessing the amounts withheld by the GOM on eligibility of certain duties which were refundable in the erstwhile VAT regime but have been denied in the new GST regime.<br>• We involved specialists to assist us in reviewing and evaluating the management's assessment of latest Government Resolution issued by GoM.<br>• We have tested the calculation of incentives accrued for the year ended March 31, 2020. |
| **Capital Expenditure in respect of property, plant and equipment and capital work in progress** *(as described in note 4 and 5 of the consolidated Ind AS financial statements)* | |
| The Group has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plant and equipment and capital work in progress in notes 4 and 5 of the consolidated Ind AS financial statements.<br>The Group is in process of executing various projects for setting up new facilities expansions of existing capacity across the locations. These projects take a substantial period of time to get ready for intended use.<br>We considered Capital expenditure as a Key audit matter due to:<br>• Significance of amount incurred on such items during the year ended March 31, 2020.<br>• Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment.<br>• Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment. | Our audit procedures included the following:<br>• We obtained an understanding of the Group's capitalisation policy and assessed for compliance with the relevant accounting standards;<br>• We obtained as understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalisation of assets;<br>• We performed substantive testing on a sample basis for each element of capitalised costs including inventory issued to contractors for the purpose of these projects and physical verification performed by management alongwith reconciliation and directly attributable cost including verification of underlying supporting evidence and understanding nature of the costs capitalised.<br>• In relation to borrowing costs we obtained the supporting calculations, verified the inputs to the calculation and tested the arithmetical accuracy of the model.<br>• We assessed accounting for costs incurred when projects are suspended or delayed for any reasons including the global pandemic<br>• We obtained understanding on management assessment relating to progress of projects and their intention to bring the asset to its intended use. |
| **Accuracy and completeness of disclosure of related party transactions and compliance with the provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI (LODR) 2015')** *(as described in note 44 of the consolidated Ind AS financial statements)* | |
| We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the consolidated Ind AS financial statements as a key audit matter due to:<br>• the significance of transactions with related parties during the year ended March 31, 2020.<br>• Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015. | Our audit procedures in relation to the disclosure of related party transactions included the following:<br>• We obtained an understanding of the Group's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the consolidated Ind AS financial statements.<br>• We obtained an understanding of the Group's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors.<br>• We agreed the amounts disclosed with underlying documentation and read relevant agreements, evaluation of arms-length by management, on a sample basis, as part of our evaluation of the disclosure.<br>• We assessed management evaluation of compliance with the provisions of Section 177 and Section 188 of the companies Act 2013 and SEBI (LODR) 2015.<br>• We evaluated the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Claims and exposures relating to taxation and litigation** *(as described in note 45 of the consolidated Ind AS financial statements)* | |
| The Group has disclosed in Note 45 of the consolidated Ind AS financial statements contingent liabilities of ₹ 4,019 crores in respect of disputed claims/ levies under various tax and legal matters and ₹ 2,588 crores towards Claims related to Forex development tax/ fee.<br><br>Taxation and litigation exposures have been identified as a key audit matter due to:<br><br>• Significance of these amounts and large number of disputed matters with various authorities.<br><br>• Significant judgement and assumptions required by management in assessing the exposure of each case to evaluate whether there is a need to set up a provision and measurement of exposures as well as the disclosure of contingent liabilities.<br><br>We focused on this matter because of the potential financial impact on the consolidated Ind AS financial statements. Additionally, the treatment of taxation and litigation cases require significant judgement due to the complexity of the cases, timescales for resolution and involvement of various authorities. | Our audit procedures included the following:<br><br>• We obtained understanding, evaluated the design, and tested the operating effectiveness of the controls related to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities.<br><br>• We obtained the details of legal and tax disputed matters and evaluation made by the management and assessed management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss.<br><br>• We read external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims.<br><br>• We involved tax specialists to assist us in evaluating tax positions taken by management.<br><br>• We assessed the relevant disclosures made in the consolidated Ind AS financial statements for compliance in accordance with the requirements of Ind AS 37. |

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS 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.

## Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures 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 the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures 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 Group or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 consolidated Ind AS 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 consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures 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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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 consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

(a) We did not audit the financial statements and other financial information, in respect of 25 subsidiaries, whose Ind AS financial statements include total assets of ₹ 7,445 crores as at March 31, 2020, and total revenues of ₹ 7,800 crores and net cash inflows of Re 1 crore for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 122 crores for the year ended March 31, 2020, as considered in the

consolidated Ind AS financial statements, in respect of 6 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of such other auditors.

Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 3 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 1,197 crores as at March 31, 2020, and total revenues of ₹ 107 crores and net cash outflows of ₹ 0.19 crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 32 crores for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 3 joint ventures, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 of the aforesaid consolidated Ind AS financial statements;

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies, its joint ventures incorporated in India 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 and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, and joint ventures incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint ventures in its consolidated Ind AS financial statements – Refer Note 45 to the consolidated Ind AS financial statements;

ii. The Group and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint ventures incorporated in India during the year ended March 31, 2020.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per Vikram Mehta**
Partner
Membership Number: 105938
UDIN: 20105938AAAACB6991

Place of Signature: Mumbai
Date: May 22, 2020

# ANNEXURE 1

**Annexure 1 to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of JSW Steel Limited**

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

In conjunction with our audit of the consolidated Ind AS financial statements of JSW Steel Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of JSW Steel Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143 (10) of the Act, 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 with reference to these consolidated Ind AS financial statements 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

## Meaning of Internal Financial Controls Over Financial Reporting With Reference to these consolidated Ind AS financial statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with

reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Holding Company, its subsidiary companies and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these 16 subsidiary companies and 5 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and joint ventures incorporated in India.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per Vikram Mehta**
Partner
Membership Number: 105938
UDIN: 20105938AAAACB6991

Place of Signature: Mumbai
Date: May 22, 2020

# CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2020

₹ in crores

| | | Notes | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| **I** | **ASSETS** | | | |
| **(1)** | **Non-current assets** | | | |
| | (a) Property, plant and equipment | 4 | **57,758** | 61,604 |
| | (b) Capital work-in-progress | 5 | **26,857** | 11,540 |
| | (c) Right of use assets | 6 | **3,471** | - |
| | (d) Goodwill | 7 | **415** | 840 |
| | (e) Other intangible assets | 8 | **350** | 200 |
| | (f) Intangible assets under development | | **334** | 349 |
| | (g) Investments in joint ventures | 9 | **283** | 628 |
| | (h) Financial assets | | | |
| | (i) Investments | 10 | **974** | 1,184 |
| | (ii) Loans | 11 | **772** | 433 |
| | (iii) Other financial assets | 12 | **696** | 299 |
| | (i) Current tax assets (net) | | **385** | 240 |
| | (j) Deferred tax assets (net) | 25 | **-** | 117 |
| | (k) Other non-current assets | 13 | **2,956** | 3,925 |
| | **Total non-current assets** | | **95,251** | **81,359** |
| **(2)** | **Current assets** | | | |
| | (a) Inventories | 14 | **13,864** | 14,548 |
| | (b) Financial assets | | | |
| | (i) Investments | 15 | **2** | 82 |
| | (ii) Trade receivables | 16 | **4,505** | 7,160 |
| | (iii) Cash and cash equivalents | 17(a) | **3,966** | 5,581 |
| | (iv) Bank balances other than (iii) above | 17(b) | **8,037** | 606 |
| | (v) Loans | 11 | **742** | 561 |
| | (vi) Derivative assets | 18 | **294** | 321 |
| | (vii) Other financial assets | 12 | **2,858** | 2,217 |
| | (c) Current tax assets (net) | | **6** | 6 |
| | (d) Other current assets | 13 | **2,286** | 2,461 |
| | (e) Assets classified as held for sale | | **9** | 12 |
| | **Total current assets** | | **36,569** | **33,555** |
| | **TOTAL-ASSETS** | | **131,820** | **114,914** |
| **II** | **EQUITY AND LIABILITIES** | | | |
| **(1)** | **Equity** | | | |
| | (a) Equity share capital | 19 | **301** | 301 |
| | (b) Other equity | 20 | **36,298** | 34,494 |
| | **Equity attributable to owners of the Company** | | **36,599** | **34,795** |
| | Non-controlling interests | | **(575)** | (450) |
| | **Total equity** | | **36,024** | **34,345** |
| | **Liabilities** | | | |
| **(2)** | **Non-current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 21 | **44,673** | 29,656 |
| | (ii) Lease liabilities | 6 | **1,744** | - |
| | (iii) Derivative liabilities | 22 (a) | **130** | - |
| | (iv) Other financial liabilities | 23 | **464** | 532 |
| | (b) Provisions | 24 | **348** | 258 |
| | (c) Deferred tax liabilities (net) | 25 | **1,677** | 3,894 |
| | (d) Other non-current liabilities | 26 | **3,072** | 4,221 |
| | **Total non-current liabilities** | | **52,108** | **38,561** |
| **(3)** | **Current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 27 | **8,325** | 6,333 |
| | (ii) Trade payables | 28 | | |
| | (a) Total outstanding, dues of micro and small enterprises | | **142** | 39 |
| | (b) Total outstanding, dues of creditors other than micro and small enterprises | | **17,776** | 16,120 |
| | (iii) Derivative liabilities | 22 (b) | **251** | 379 |
| | (iv) Lease liabilities | 6 | **306** | |
| | (iv) Other financial liabilities | 29 | **14,143** | 16,831 |
| | (b) Provisions | 24 | **161** | 134 |
| | (c) Other current liabilities | 30 | **2,455** | 1,976 |
| | (d) Current tax liabilities (net) | | **129** | 196 |
| | **Total current liabilities** | | **43,688** | **42,008** |
| | **Total liabilities** | | **95,796** | **80,569** |
| | **TOTAL-EQUITY AND LIABILITIES** | | **131,820** | **114,914** |

**See accompanying notes to the Consolidated Financial Statements**

As per our report of even date

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per VIKRAM MEHTA**
Partner
Membership No. 105938

Place: Mumbai
Date: 22 May 2020

**RAJEEV PAI**
Chief Financial Officer

**LANCY VARGHESE**
Company Secretary
ICSI Membership No.: FCS 9407
Place: Mumbai
Date: 22 May 2020

**For and on behalf of the Board of Directors**

**SAJJAN JINDAL**
Chairman & Managing Director
DIN 00017762

**SESHAGIRI RAO M. V. S.**
Jt. Managing Director & Group CFO
DIN 00029136

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

| | | Notes | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| I | **Revenue from operations** | | 72,610 | 84,757 |
| | Fees for assignment of procurement contract | | 250 | - |
| | Government grant income – VAT/GST incentive relating to earlier years | | 466 | - |
| | **Total Revenue from operations** | 31 | **73,326** | **84,757** |
| II | Other income | 32 | 546 | 204 |
| III | **Total income (I + II)** | | **73,872** | **84,961** |
| IV | **Expenses** | | | |
| | Cost of materials consumed | | 38,865 | 43,476 |
| | Purchases of stock-in-trade | | 135 | 320 |
| | Changes in inventories of finished goods, work-in-progress and stock-in-trade | 33 | (270) | (590) |
| | Employee benefits expense | 34 | 2,839 | 2,489 |
| | Finance costs | 35 | 4,265 | 3,917 |
| | Depreciation and amortisation expense | 36 | 4,246 | 4,041 |
| | Other expenses | 37 | 19,884 | 20,110 |
| | **Total expenses** | | **69,964** | **73,763** |
| V | **Profit before share of profit/(loss) from joint ventures (net), exceptional items and tax (III-IV)** | | **3,908** | **11,198** |
| VI | Share of profit/(loss) from joint ventures (net) | | (90) | (30) |
| VII | **Profit before exceptional items and tax (V+VI)** | | **3,818** | **11,168** |
| VIII | Exceptional items | 47 | 805 | - |
| IX | **Profit before tax (VII-VIII)** | | **3,013** | **11,168** |
| X | **Tax expense/(credit)** | 25 | | |
| | Current tax | | 943 | 2,473 |
| | Deferred tax | | (1,849) | 1,171 |
| | **Total tax expense/(credit)** | | **(906)** | **3,644** |
| XI | **Profit for the year (IX-X)** | | **3,919** | **7,524** |
| XII | **Other comprehensive income / (loss)** | | | |
| A | (i) Items that will not be reclassified to profit or loss | | | |
| | (a) Remeasurement losses of the defined benefit plans | 42 | (23) | (19) |
| | (b) Equity instruments through other comprehensive income | | (304) | (2) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | 7 | 7 |
| | **Total (A)** | | **(320)** | **(14)** |
| B | (i) Items that will be reclassified to profit or loss | | | |
| | (a) The effective portion of gain/(loss) on hedging instruments | | (825) | 85 |
| | (b) Changes in Foreign currency monetary item translation difference account (FCMITDA) | | 87 | (49) |
| | (c) Foreign currency translation reserve (FCTR) | | (316) | (60) |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | 253 | (12) |
| | **Total (B)** | | **(801)** | **(36)** |
| | **Total other comprehensive income/(loss) (A+B)** | | **(1,121)** | **(50)** |
| XIII | **Total comprehensive income/(loss) (XI+XII)** | | **2,798** | **7,474** |
| | **Total Profit /(loss) for the year attributable to:** | | | |
| | - Owners of the Company | | 4,030 | 7,639 |
| | - Non-controlling interests | | (111) | (115) |
| | | | **3,919** | **7,524** |
| | **Other comprehensive income/(loss) for the year attributable to:** | | | |
| | - Owners of the Company | | (1,076) | (24) |
| | - Non-controlling interests | | (45) | (26) |
| | | | **(1,121)** | **(50)** |
| | **Total comprehensive income/(loss) for the year attributable to:** | | | |
| | - Owners of the Company | | 2,954 | 7,615 |
| | - Non-controlling interests | | (156) | (141) |
| | | | **2,798** | **7,474** |
| XIV | **Earnings per equity share of ₹ 1 each** | 38 | | |
| | Basic (in ₹) | | 16.78 | 31.77 |
| | Diluted (in ₹) | | 16.67 | 31.60 |

**See accompanying notes to the Consolidated Financial Statements**

As per our report of even date

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per VIKRAM MEHTA**
Partner
Membership No. 105938

Place: Mumbai
Date: 22 May 2020

**RAJEEV PAI**
Chief Financial Officer

**LANCY VARGHESE**
Company Secretary
ICSI Membership No.: FCS 9407
Place: Mumbai
Date: 22 May 2020

**For and on behalf of the Board of Directors**

**SAJJAN JINDAL**
Chairman & Managing Director
DIN 00017762

**SESHAGIRI RAO M. V. S.**
Jt. Managing Director & Group CFO
DIN 00029136

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

## A. Equity share capital

₹ in crores

| As at 1 April 2018 | Movement during 2018-19 | As at 31 March 2019 | Movement during 2019-20 | As at 31 March 2020 |
|---|---|---|---|---|
| 302 | @@ | 301 | @ | 301 |

@ - ₹ (0.07) crore; @@ – ₹(0.45) crore

## B. Other equity

₹ in crores

| | Reserves and surplus | | | | | | | | Other comprehensive income / (loss) | | | | Attributable to owners of the parent | Non-controlling interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities premium reserve | Capital redemption reserve | Debenture redemption reserve | Retained earnings | Equity settled share-based payment reserve | General reserve | Capital reserve on bargain purchase | FCTR | Equity instruments through other comprehensive income | Effective portion of cash flow hedges | FCMITDA | | | |
| **Balance as at 1 April 2018** | **3,585** | **5,417** | **149** | **141** | **7,528** | **41** | **10,281** | **609** | **(518)** | **478** | **10** | **(25)** | **27,696** | **(464)** | **27,232** |
| Profit for the year | - | - | - | - | 7,639 | - | - | - | - | - | - | - | 7,639 | (115) | 7,524 |
| Other comprehensive income for the year, net of income tax (refer note 25) | - | - | - | - | (12) | - | - | - | (34) | (2) | 56 | (32) | (24) | (26) | (50) |
| Dividends including dividend distribution tax | - | - | - | - | (933) | - | - | - | - | - | - | - | (933) | - | (933) |
| Impact of ESOP trust consolidation | - | - | - | - | (149) | - | - | - | - | - | - | - | (149) | - | (149) |
| Recognition of share-based payments | - | - | - | - | - | 50 | - | - | - | - | - | - | 50 | - | 50 |
| Transfer between reserves | - | - | 382 | 144 | (144) | - | (382) | - | - | - | - | - | - | - | - |
| Acquisition of business | - | - | - | - | - | - | - | 408 | - | - | - | - | 408 | 59 | 467 |
| Acquisition of non-controlling interests | - | - | - | - | (190) | - | - | - | - | - | - | - | (190) | 81 | (109) |
| Equity component of compound financial instruments | - | - | - | - | - | - | - | - | - | - | - | - | - | 15 | 15 |
| Others | - | - | - | - | (3) | - | - | - | - | - | - | - | (3) | - | (3) |
| **Balance as at 31 March 2019** | **3,585** | **5,417** | **531** | **285** | **13,736** | **91** | **9,899** | **1,017** | **(552)** | **476** | **66** | **(57)** | **34,494** | **(450)** | **34,044** |

₹ in crores

| | Reserves and surplus | | | | | | | | Other comprehensive income / (loss) | | | | Attributable to owners of the parent | Non-controlling interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities premium reserve | Capital redemption reserve | Debenture redemption reserve | Retained earnings | Equity settled share-based payment reserve | General reserve | Capital reserve on bargain purchase | FCTR | Equity instruments through other comprehensive income | Effective portion of cash flow hedges | FCMITDA | | | |
| **Balance as at 1 April 2019** | **3,585** | **5,417** | **531** | **285** | **13,736** | **91** | **9,899** | **1,017** | **(552)** | **476** | **66** | **(57)** | **34,494** | **(450)** | **34,044** |
| Profit for the year | - | - | - | - | 4,030 | - | - | - | - | - | - | - | 4,030 | (111) | 3,919 |
| Other comprehensive income for the year, net of income tax (refer note 25) | - | - | - | - | (16) | - | - | - | (271) | (304) | (542) | 57 | (1,076) | (45) | (1,121) |
| Dividends including dividend distribution tax | - | - | - | - | (1,195) | - | - | - | - | - | - | - | (1,195) | - | (1,195) |
| Impact of ESOP trust consolidation | - | - | - | - | 10 | - | - | - | - | - | - | - | 10 | - | 10 |
| Recognition of share-based payments | - | - | - | - | - | 37 | - | - | - | - | - | - | 37 | - | 37 |
| Transfer between reserves | - | - | 243 | (285) | - | - | 42 | - | - | - | - | - | - | - | - |
| Acquisition of business (refer note 40) | - | - | - | - | - | - | - | 2 | - | - | - | - | 2 | 25 | 27 |
| Equity component of compound financial instruments | - | - | - | - | - | - | - | - | - | - | - | - | - | 5 | 5 |
| Transfer to general reserve after exercise of options | - | - | - | - | - | (6) | 6 | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | (4) | - | - | - | - | - | - | - | (4) | 1 | (3) |
| **Balance as at 31 March 2020** | **3,585** | **5,417** | **774** | **-** | **16,561** | **122** | **9,947** | **1,019** | **(823)** | **172** | **(476)** | **-** | **36,298** | **(575)** | **35,723** |

**See accompanying notes to the Consolidated Financial Statements**

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per VIKRAM MEHTA**
Partner
Membership No. 105938

Place: Mumbai
Date: 22 May 2020

**RAJEEV PAI**
Chief Financial Officer

**LANCY VARGHESE**
Company Secretary
ICSI Membership No.: FCS 9407
Place: Mumbai
Date: 22 May 2020

**For and on behalf of the Board of Directors**
**SAJJAN JINDAL**
Chairman & Managing Director
DIN 00017762

**SESHAGIRI RAO M. V. S.**
Jt. Managing Director & Group CFO
DIN 00029136

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

| | | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|---|---|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | | | |
| | **Profit before tax** | | **3,013** | | 11,168 |
| | **Adjustments for:** | | | | |
| | Depreciation and amortisation expense | **4,246** | | 4,041 | |
| | Loss on sale of property, plant and equipment (net) | **30** | | 8 | |
| | Gain on sale of financial investments designated as FVTPL | **(5)** | | (19) | |
| | Export obligation deferred income amortisation | **(144)** | | (165) | |
| | Interest income | **(439)** | | (134) | |
| | Dividend income | **(10)** | | - | |
| | Interest expense | **3,924** | | 3,582 | |
| | Unrealised exchange loss | **687** | | 155 | |
| | Gain on financial instruments designated as FVTPL | **(4)** | | (6) | |
| | Unwinding of interest on financial assets carried at amortised cost | **(45)** | | (25) | |
| | Fair value gain on joint venture's previously held stake on acquisition of control | **(13)** | | - | |
| | Share-based payment expense | **37** | | 50 | |
| | Share of loss from joint ventures (net) | **90** | | 30 | |
| | Fair value loss on financial instrument designated as FVTPL | **2** | | 1 | |
| | Allowances for doubtful receivable and advances | **113** | | 152 | |
| | Non-cash expenditure debit to the consolidated statement of profit and loss | **14** | | 6 | |
| | Exceptional items | **805** | | - | |
| | | | **9,288** | | **7,676** |
| | **Operating profit before working capital changes** | | **12,301** | | **18,844** |
| | **Adjustments for:** | | | | |
| | Decrease / (Increase) in inventories | **744** | | (1,741) | |
| | Decrease / (Increase) in trade receivables | **2,458** | | (2,203) | |
| | (Increase) in other assets | **(1,837)** | | (1,084) | |
| | Increase in trade payable and other liabilities | **183** | | 3,406 | |
| | Increase in provisions | **91** | | 41 | |
| | | | **1,639** | | **(1,581)** |
| | **Cash flow from operations** | | **13,940** | | **17,263** |
| | Income taxes paid (net of refund received) | | **(1,155)** | | (2,630) |
| | **Net cash generated from operating activities** | | **12,785** | | **14,633** |
| **B.** | **Cash flow from investing activities** | | | | |
| | Purchases of property, plant and equipment and intangibles assets (including under development and capital advances) | | **(12,810)** | | (10,206) |
| | Proceeds from sale of property, plant and equipment | | **43** | | 44 |
| | Cash outflow on acquisition of a subsidiary | | **(64)** | | (1,014) |
| | Investment in joint ventures | | **-** | | (413) |
| | Proceeds from sale of stake in joint venture | | **164** | | - |
| | Purchase of current investments | | **(762)** | | (8,340) |
| | Sale of current investments | | **847** | | 8,591 |
| | Bank deposits not considered as cash and cash equivalents (net) | | **(7,517)** | | (268) |
| | Interest received | | **503** | | 158 |
| | Dividend received | | **10** | | - |
| | **Net cash used in investing activities** | | **(19,586)** | | **(11,448)** |
| **C.** | **Cash flow from financing activities** | | | | |
| | Proceeds from sale of treasury shares | | **107** | | - |
| | Payment for purchase of treasury shares | | **(101)** | | (153) |
| | Proceeds from non-current borrowings | | **20,814** | | 8,999 |
| | Repayment of non-current borrowings | | **(11,107)** | | (6,273) |
| | Proceeds from / (repayment) of current borrowings (net) | | **1,940** | | 4,155 |

₹ in crores

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Repayment of lease liabilities / finance lease obligations | (177) | (227) |
| Interest paid | (4,520) | (3,815) |
| Dividend paid (including corporate dividend tax) | (1,195) | (933) |
| Premium paid on redemption of debentures | (572) | - |
| **Net cash generated from financing activities** | **5,189** | **1,753** |
| **Net (decrease) / increase in cash and cash equivalents(A+B+C)** | **(1,612)** | **4,938** |
| Cash and cash equivalents at the beginning of year | **5,581** | **582** |
| Add: Translation adjustment in cash and cash equivalents | (6) | 3 |
| Add: Cash and cash equivalents pursuant to business combinations (refer note 40) | **3** | 58 |
| **Cash and cash equivalents at the end of year** | **3,966** | **5,581** |

## Reconciliation forming part of Statement of Cash flows

₹ in crores

| Particulars | 1 April 2019 | Cash flows (net) | Foreign exchange difference | Changes in fair values | New leases | Others | 31 March 2020 |
|---|---|---|---|---|---|---|---|
| Borrowings (non-current) other than Lease liabilities) (including current maturities of long-term borrowing included in other financial liabilities note 29) | 39,106 | 9,707 | 2,401 | (113) | - | (52) | **51,049** |
| Lease liabilities (including Current maturities)* | 1,957 | (177) | - | - | 405 | (135) | **2,050** |
| Borrowings (current) | 6,333 | 1,940 | - | - | - | 52 | **8,325** |

* All finance lease obligations are now reclassified as lease liabilities and shown separately in the balance sheet.

₹ in crores

| Particulars | 1 April 2018 | Cash flows (net) | Foreign exchange difference | Changes in fair values | New leases | Other | 31 March 2019 |
|---|---|---|---|---|---|---|---|
| Borrowings (non-current) other than finance lease obligations (including current maturities of long-term borrowing included in other financial liabilities note 29) | 35,435 | 2,726 | 926 | 32 | - | (13) | **39,106** |
| Finance lease obligations (including current maturities of finance lease obligations) | 1,781 | (227) | - | - | 403 | - | **1,957** |
| Borrowings (current) | 2,177 | 4,155 | 1 | - | - | - | **6,333** |

Other comprises of upfront fees amortisation and interest cost accrual on preference shares.

**Notes:**

The cash flow statement is prepared using the "indirect method" set out in Ind AS 7 – Statement of Cash Flows.

**See accompanying notes to the Consolidated Financial Statements**

As per our report of even date

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per VIKRAM MEHTA**
Partner
Membership No. 105938

Place: Mumbai
Date: 22 May 2020

**RAJEEV PAI**
Chief Financial Officer

**LANCY VARGHESE**
Company Secretary
ICSI Membership No.: FCS 9407
Place: Mumbai
Date: 22 May 2020

**For and on behalf of the Board of Directors**

**SAJJAN JINDAL**
Chairman & Managing Director
DIN 00017762

**SESHAGIRI RAO M. V. S.**
Jt. Managing Director & Group CFO
DIN 00029136

## 1. General Information

JSW Steel Limited ("the Company" or "the Parent") is primarily engaged in the business of manufacture and sale of Iron and Steel Products.

The Parent and its subsidiaries (together referred to as "the Group") are manufacturer of diverse range of steel products with its manufacturing facilities located in states of Karnataka, Maharashtra and Tamil Nadu in India and also in the United States of America and Italy.

JSW Steel Limited is a public limited company incorporated in India on 15 March 1994 under the Companies Act, 1956 and listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.

## 2. Significant Accounting policies

### I. Statement of compliance

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act, 2013, (Ind AS Compliant Schedule III),as applicable to Consolidated financial statements.

Accordingly, the Company has prepared these Consolidated Financial Statements which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "financial statements").

These financial statements are approved for issue by the Board of Directors on 22 May 2020.

### II. Basis of preparation and presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting year as explained in the accounting policies below, and acquisition of subsidiaries where assets and liabilities are measured at fair values as at the date of acquisition in accordance with Ind AS 103.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statement is presented in INR and all values are rounded to the nearest crores except when otherwise stated.

#### Current and non-current classification

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

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;

› it is due to be settled within 12 months after the reporting date; or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

**III. Basis of consolidation**

The Consolidated Financial Statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company and its subsidiaries. Control is achieved where the Company:

› has power over the investee;

› is exposed to, or has rights, to variable returns from its involvement with the investee; and

› has the ability to use its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including;

› the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

› potential voting rights held by the Company, other vote holders or other parties;

› rights arising from other contractual arrangements; and

› any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Consolidation procedure:

› Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

› Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

› Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

**IV. Business combinations**

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic

benefits is not probable. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of bargain purchase, before recognising gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

If the initial accounting for a business combination is incomplete by the end of the financial year, the provisional amounts for which the accounting is incomplete shall be disclosed in the financial statements and provisional amounts recognised at the acquisition date shall be retrospectively adjusted during the measurement period. During the measurement period, the group shall also recognise additional assets or liabilities if the new information is obtained about facts and circumstances that existed as of the acquisition date and if known, would have resulted in the recognition of those assets and liabilities as of that date. However, the measurement period shall not exceed the period of one year from the acquisition date.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

**V. Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any

impairment loss for goodwill is recognised directly in the consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 2(VI) below.

**VI. Investment in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in consolidated statement of profit and loss in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

**VII. Revenue recognition**

**A. Sale of Goods**

The Group recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Group recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Group and recovered from the customers, the same is treated as a separate performance obligation

and revenue is recognised when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their stand-alone selling prices.

For 'Bill and Hold' sales in which delivery is delayed at the buyers request but the buyer takes title and accepts billing, revenue is recognised when the buyer takes title, provided the product is separately identified as belonging to the buyer, is ready for physical transfer to the buyer and the Company does not have the ability to use the product or direct it to another customer.

Revenue from sale of by products are included in revenue. Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

**Contract balances**

**i) Contract assets including trade receivables**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

A receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e., only the passage of time is required before payment of the consideration is due).

**ii) Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from Customer.

**iii. Refund liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

**B. Construction contracts**

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentives payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract cost incurred that it is probable will be recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**C. Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## VIII. Leases

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

**Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct

costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. and the lease term is follows:

| Class of assets | Years |
|---|---|
| Leasehold land | 75 to 99 Years |
| Buildings | 3 to 30 years |
| Plant & Machinery | 3 to 15 years |

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

#### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below ₹ 5,00,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## IX. Foreign currencies

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

- Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for:
- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in 2 (XXI) (B) (f));
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from

equity to Statement of Profit and Loss on repayment of the monetary items; and

› exchange difference arising on settlement/ restatement of long-term foreign currency monetary items recognised in the financial statements for the year ended 31 March 2016 prepared under previous GAAP, are capitalised as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity year/ up to the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Goodwill, capital reserve on bargain purchase and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

## X. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the year in which they are incurred.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

## XI. Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Consolidated Statement of Profit and Loss on a systematic basis over the years in which the Group recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

The benefit of a government loan at a below-market rate of interest and effect of this favourable interest is treated as a government grant. The Loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the Consolidated Statement of Profit and Loss immediately on fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## XII. Employee benefits

### Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Consolidated Balance Sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Consolidated Statement Profit and Loss. Past service cost is recognised in Consolidated Statement of profit and loss in the year of a plan amendment or when the Group recognises corresponding restructuring

cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

1. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
2. net interest expense or income; and
3. re-measurement

The Group presents the first two components of defined benefit costs in Consolidated Statement of Profit and Loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits, are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

## XIII. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Consolidated Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The Company has created an Employee Benefit Trust for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Company from the market, for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting year are satisfied with treasury shares.

## XIV. Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred tax asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

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

**Current and deferred tax for the year**

Current and deferred tax are recognised in consolidated statement of profit and loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

**XV. Property, plant and equipment**

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under Capital work-in-progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue (net of cost) generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets located in India, in whose case the life of the

assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

| Class of assets | Years |
|---|---|
| Plant and equipment | 8 to 40 years |
| Work-rolls (shown under Plant and equipment) | 1 to 5 years |

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.

The Group has applied Ind AS 116 w.e.f. 1 April 2019 and all lease are covered under Right of use assets.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Depreciation on the property, plant and equipment of the Company's foreign subsidiaries and jointly controlled entities has been provided on straight-line method as per the estimated useful life of such assets as follows:

| Class of assets | Years |
|---|---|
| Buildings | 15 to 50 years |
| Plant and machinery | 3 to 30 years |
| Furniture and fixtures | 3 to 10 years |
| Vehicles and aircrafts | 4 to 5 years |
| Office equipment | 3 to 10 years |

## XVI. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

| Class of assets | Years |
|---|---|
| Computer software | 3 to 5 years |
| Licenses | Over the period of license |

Mining assets are amortised over the useful life of the mine or lease period whichever is lower.

The Group has elected to continue with carrying value of all its intangible assets recognised as on transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

## XVII. Mining Assets

### Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs – costs associated with acquisition of licenses and rights to explore, including related professional fees.

General exploration costs – costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration – Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration

phase on the license area is complete or commercial reserves have been discovered.

**Stripping cost**

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

Developmental stripping costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

**Site restoration, rehabilitation and environmental costs**

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to consolidated statement of profit and loss over the life of the asset through depreciation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of such provisions are set out in note 24.

**XVIII. Impairment of Non-financial assets**

At the end of each reporting year, the Group reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

**XIX. Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## XX. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

## XXI. Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Consolidated Statement of Profit and Loss.

### A. Financial assets

#### a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

#### b) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit and loss.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognised in consolidated statement of profit and loss. The net gain or loss recognised in consolidated statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when:

- The Group's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

**c) Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

**d) Impairment**

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, The Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, The Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets.

**e) Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the consolidated statement of profit and loss and is included in the 'Other income' line item.

## B. Financial liabilities and equity instruments

**a) Classification as debt or equity**

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**b) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

**c) Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

**Financial liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any interest paid on the financial liability and is included

in the Consolidated Statement of Profit and Loss. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

**Other financial liabilities:**

The Group enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipment. The banks and financial institutions are subsequently repaid by the Group at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognised as Acceptances (under trade payables) and arrangements for property, plant and equipment are recognised as other financial liabilities. Interest borne by the Group on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

**Derecognition of financial liabilities:**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit or Loss.

**d) Derivative financial instruments**

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks, including foreign exchange forward contracts, commodity forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in Consolidated Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Consolidated Statement of Profit and Loss depends on the nature of the hedge item.

**e) Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit and loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit and loss, unless designated as effective hedging instruments.

**f) Hedge accounting**

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency, interest rate and

commodity risk, as either cash flow hedge, fair value hedge or hedges of net investments in foreign operations. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

(i) **Fair value hedges**

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the Consolidated Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in the Consolidated Statement of Profit and Loss in the line item relating to the hedged item.

The Group designates only the spot component for derivative instruments in fair value Hedging relationship. The Group defers changes in the forward element of such instruments in hedging reserve and the same is amortised over the period of the contract.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortised cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit and loss from that date.

(ii) **Cash flow hedges**

The effective portion of changes in fair value derivatives and non-derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in Consolidated Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit and loss in the years when the hedged item affects profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit and loss.

(iii) **Hedges of net investments in a foreign operation**

Hedges of net investments in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognised immediately in the profit or loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to Consolidated Statement of Profit and Loss on the disposal of the foreign operation.

## XXII. Segment reporting

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

The Board of directors of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

**XXIII. Cash and cash equivalents**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the Consolidated Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**XXIV. Earnings per share**

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

## 3. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under Section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

**A) Key sources of estimation uncertainty**

**i) Useful lives of property, plant and equipment**

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

**ii) Impairment of investments in joint ventures and associate**

Determining whether the investments in joint ventures and associate are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses / operations of the investee companies as more fully described in note 48. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

**iii) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. The cases which have been determined as remote by the Group are not disclosed.

Contingent assets are neither recognised nor disclosed in the financial statements unless when an inflow of economic benefits is probable.

**iv) Fair value measurements**

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

**v) Taxes**

Pursuant to the announcement of the changes in corporate tax regime, the Companies have an option to either opt for the new tax regime or

continue to pay taxes as per the old applicable tax structure together with the other benefits available to the Companies including utilisation of the MAT credit available. This requires significant estimation in determining in which year the Group would migrate to the new tax regime basis future year's taxable profits including the impact of ongoing expansion plans of the Company and consequential utilisation of available MAT credit. Accordingly, in accordance with IND AS 12 - Income Taxes, deferred tax assets and liabilities are required to be measured at the tax rates that are expected to apply to the year when the asset is realised, or liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

During the year, the Group has assessed the outstanding deferred tax liability, and written back an amount to the extent of ₹2,225 crores to the Consolidated Statement of Profit and Loss. This is arising from the re-measurement of deferred tax liability that is expected to reverse in future when the Company and one of its subsidiary would migrate to the new tax regime.

**vi) Impairment of Goodwill**

Determining whether the goodwill acquired in business combinations are impaired, requires an estimate of recoverable amount of the Group's cash Generating unit (or groups of cash generating units). In considering the recoverable value of cash generating unit, the management have anticipated the future benefits to arise from commodity prices, capacity utilisation of plants, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying unit. If the recoverable amount of cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any Impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss.

**vii) Relating to the global health pandemic from COVID-19**

On 11 March 2020, the World Health Organisation characterised the outbreak of a strain of the new coronavirus ("COVID-19") as a pandemic. This outbreak is causing significant disturbances and slow down of economic activity. The Group's operations were impacted in the month of March 2020, due to scaling down / suspending production across all plants following nationwide lockdown announced by the Government of India in view of COVID-19. The Government of India permitted certain additional activities from 20 April 2020 in non-containment zones, subject to requisite approvals as may be required. The Group could secure the requisite approvals and has accordingly commenced operations and is gradually ramping up capacity since then.

In assessing the recoverability of carrying amounts of Group's assets such as property, plant & equipment, goodwill and other assets etc, the Group has considered various internal and external information up to the date of approval of these financial results and concluded that they are recoverable based on the estimate of values of the businesses and assets by independent external valuers which was based on cash flow projections/implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore and coal, mineable resources, and assumptions relating to operational performance including significant improvement in capacity utilisation and margins based on forecasts of demand in local markets, and capacity expansion/availability of infrastructure facilities for mines.

The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

**B) Critical accounting judgements**

**i) Control over JSW Realty & Infrastructure Private Limited (RIPL)**

RIPL has developed a residential township in Vijayanagar, Karnataka on the land taken on lease from the Company for a period of 30 years and provides individual housing units on rent to the employees of the Company or other group companies. RIPL is not allowed to sub-let or assign its rights under the arrangement without prior written consent of the Company. Though the Company does not hold any ownership interest in RIPL, the Company has concluded that the Company has practical ability to direct the relevant activities of RIPL unilaterally, considering RIPL's dependency on the Company for funding significant portion of its operation through subscription to 73.89% of preference share capital amounting to ₹304 crore issued by RIPL and significant portion of RIPL's activities.

**ii) Determining the lease term of contracts with renewal and termination options – Company as lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

**iii) Joint control over Monnet Ispat and Energy Limited**

The consortium of JSW Steel Limited and AION Investments Private II Limited. completed the acquisition of Monnet Ispat and Energy Limited ("MIEL") through their jointly controlled entity Creixent Special Steels Limited ("CSSL") on 31 August 2018. The Company has made an investment in the year 2018-19 of ₹ 375 crores through equity and redeemable preference shares in CSSL to acquire joint control in MIEL and have an effective shareholding of 23.1% in MIEL. As per the Shareholding agreement, all the relevant activities of CSSL that affect the Company's variable returns from its involvement with CSSL/ MIEL have to be decided unanimously by a Steering Committee on which the Company has representation and thus the Company has concluded that it has joint control over CSSL.

**iv) Incentives under the State Industrial Policy**

The Company units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible for incentives under the respective State Industrial Policy and have been availing incentives in the form of VAT deferral / CST refunds.

The State Government of Maharashtra ('GoM') vide its Government Resolution (GR) issued the modalities for sanction and disbursement of incentives, under GST regime, and introduced certain new conditions / restrictions for accruing incentive benefits granted to the Company including denying incentives in certain cases.

The management has evaluated the impact of other conditions imposed and has obtained legal advice on the tenability of these changes in the said scheme. Based on such legal advice, the Company has also made the representation to GOM and believes that said Incentives would continue to be made available to the Company under the GST regime, since the new conditions are not tenable legally and will contest these changes appropriately.

Accordingly, the Company has recognised grant income without giving effect to the above restrictions and the cumulative amount receivable towards the same is considered to be good and recoverable.

**C) New and amended accounting standards:**

**Ind AS 116 – Leases**

Ind AS 116 supersedes Ind AS 17 Leases including evaluating the substance of transactions involving the legal form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. 1 April 2019. The Group has used the modified

retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognised at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1 (IV) Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

**Leases previously classified as finance leases**

The Group applied the practical expedients provided in Ind AS 116 and did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from 1 April 2019.

**Leases previously accounted for as operating leases**

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Most of the contracts that contains extension terms are on mutual agreement between both the parties and hence the potential future rentals cannot be assessed. Certain contracts where the extension terms are unilateral are with unrelated parties and hence there is no certainty about the extension being exercised.

The weighted average incremental borrowing rate applied to the newly recognised lease liabilities pursuant to Ind AS 116 adoption as at 1 April 2019 is 9%.

**Based on the above, as at 1 April 2019:**

Right-of-use asset of ₹ 3,702 crores and a lease liability of ₹ 2,331 crores on the date of initial application, including right-of-use asset amounting to ₹ 2,515 crores and lease liability amounting to ₹ 1,957 crores recognised as finance lease asset and obligation respectively under erstwhile lease standard as at 31 March 2019.

# NOTES

AS AT AND FOR THE YEAR ENDED 31 MARCH 2020



## 4. Property, plant and equipment

₹ in crores

| Particulars | Freehold land | Leasehold land | Buildings (owned) | Buildings (on finance lease) | Plant and equipment (owned) | Plant and equipment (on finance lease) | Furniture and fixtures | Vehicles and aircrafts | Office equipment | Mining development and projects | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cost / deemed cost** | | | | | | | | | | | |
| **At 1 April 2018** | **1,426** | **711** | **8,454** | **9** | **53,299** | **2,772** | **119** | **144** | **69** | **942** | **67,945** |
| Additions | 103 | 53 | 700 | 18 | 5,002 | 385 | 28 | 23 | 16 | 21 | **6,349** |
| Acquired pursuant to business combination | 254 | - | 205 | - | 1,262 | - | - | @ | 1 | - | **1,722** |
| Deductions | 6 | - | 3 | - | 296 | - | 5 | 10 | 1 | - | **321** |
| Other adjustments (refer note c below) | - | - | - | - | 263 | - | - | - | - | - | **263** |
| Translation reserve | (5) | - | 49 | - | 289 | - | @ | @ | @ | 61 | **394** |
| **At 31 March 2019** | **1,772** | **764** | **9,405** | **27** | **59,819** | **3,157** | **142** | **157** | **85** | **1,024** | **76,352** |
| Transfer out to ROU assets | - | 764 | - | 27 | - | 3,157 | - | - | - | - | **3,948** |
| Additions | 28 | - | 507 | - | 1,949 | - | 9 | 18 | 25 | 10 | **2,546** |
| Acquired pursuant to business combination (refer note 40) | 7 | - | 28 | - | 180 | - | - | - | - | - | **215** |
| Deductions | 17 | - | 4 | - | 204 | - | 1 | 11 | - | - | **237** |
| Other adjustments (refer note c below) | - | - | - | - | 311 | - | - | - | - | - | **311** |
| Translation reserve | 26 | - | 104 | - | 603 | - | 1 | 1 | 1 | 95 | **831** |
| **At 31 March 2020** | **1,816** | **-** | **10,040** | **-** | **62,644** | **-** | **151** | **165** | **111** | **1,129** | **76,056** |
| **Accumulated depreciation and impairment** | | | | | | | | | | | |
| **At 1 April 2018** | **4** | **25** | **1,163** | **1** | **8,520** | **487** | **47** | **38** | **29** | **577** | **10,891** |
| Depreciation | - | 9 | 390 | 1 | 3,382 | 180 | 14 | 17 | 13 | 6 | **4,012** |
| Deductions | - | - | 1 | - | 261 | - | 1 | 6 | 1 | - | **270** |
| Translation reserve | @ | - | 10 | - | 67 | - | @ | @ | - | 38 | **115** |
| **At 31 March 2019** | **4** | **34** | **1,562** | **2** | **11,708** | **667** | **60** | **49** | **41** | **621** | **14,748** |
| Transfer out to ROU assets | - | 34 | - | 2 | - | 667 | - | - | - | - | **703** |
| Depreciation | - | - | 390 | - | 3,491 | - | 15 | 18 | 20 | 9 | **3,943** |
| Deductions | - | - | 1 | - | 164 | - | 1 | 5 | - | - | **171** |
| Impairment (refer note 47) | - | - | 3 | - | 77 | - | - | - | - | 143 | **221** |
| Translation reserve | - | - | 23 | - | 183 | - | - | - | - | 60 | **266** |
| **At 31 March 2020** | **4** | **-** | **1,977** | **-** | **15,287** | **-** | **74** | **62** | **61** | **833** | **18,298** |
| **Net book value** | | | | | | | | | | | |
| **At 31 March 2020** | **1,812** | **-** | **8,063** | **-** | **47,357** | **-** | **77** | **103** | **50** | **296** | **57,758** |
| **At 31 March 2019** | **1,768** | **730** | **7,843** | **25** | **48,111** | **2,490** | **82** | **108** | **44** | **403** | **61,604** |

@ - between ₹ (0.50) crore to ₹ 0.50 crore

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

**Notes:**

| | | | ₹ in crores | |
|---|---|---|---|---|
| | | | As at 31 March 2020 | As at 31 March 2019 |
| a) | Freehold land which is yet to be registered in the name group entities | Acre | 20 | 21 |
| | | Deemed cost | 9 | 14 |
| b) | Freehold land and buildings which have been/agreed to be hypothecated/ mortgaged to lenders of related parties | Deemed cost | 111 | 82 |
| c) | Other adjustments comprises: | | | |
| | Borrowing cost | | 15 | 26 |
| | Foreign exchange loss / (gain) (including regarded as an adjustment to borrowing costs) | | 296 | 237 |

d) Assets given on operating lease:

(i) The Group has entered into lease arrangements, for renting the following:

| Category of Asset | Area | Period |
|---|---|---|
| Land at Vijayanagar | 491 acres | 8 months to 30 years |
| Land at Dolvi along with certain buildings | 43 acres | 3 years to 20 years |
| Land at Palwal | 6 acres | 15 years |
| Office Premises at Mittal Tower | 1,885 sq. feet | 24 months |
| Office Premises at CBD Belapur | 33,930 sq. feet | 5 years |
| Building for Vijayanagar Sports Institute | 1,96,647 sq. feet | 3 years |
| Hospital premises at Vijayanagar | 81,500 sq. feet | 20 years |
| Land at Vasind | 22,303 sq. mtr. | 25 years |

The agreements are renewable & cancellable by mutual consent of both parties. The rent paid on above is based on mutually agreed rates.

(ii) Disclosure in respect of assets given on operating lease included in following heads:

| Particulars | ₹ in crores | |
|---|---|---|
| | As at 31 March 2020 | As at 31 March 2019 |
| **Land** | | |
| Cost/Deemed cost | 86 | 65 |
| **Building** | | |
| Cost/Deemed cost | 119 | 102 |
| Accumulated depreciation | 10 | 8 |
| Depreciation for the year | 4 | 4 |

e) Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 21 and 27.

f) Property, plant and equipment includes proportionate share (50%) of assets under joint operation as below:

| Particulars | ₹ in crores | |
|---|---|---|
| | Buildings (Owned) | Plant and equipment (Owned) |
| **Cost / deemed cost** | | |
| **At 31 March 2018** | 476 | 7 |
| Additions | - | - |
| **At 31 March 2019** | 476 | 7 |
| Additions | - | - |
| **At 31 March 2020** | 476 | 7 |
| **Accumulated depreciation** | | |
| **At 31 March 2018** | 48 | 2 |
| Depreciation expense | 16 | 1 |
| **At 31 March 2019** | 64 | 3 |
| Depreciation expense | 12 | - |
| **At 31 March 2020** | 76 | 3 |
| **Net book value** | | |
| **At 31 March 2020** | 400 | 4 |
| **At 31 March 2019** | 412 | 4 |

**5.** Capital work-in-progress includes exchange fluctuation loss (including regarded as an adjustment to borrowing costs of ₹936 crores (previous year ₹317 crores) and borrowing cost of ₹ 648 crores (previous year ₹ 194 crores), capitalised during the year.

## 6. Right of Use assets and Lease liability

| Particulars | Land | Buildings | Plant and Equipment | ₹ in crores Total |
|---|---|---|---|---|
| **Transfer in Right of use assets** | | | | |
| Gross block | 764 | 27 | 3,157 | **3,948** |
| Accumulated depreciation | (34) | (2) | (667) | **(703)** |
| Additions (recognised pursuant to IND AS 116 adoption) | 76 | 27 | 354 | **457** |
| **Right of use assets on initial recognition as on 1 April 2019** | **806** | **52** | **2,844** | **3,702** |
| Additions | - | - | 24 | **24** |
| Depreciation | 9 | 16 | 236 | **261** |
| Translation reserve | - | - | 6 | **6** |
| **At 31 March 2020** | **797** | **36** | **2,638** | **3,471** |

Leasehold land aggregating to ₹67 crores wherein the lease deed has expired and the Company has a right to convert the land into freehold land subject to complying with certain conditions. The Company is in the process of converting the title into freehold as per the lease cum sale agreement.

### Lease liabilities

| Particulars | ₹ in crores |
|---|---|
| **At 1 April 2019 (transferred from finance lease obligations)** | **1,957** |
| Additional leases (recognised pursuant to Ind AS 116 adoption) | 374 |
| **Lease liabilities on initial recognition as on 1 April 2019** | **2,331** |
| Additions | 31 |
| Interest accrued | 252 |
| Lease principal payments | (177) |
| Lease interest payments | (252) |
| Others | (135) |
| **At 31 March 2020** | **2,050** |
| Current | 306 |
| Non-current | 1,744 |

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

| Particulars | ₹ in crores |
|---|---|
| Less than 1 year | 552 |
| 1-5 years | 1,589 |
| More than 5 years | 954 |
| **At 31 March 2020** | **3,095** |

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group has lease contracts for machinery that contains variable payments amounting to ₹ 427 crores shown under Cost of material consumed.

The Group has recognised ₹54 crores as rent expenses during the year which pertains to short-term lease/ low value asset which was not recognised as part of right of use asset.

The leases that the Group has entered with lessors are generally long-term in nature and no changes in terms of those leases are expected due to the COVID-19.

## 7. Goodwill

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Cost / deemed cost** | | |
| **Balance at the beginning of the year** | **1,831** | **1,642** |
| Acquired pursuant to business combination (refer note 40) | 15 | 90 |
| Translation reserve | 156 | 99 |
| **Balance at the end of the year (a)** | **2,002** | **1,831** |
| **Accumulated amortisation and impairment** | | |
| **Balance at the beginning of the year** | **991** | **935** |
| Impairment (refer note 47) | 513 | - |
| Translation reserve | 83 | 56 |
| **Balance at the end of the year (b)** | **1,587** | **991** |
| **Net book value (a-b)** | **415** | **840** |

### Allocation of goodwill to Cash Generating Units (CGU's)

₹ in crores

| CGU | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Coal mines at West Virginia, USA | 266 | 244 |
| Iron ore mines at Chile | - | 471 |
| Steel plant at Mingo Junction, USA | 98 | 90 |
| Others | 51 | 35 |
| **Total** | **415** | **840** |

### Alawest coal mines at West Virginia, USA

The recoverable amount of Alawest coal mines is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering the mining lease concession period, and a pre-tax discount rate of 16.7% per annum (18.0% for 31 March 2019). The discount rate commensurate with the risk specific to the projected cash flow and reflects the rate of return required by an investor.

Cash flow projections during the budget period are based on estimated coal extraction schedule and future prices of coal determined based on the average of coal prices published in various analyst reports. The projections do not consider growth rate in the coal prices from the year 2023-24 onwards.

Considering past trend of movement in coal prices, the management believes that the following changes in these key estimates would result into carrying amount exceeding the recoverable amount:

a) Decrease in coal prices by 1% would result into change in recoverable value by ₹ 29 crores.

b) Decrease in extraction schedule by 5% would result into change in recoverable value by ₹44 crores.

### Steel plant at Mingo Junction, USA

The recoverable amount of steel plant is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors, and a pre-tax discount rate of 18.4% per annum. The discount rate commensurate with the risk specific to the projected cash flow and reflects the rate of return required by an investor.

Cash flow projections during the budget period are based on estimated steel production till FY 2023-24 and future prices of steel prices. The projections do not consider growth rate in production and price in terminal year.

Considering past trend of movement in steel prices, the management believes that the following changes in these key estimates would result into carrying amount exceeding the recoverable amount:

a) Decrease in steel prices by 1% would result into change in recoverable value by ₹ 119 crores.

b) Decrease in production schedule by 5% would result into change in recoverable value by ₹234 crores.

## 8. Other intangible assets

₹ in crores

| Particulars | Computer software | Licences | Mining concession | Port concession | Total |
|---|---|---|---|---|---|
| **Cost / deemed cost** | | | | | |
| **At 1 April 2018** | **105** | **36** | **23** | **1** | **165** |
| Additions | 29 | - | 105 | - | 134 |
| Acquired pursuant to business combination | 2 | 5 | - | - | 7 |
| Disposals | @ | - | - | - | @ |
| Translation reserve | @ | @ | @ | @ | @ |
| **At 31 March 2019** | **136** | **41** | **128** | **1** | **306** |
| Additions | 34 | 9 | 154 | - | 197 |
| Disposals | - | - | - | - | - |
| Translation reserve | - | 2 | 1 | - | 3 |
| **At 31 March 2020** | **170** | **52** | **283** | **1** | **506** |
| **Accumulated amortisation and impairment** | | | | | |
| **At 1 April 2018** | **62** | **15** | **1** | **-** | **78** |
| Amortisation | 18 | 5 | 6 | - | 29 |
| Disposals | @ | - | - | - | @ |
| Translation reserve | (1) | @ | - | - | (1) |
| **At 31 March 2019** | **79** | **20** | **7** | **-** | **106** |
| Amortisation | 20 | 8 | 14 | - | 42 |
| Disposals | - | - | - | - | - |
| Impairment (refer note 47) | - | - | 6 | 1 | 7 |
| Translation reserve | 1 | - | - | - | 1 |
| **At 31 March 2020** | **100** | **28** | **27** | **1** | **156** |
| **Net book value** | | | | | |
| **At 31 March 2020** | **70** | **24** | **256** | **-** | **350** |
| **At 31 March 2019** | **57** | **21** | **121** | **1** | **200** |

@ - Less than ₹0.50 crore

## 9. Investments in joint ventures

| Particulars | Paid up value | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|
| | | No. of Shares | ₹ in crores | No. of Shares | ₹ in crores |
| **Investment in equity shares accounted for using equity method** | | | | | |
| **Joint ventures** | | | | | |
| **Gourangdih Coal Limited** | | | | | |
| Equity shares | ₹ 10 each | **2,450,000** | **2** | 2,450,000 | 2 |
| Add: Share of profit/(loss) (net) | | | @ | | @ |
| | | | **2** | | **2** |
| **JSW MI Steel Service Centre Private Limited** | | | | | |
| Equity shares | ₹ 10 each | **66,500,000** | **67** | 66,500,000 | 67 |
| Add: Share of profit/(loss) (net) | | | **18** | | 14 |
| | | | **85** | | **81** |
| **JSW Severfield Structures Limited** | | | | | |
| Equity shares | ₹ 10 each | **198,937,940** | **198** | 198,937,940 | 198 |
| Add: Share of profit/(loss) (net) | | | **(35)** | | (65) |
| | | | **163** | | **133** |
| **Rohne Coal Company Private Limited** | | | | | |
| Equity shares | ₹ 10 each | **490,000** | **@@** | 490,000 | @@ |
| Add: Share of profit/(loss) (net) | | | **@@@** | | @@@ |
| | | | **-** | | **-** |
| **JSW Vallabh Tin Plate Private Limited (refer note 40)** | | | | | |
| Equity shares | ₹ 10 each | | - | 25,019,600 | 30 |
| Add: Share of profit/(loss) (net) | | | - | | (1) |
| | | | **-** | | **29** |
| **Vijayanagar Minerals Private Limited** | | | | | |
| Equity shares | ₹ 10 each | **4,000** | **@@@@** | 4,000 | @@@@ |
| Add: Share of profit/(loss) (net) | | | **2** | | 2 |
| | | | **2** | | **2** |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| Particulars | Paid up value | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|
| | | No. of Shares | ₹ in crores | No. of Shares | ₹ in crores |
| **Creixent Special Steels Limited** | | | | | |
| Equity shares | ₹ 10 each | **4,800,000** | **255** | 4,800,000 | 255 |
| Add: Share of profit/(loss) (net) | | | **(224)** | | (78) |
| | | | **31** | | **177** |
| **Monnet Ispat and Energy Limited** | | | | | |
| Equity shares | ₹ 10 each | **399** | **&** | 399 | & |
| | | | **&** | | **&** |
| **Geo Steel LLC (refer note a below)** | | | | | |
| Investment | | | **-** | | 26 |
| Add: Share of profit/(loss) (net) | | | **-** | | 178 |
| | | | **-** | | **204** |
| **Total** | | | **283** | | 628 |
| Unquoted | | | | | |
| Aggregate book value | | | **283** | | 628 |

**Note:**

a) During the year, a subsidiary of the Company has sold 39% stake in Geo Steel LLC. Consequent to the sale, GEO Steel ceased to be a joint venture of the Group w.e.f. 28 January 2020.

@ - ₹ 0.18 crore (previous year 0.15 crore)
@@ - ₹ 0.49 crore
@@@ - ₹ (0.49) crore
@@@@ - ₹ 40,000/-
& - ₹ 3,990/-

## 10. Investments (non-current)

| Particulars | | Paid up value | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|---|
| | | | No. of Shares | ₹ in crores | No. of Shares | ₹ in crores |
| **A** | **Investment in equity instruments** | | | | | |
| | **Fully paid up** | | | | | |
| | **Quoted (at fair value through other comprehensive income)** | | | | | |
| | JSW Energy Limited | ₹ 10 each | **101,605,500** | **434** | 101,605,500 | 738 |
| | **Unquoted (at fair value through other comprehensive income)** | | | | | |
| | Tarapur Environment Protection Society | ₹ 100 each | **244,885** | **4** | 244,885 | 4 |
| | Toshiba JSW Power Systems Private Limited | ₹ 10 each | **11,000,000** | **-** | 11,000,000 | - |
| | MJSJ Coal Limited | ₹ 10 each | **10,461,000** | **9** | 10,461,000 | 9 |
| | SICOM Limited | ₹ 10 each | **600,000** | **5** | 600,000 | 5 |
| | Kalyani Mukand Limited | ₹ 1 each | **480,000** | **$** | 480,000 | $ |
| | Ispat Profiles India Limited | ₹ 1 each | **1,500,000** | **$** | 1,500,000 | $ |
| | Vallabh Steels Limited | ₹ 10 each | **295,000** | **$** | - | - |
| | SBI Infrastructure Fund | ₹ 10 each | **40,000** | **$** | - | - |
| | Geo Steel LLC | | | **45** | - | - |
| **B** | **Investments in preference shares** | | | | | |
| | **Fully paid up** | | | | | |
| | **Joint ventures** | | | | | |
| | **Unquoted (at fair value through profit or loss)** | | | | | |
| | Rohne Coal Company Private Limited | | | | | |
| | 1% non-cumulative preference shares | ₹ 10 each | **23,642,580** | **-** | 23,642,580 | - |
| | 1% Series-A non-cumulative preference shares | ₹ 10 each | **7,152,530** | **4** | 7,152,530 | 5 |
| | 1% Series-B non-cumulative preference shares | ₹ 10 each | **1,661,686** | **2** | 1,370,786 | 1 |
| | **Unquoted (at amortised cost)** | | | | | |
| | Creixent Special Steels Limited | | | | | |
| | 0.01% Redeemable preference shares I | ₹ 10 each | **171,969,200** | **207** | 171,969,200 | 184 |
| | 0.01% Redeemable preference shares II | ₹ 10 each | **198,300,410** | **211** | 198,300,410 | 190 |
| | Monnet Ispat and Energy Limited | | | | | |
| | 0.01% compulsorily convertible, non-cumulative preference shares | ₹ 10 each | **601** | **@@** | 601 | @@ |
| | **Others** | | | | | |
| | **Unquoted (at fair value through profit or loss)** | | | | | |
| | JSW Investments Private Limited | | | | | |
| | 8% Non-Cumulative Non-Convertible Preference shares | ₹ 10 each | **100,000,000** | **47** | 100,000,000 | 45 |
| | **Unquoted (at cost)** | | | | | |
| | Metal interconnector SCPA | EUR 1 each | **1,192,771** | **14** | 1,192,771 | 13 |

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| Particulars | Paid up value | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|
| | | No. of Shares | ₹ in crores | No. of Shares | ₹ in crores |
| **C Investments in government securities (unquoted – Others) (at amortised cost)** | | | | | |
| National Savings Certificates (pledged with commercial tax department) | | | @ | | @ |
| **Total** | | | **982** | | **1,194** |
| Less: Aggregate amount of provision for impairment in the value of investments | | | (8) | | (10) |
| **Total** | | | **974** | | **1,184** |
| **Quoted** | | | | | |
| Aggregate book value | | | **434** | | 738 |
| Aggregate market value | | | **434** | | 738 |
| **Unquoted** | | | | | |
| Aggregate book value (net of impairment) | | | **540** | | 446 |
| Investment at cost/deemed cost | | | **59** | | 13 |
| Investment at fair value through other comprehensive income | | | **452** | | 756 |
| Investment at fair value through profit and loss | | | **45** | | 41 |
| Investment at amortised cost | | | **418** | | 374 |

$ ₹ 1, @ - ₹ 0.15 crore, @@ - ₹6,010/-

## 11. Loans (unsecured)

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Loans | | | | |
| to related parties | **141** | **508** | 140 | 411 |
| to other body corporates | **17** | **13** | 9 | 57 |
| Security deposits | **623** | **223** | 294 | 93 |
| Less: Allowance for doubtful loans | **(9)** | **(2)** | (10) | - |
| **Total** | **772** | **742** | **433** | **561** |
| **Notes:** | | | | |
| Loans Receivable Considered good | **772** | **742** | 433 | 561 |
| Loans Receivable which have significant increase in Credit Risk | | | | |
| Loans Receivable – credit impaired | **-** | **2** | 1 | - |
| Loans and advances to other body corporate | **9** | **-** | 9 | - |

## 12. Other financial assets (unsecured)

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Export benefits and entitlements | **25** | **115** | 25 | 115 |
| Insurance claim receivable | **-** | **-** | 43 | - |
| Application money paid towards securities | **1** | **-** | @ | - |
| Receivable for coal block development expenditure | **117** | **-** | 117 | - |
| Indirect tax balances refund due | **-** | **22** | - | 73 |
| Government grant incentive income receivable (refer note 31(a)) | **444** | **2,473** | 98 | 1,949 |
| Interest receivable on loan to related parties | **-** | **11** | - | - |
| Others | **121** | **328** | 16 | 160 |
| Less: Allowance for doubtful balances | **(12)** | **(91)** | - | (80) |
| **Total** | **696** | **2,858** | **299** | **2,217** |
| **Notes:** | | | | |
| Considered good | **696** | **2,858** | 299 | 2,217 |
| Considered doubtful, provided | | | | |
| Export benefits and entitlements | **12** | **4** | - | - |
| Others | **-** | **87** | - | 80 |

@ - Less than ₹ 0.50 crore

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## 13. Other assets (unsecured)

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Capital advances | 1,000 | - | 2,064 | - |
| Less: Allowances for doubtful advances | (7) | - | (8) | - |
| **(A)** | **993** | **-** | **2,056** | **-** |
| Advances to suppliers | 271 | 1,154 | 272 | 882 |
| Export benefits and entitlements | 56 | 78 | 56 | 87 |
| Advance royalty | 94 | - | 90 | - |
| Security deposits | 164 | 86 | 156 | 159 |
| Indirect tax balances/ recoverable/ credits | 1,568 | 741 | 1,365 | 1,132 |
| Prepayments and others | 125 | 253 | 184 | 221 |
| Less: Allowances for doubtful advances | (315) | (26) | (254) | (20) |
| **(B)** | **1,963** | **2,286** | **1,869** | **2,461** |
| **Total (A+B)** | **2,956** | **2,286** | **3,925** | **2,461** |
| **Notes:** | | | | |
| **Capital advances** | | | | |
| Considered good | 993 | - | 2,056 | - |
| Considered doubtful, provided | 7 | - | 8 | - |
| **Other advances** | | | | |
| Considered good | 1,963 | 2,279 | 1,869 | 2,461 |
| Considered doubtful, provided | | | | |
| Advance to suppliers | 252 | - | 250 | - |
| Prepayment and others | 17 | 26 | 2 | 20 |
| Indirect tax balances/recoverable/credits | 3 | - | 2 | - |
| Advance Royalty | 53 | - | - | - |

## 14. Inventories

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Raw materials (at cost) | 6,334 | 7,153 |
| Work-in-progress (at cost) | 451 | 583 |
| Semi-finished/finished goods (at cost or net realisable value) | 4,972 | 4,564 |
| Production consumables, fuel stock and stores and spares (at cost) | 2,085 | 2,248 |
| Traded goods | 22 | - |
| **Total** | **13,864** | **14,548** |
| **Notes:** | | |
| **Details of stock-in-transit** | | |
| Raw materials | 2,008 | 2,189 |
| Production consumables and stores and spares | 190 | 151 |
| **Total** | **2,198** | **2,340** |

Write down of inventories to net realisable value amounted to ₹ 291 crores (31 March 2019 – ₹ 47 crores). These were recognised as an expense during the year and included in cost of materials consumed and changes in inventories of finished goods, work-in-progress and stock-in-trade.

Inventories have been pledged as security against certain bank borrowings, the details relating to which have been described in note 21 and 27.

## 15. Investments (current)

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Mutual funds (quoted) | 2 | 82 |
| **Total** | **2** | **82** |
| Quoted | | |
| Aggregate book value | 2 | 82 |
| Aggregate market value | 2 | 82 |

## 16. Trade receivables

| Particulars | As at 31 March 2020 | ₹ in crores<br>As at 31 March 2019 |
|---|---|---|
| Trade receivables considered good – Secured | - | 4 |
| Trade receivables considered good – Unsecured | 4,488 | 7,068 |
| Trade receivables which have significant increase in credit risk | 160 | 160 |
| Less: Allowance for doubtful debts | (143) | (72) |
| Trade Receivables – credit impaired | 38 | 34 |
| Less: Allowance for doubtful debts | (38) | (34) |
| **Total** | **4,505** | **7,160** |

**Ageing of receivables that are past due:**

| Particulars | As at 31 March 2020 | ₹ in crores<br>As at 31 March 2019 |
|---|---|---|
| 60 – 90 days | 91 | 97 |
| 91 – 180 days | 164 | 315 |
| >180 days | 308 | 382 |
| **Total** | **563** | **794** |

The credit period on sales of goods ranges from 7 to 90 days with or without security.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

The Group does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right to offset against any amounts owed by the Group to the counterparty.

Trade receivable have been given as collateral towards borrowings, the details relating to which has been described in note 21 and 27.

Credit risk management regarding trade receivables has been described in note 43 (H).

Trade receivables from related party has been disclosed in note 44.

Trade receivables does not include any receivables from directors and officers of the Company.

## 17. (a) Cash and cash equivalents

| Particulars | As at 31 March 2020 | ₹ in crores<br>As at 31 March 2019 |
|---|---|---|
| Balances with banks | | |
| In current accounts | 1,887 | 566 |
| In term deposit accounts with maturity less than 3 months at inception | 2,078 | 4,908 |
| Cheques on hand | - | 100 |
| Cash on hand | 1 | 7 |
| **Total** | **3,966** | **5,581** |

## 17. (b) Bank balances other than cash and cash equivalents

| Particulars | As at 31 March 2020 | ₹ in crores<br>As at 31 March 2019 |
|---|---|---|
| Earmarked balances in current account | 35 | 29 |
| Balance with banks | | |
| In term deposit accounts | | |
| with maturity more than 3 months but less than 12 months at inception | 7,790 | 285 |
| with maturity more than 12 months at inception | 161 | 150 |
| In margin money | 51 | 142 |
| **Total** | **8,037** | **606** |

Earmarked bank balance are restricted in use and it relates to unclaimed dividend and balance with banks held as margin money for security against the guarantee.

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## 18. Derivative assets

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Forward contracts | 278 | 250 |
| Commodity contracts | @ | 50 |
| Commodity options | - | @ |
| Interest rate swaps | 1 | 20 |
| Currency options | 15 | 1 |
| **Total** | **294** | **321** |

@ - Less than ₹ 0.50 crores

## 19. Equity share capital

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| | Number of shares | | Amount (₹ in crores) | |
| **Share Capital** | | | | |
| **(a) Authorised** | | | | |
| Equity shares of the par value of ₹ 1 each | 60,15,00,00,000 | 60,15,00,00,000 | 6,015 | 6,015 |
| **(b) Issued and subscribed** | | | | |
| (i) Outstanding at the beginning of the year fully paid up | 2,41,72,20,440 | 2,41,72,20,440 | 242 | 242 |
| (ii) Less: Treasury shares held under ESOP trust (refer note a below) | (1,48,16,254) | (1,55,08,976) | (2) | (2) |
| (iii) Outstanding at the end of the year fully paid up | 2,40,23,26,186 | 2,40,17,11,464 | 240 | 240 |
| **(c) Equity shares forfeited (amount originally paid-up)** | | | 61 | 61 |
| **Total** | | | **301** | **301** |

### a) Shares held under ESOP Trust:

The Company has created an Employee Stock Ownership Plan (ESOP) for providing share-based payment to its employees.

ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and it's subsidiaries in India. For the purpose of the scheme, the Company purchases shares from the open market under ESOP trust. The Company treats ESOP trust as its extension and shares held by ESOP trust are treated as treasury shares.

For the details of shares reserved for issue under the Employee Stock Ownership Plan (ESOP) of the Company (refer note 39).

**Movement in treasury shares**

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| **Shares of ₹ 1 each fully paid up held under ESOP Trust** | Number of shares | | Amount (₹ in crores) | |
| Equity shares as at 1 April | 1,55,08,976 | 1,09,88,860 | 2 | 1 |
| Changes during the year | (6,92,722) | 45,20,116 | @ | @ |
| Equity shares as at 31 March | 1,48,16,254 | 1,55,08,976 | 2 | 2 |

@ - ₹ (0.07) crore (previous year – ₹ 0.45 crore)

### B) Rights, preferences and restrictions attached to Equity Shares

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### c) Shareholders Holding more than 5% share in The Company are set out below

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | No. of shares | % of shares | No. of shares | % of shares |
| **Equity shares** | | | | |
| JFE Steel International Europe BV | 36,25,83,070 | 15.00% | 36,25,83,070 | 15.00% |
| JSW Holdings Limited | 18,14,02,230 | 7.50% | 17,88,37,230 | 7.40% |
| Vividh Finvest Private Limited | 14,33,70,690 | 5.93% | 14,19,95,690 | 5.87% |
| JSW Techno Projects Management Limited | 25,70,51,220 | 10.63% | 24,73,28,450 | 10.23% |

**d) Shares allotted as fully paid-up pursuant to contracts without payment being received in cash during the period of five years immediately preceding the date of the balance sheet are as under:**
Nil

## 20. Other equity

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| General reserve | 9,947 | 9,899 |
| Retained earnings | 16,561 | 13,736 |
| **Other comprehensive income** | | |
| Equity instruments through other comprehensive income | 172 | 476 |
| Effective portion of cash flow hedges | (476) | 66 |
| Foreign currency translation reserve | (823) | (552) |
| Foreign currency monetary item translation difference account | - | (57) |
| **Other reserves** | | |
| Equity settled share-based payment reserve | 122 | 91 |
| Capital reserve | 3,585 | 3,585 |
| Capital redemption reserve | 774 | 531 |
| Capital reserve on bargain purchase | 1,019 | 1,017 |
| Securities premium reserve | 5,417 | 5,417 |
| Debenture redemption reserve | - | 285 |
| **Total** | **36,298** | **34,494** |

**(i) General reserve**
Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.0% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserve for that year.

Consequent to introduction of Companies Act, 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss account to the general reserves. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

**(ii) Retained earnings**
Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/ (gain) on defined benefit plans, net of taxes that will not be reclassified to Consolidated Statement of Profit and Loss. Retained earnings is a free reserve available to the Group.

**(iii) Equity instruments through other comprehensive income**
The Group has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

**(iv) Effective portion of cash flow hedges**
Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Group accounting policy.

**(v) Foreign currency translation reserve**
Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Indian rupees) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

**(vi) Foreign currency monetary item translation difference account**
The Group has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements prepared under previous GAAP for the year ended 31 March 2016. The reserve pertains to exchange differences relating to long-term foreign

currency monetary items in so far as they do not relate to acquisition of depreciable capital assets, which are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised in the Statement of Profit and Loss over the balance period of such long-term foreign currency monetary items. The Company has fully amortised the balance in the current year and the outstanding balance as on 31 March 2020 stands to Nil.

**(vii) Equity settled share-based payment reserve**

The Group offers ESOP, under which options to subscribe for the Company's shares have been granted to certain employees and senior management. The share-based payment reserve is used to recognise the value of equity settled share-based payments provided as part of the ESOP scheme

**(viii) Capital reserve**

Reserve is created primarily on amalgamation as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

**(ix) Capital redemption reserve**

Reserve is created on redemption of preference shares as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

**(x) Securities Premium**

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

**(xi) Debenture redemption reserve**

Untill previous year, the Indian Companies Act requires companies that issue debentures to create a debenture redemption reserve (DRR) from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. Accordingly, the Company creates DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the Company. The amounts credited to the debenture redemption reserve will not be utilised except to redeem debentures. On redemption the amount will be reclassified to Retained Earnings.

As per the recent amendment in Companies Act, 2013, issued by the Ministry of Corporate Affairs, listed companies are not required to create debenture redemption reserve (DRR). Accordingly, the Company has transferred the such reserve balance to general reserve as on 31 March 2020.

## 21. Borrowings

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Bonds (unsecured) | 10,554 | - | 3,459 | 3,459 |
| Debentures (secured) | 5,180 | 120 | 2,300 | 1,841 |
| Term loans: | | | | |
| Secured | 13,022 | 3,301 | 12,474 | 2,760 |
| Unsecured | 14,296 | 2,841 | 9,790 | 2,905 |
| Acceptances for capital projects with maturity more than 1 year | | | | |
| Secured | 673 | 61 | - | - |
| Unsecured | 1,057 | 115 | - | - |
| Deferred government loans (unsecured) | 142 | 25 | 88 | 33 |
| Other loans: | | | | |
| Finance lease obligations (unsecured) | - | - | 1,697 | 260 |
| Preference shares (unsecured) | 24 | - | 20 | 231 |
| Unamortised upfront fees on borrowing | (275) | (88) | (172) | (82) |
| **Total** | **44,673** | **6,375** | **29,656** | **11,407** |
| Less: Current maturities of long-term debt clubbed under other financial liabilities (current) (refer note 29) | - | (6,375) | - | (11,407) |
| **Total** | **44,673** | **-** | **29,656** | **-** |

## Details of security and terms of repayment

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non- Current | Current | Non-Current | Current | | |
| A. Bonds/Debentures | | | | | |
| Bonds (Unsecured) | | | | | |
| - | - | - | 3,459 | 4.75% Repaid on 12 November 2019 | |
| 3,769 | - | 3,459 | - | 5.25% Repayable on 13 April 2022 | |
| 3,769 | - | - | - | 5.95% Repayable on 18 April 2024 | |
| 3,014 | - | - | - | 5.375% Repayable on 4 April 2025 | |
| **10,554** | **-** | **3,459** | **3,459** | | |
| | | | | | |
| **Debentures (secured)** | | | | | |
| 1,000 | - | 1,000 | - | 10.02% secured NCDs of ₹ 10,00,000 each are redeemable in two tranches<br>a. ₹ 500 crores on 20 May 2023<br>b. ₹ 500 crores on 19 July 2023 | First pari passu charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra. |
| 1,000 | - | 1,000 | - | 10.34% secured NCDs of ₹ 10,00,000 each are redeemable in three tranches<br>a) ₹ 330 crores on 18 January 2022<br>b) ₹ 330 crores on 18 January 2023<br>c) ₹ 340 crores on 18 January 2024 | First pari passu charge on property, plant and equipment related to 2.8 mtpa expansion project located at Vijayanagar Works, Karnataka and a flat at Vasind, Maharashtra. |
| 2,000 | - | - | - | 8.79% secured NCDs of ₹ 10,00,000 each are redeemable in four tranches<br>a) ₹ 500 crores on 18 October 2026<br>b) ₹ 500 crores on 18 October 2027<br>c) ₹ 500 crores on 18 October 2028<br>d) ₹ 500 crores on 18 October 2029 | First pari passu charge on property, plant and equipment up to 5 mtpa capacity situated at Dolvi works, Maharashtra (other than specifically carved out). |
| 1,000 | - | - | - | 8.90% secured NCDs of ₹ 10,00,000 each are redeemable in four tranches<br>a) ₹ 250 crores on 23.01.2027<br>b) ₹ 250 crores on 23.01.2028<br>c) ₹ 250 crores on 23.01.2029 and<br>d) ₹ 250 crores on 23.01.2030. | First pari passu charge on property, plant and equipment related to Cold Rolling Mill 1 and 2 complex located at Vijayanagar Works, Karnataka (other than specifically carved out). |
| - | - | - | 400 | 9.72% secured NCDs of ₹ 10,00,000 each are redeemed on 23 December 2019 | First pari passu charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra. |
| - | - | - | 250 | 10.40% secured NCDs of ₹ 10,00,000 each are redeemed on 19 August 2019 | First pari passu charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra. |
| - | - | - | 425 | 10.60% secured NCDs of ₹ 10,00,000 each are redeemed on 19 August 2019 | First pari passu charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra. |
| - | - | - | 44 | 10.60% secured NCDs of ₹ 7,50,000 each are redeemed as 2 half yearly instalments of ₹21.875 crores each from 2 August 2019 to 2 February 2020 | Pari passu first charge by way of legal mortgage on land situated in the State of Gujarat.<br>Pari passu first charge by way of equitable mortgage on property, plant and equipment related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non- Current | Current | Non-Current | Current | | |
| - | - | - | 22 | 10.60% secured NCDs of ₹ 6,25,000 each are redeemed on 2 July 2019. | Pari passu first charge by way of legal mortgage on land situated in the State of Gujarat.<br><br>Pari passu first charge by way of equitable mortgage on property, plant and equipment related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka |
| - | - | - | 700 | Secured zero coupon NCDs redeemed at a premium of 12.15% p.a. accrued quarterly on 22 October 2019 | Secured by way of a pledge of 40,000,000 equity shares of an erstwhile subsidiary Dolvi Minerals and Metals Private Limited (DMMPL) held by the Company. (DMMPL merged into the Company with an appointed date 1 April 2019). |
| 180 | - | 180 | - | 8.75% Secured NCDs of ₹ 10,00,000 each is redeemable on 10 February 2022. | Secured by way of first ranking charge on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of pellet project situated at Village JuiBapuji, Taluka Alibaug, District Raigad, Maharashtra. |
| - | 120 | 120 | - | 8.65% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 120 crores is redeemable on 12 May 2020. | Secured by way of first ranking charge on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of pellet project situated at Village JuiBapuji, Taluka Alibaug, District Raigad, Maharashtra. |
| **5,180** | **120** | **2,300** | **1,841** | | |
| | | | | | |
| **B. Term Loans** | | | | | |
| **Term Loans From Banks (Secured)** | | | | **Weighted average interest rate – 8.39 %** | |
| **563** | **75** | 638 | 75 | 2 Quarterly instalments of ₹ 18.75 crores each from 27 July 2020 – 27 October 2020<br>16 Quarterly instalments of ₹ 37.50 crores each from 27 January 2021 – 27 October 2024 | First pari passu charge on property, plant and equipment up to 5 mtpa capacity situated at Dolvi works, Maharashtra. |
| **600** | **200** | 750 | 125 | 16 Quarterly instalment of ₹ 50 crores each from 30 June 2020 – 31 March 2024 | First charge on 3.2 mtpa expansion property, plant and equipment situated at Vijayanagar Works, Karnataka |
| **937** | **94** | 1,031 | 63 | 2 Quarterly instalments of ₹ 15.625 crores each from 31 July 2020 – 31 October 2020<br>4 Quarterly instalments of ₹ 62.50 crores each from 31 January 2021 – 31 October 2021<br>8 Quarterly instalments of ₹ 93.75 crores each from 31 January 2022 – 31 October 2023 | First charge on property, plant and equipment up to 5 mtpa capacity situated at Dolvi works, Maharashtra. |
| **700** | **150** | 812 | 150 | 8 quarterly instalments of ₹ 37.5 crores each from 30 June 2020 – 31 March 2022<br>4 quarterly instalments of ₹ 43.75 crores each from 30 June 2022 – 31 March 2023<br>2 quarterly instalments of ₹ 187.5 crores each from 30 June 2023 – 30 September 2023 | First pari passu charge on 3.8 mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka. |
| **1,250** | **200** | 1,400 | 200 | 5 Quarterly instalments of ₹ 50 crores each from 30 June 2020 – 30 June 2021 | First charge on property, plant and equipment up to 5 mtpa capacity situated at Dolvi works, Maharashtra. |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non- Current | Current | Non-Current | Current | | |
| | | | | 4 Quarterly instalments of ₹ 125 crores each from 30 September 2021 – 30 June 2022<br>2 Quarterly instalments of ₹ 350 crores each from 30 September 2022- 31 December 2022 | |
| **388** | **150** | 500 | 150 | 5 quarterly instalments of ₹ 37.5 crores each from 30 June 2020 – 30 June 2021<br>4 quarterly instalments of ₹ 43.75 crores each from 30 June 2021 – 30 June 2022<br>2 quarterly instalments of ₹ 87.5 crores each from 30 September 2022 – 31 December 2022. | First pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka. |
| **758** | **192** | 902 | 192 | 7 quarterly instalments of ₹ 48 crores each from 30 June 2020 – 31 December 2021<br>9 quarterly instalments of ₹ 64 crores each from 31 March 2022 – 31 March 2024<br>1 quarterly instalment of ₹ 38.35 crores on 30 June 2024. | First charge on entire movable and immovable property, plant and equipment up to 5 mtpa capacity situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/machinery procured out of proceeds of ECA/ ECB/ FCL) both present and future. |
| **125** | **50** | 163 | 50 | 14 Quarterly instalments of ₹ 12.5 crores each from 30 June 2020 – 30 September 2023. | First charge on property, plant and equipment up to 5 mtpa capacity situated at Dolvi works, Maharashtra. |
| **90** | **160** | 215 | 125 | 2 quarterly instalments of ₹ 35 crores each from 30 June 2020 – 30 September 2020<br>4 quarterly instalments of ₹ 45 crores each from 31 December 2020 – 30 September 2021 | First charge on 3.2 mtpa expansion property, plant and equipment (other than assets specifically carved out) situated at Vijayanagar Works, Karnataka |
| **225** | **100** | 325 | 100 | 13 quarterly instalments of ₹ 25 crores each from 1 June 2020 to 1 June 2023 | First charge on 3.2 mtpa expansion property, plant and equipment situated at Vijayanagar Works, Karnataka |
| **-** | **375** | 338 | 337 | 2 quarterly instalments of ₹ 37.50 crores each from 30 June 2020 to 30 September 2020<br>2 quarterly instalments of ₹ 150 crores each from 31 December 2020 to 31 March 2021 | First charge on 3.2 mtpa expansion property, plant and equipment (other than assets specifically carved out) situated at Vijayanagar Works, Karnataka |
| **319** | **75** | 375 | 75 | 5 quarterly instalments of ₹ 18.75 crores each from 30 June 2020 to 30 June 2021<br>12 quarterly instalments of ₹ 25 crores each from 30 September 2021 to 30 June 2024 | First pari passu charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out). |
| **394** | **66** | 450 | 37 | 1 quarterly instalment of ₹ 9.375 crores on 30 June 2020<br>8 quarterly instalments of ₹ 18.75 crores each from 30 September 2020 to 30 June 2022<br>12 quarterly instalments of ₹ 25 crores each from 30 September 2022 to 30 June 2025 | First pari passu charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out). |
| **109** | **63** | 156 | 63 | 11 quarterly instalments of ₹ 15.625 crores each from 30 June 2020 to 31 December 2022. | First pari passu charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out). |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non- Current | Current | Non-Current | Current | | |
| 709 | - | 110 | - | 12 quarterly instalments of ₹ 8.861 crores each from 30 June 2021 to 31 March 2024<br>4 quarterly instalments of ₹ 44.306 crores each from 30 June 2024 to 31 March 2025<br>8 quarterly instalments of ₹ 53.167 crores each from 30 June 2025 to 31 March 2027 | First pari passu charge on expansion project at Dolvi Works, Maharashtra from 5 mtpa to 10 mtpa capacity (other than specifically carved out). |
| 375 | 100 | 475 | 25 | 19 quarterly instalments of ₹ 25 crores each from 15 June 2020 to 15 December 2024 | First pari passu charge on property, plant and equipment situated at Salem Works, Tamil Nadu. |
| 1,164 | - | - | - | 4 quarterly instalments of ₹ 116.40 crores each from 30 June 2021 to 31 March 2022<br>4 quarterly instalments of ₹ 174.60 crores each from 30 June 2022 to 31 March 2023 | First pari passu charge on the mining rights/assets proposed to be acquired for the 4 iron ore blocks acquired in the State of Odisha. |
| 400 | 100 | - | - | 20 quarterly instalments of ₹ 25 crores each from 30 June 2020 to 31 March 2025 | First pari passu charge on property, plant and equipment related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka. |
| 418 | 86 | 393 | 47 | 23 equal quarterly instalments of ₹ 21.43 crores each from 30 June 2020 to 31 December 2025<br>1 instalment of ₹ 11.06 Crore on 31 March 2026 | First pari passu charge on property, plant and equipment of 1.5 mtpa coke oven plant (i.e. Phase I under erstwhile Dolvi Coke Projects Ltd.) at Dolvi Works, Maharashtra. |
| 219 | 31 | - | - | 23 Quarterly instalments of ₹ 10.41 Crore each from 30 September 2020 – 31 March 2026<br>1 instalment of ₹ 10.57 crore on 30 June 2026 | First pari passu charge on property, plant and equipment related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka. |
| 470 | 105 | 550 | 100 | 3 quarterly instalments of ₹ 25 crores each from 30 June 2020 to 31 December 2020<br>12 quarterly instalments of ₹ 30 crores each from 31 March 2021 to 31 December 2023<br>4 quarterly instalments of ₹ 35 crores each from 31 March 2024 to 31 December 2024 | First charge on entire immovable and movable property, plant and equipment located at Salav works, Maharashtra. |
| 377 | 80 | 457 | 96 | 12 quarterly instalments of ₹26.56 crore each from 30 April 2020 to 31 January 2023<br>2 quarterly instalments of ₹69.06 crore each from 30 April 2023 to 31 July 2023 | First charge by way of legal mortgage on 2,400 sq. feet land at Toranagallu village in the state of Karnataka.<br>First charge on the entire property, plant and equipment of the Company situated at Vasind, Tarapur and Kalmeshwar both present and future. |
| 500 | - | - | - | 4 equal quarterly instalments of ₹ 35 crores each from 30 November 2021 to 30 August 2022<br>4 equal quarterly instalments of ₹ 40 crores each from 16 March 2022 to 16 December 2022<br>4 equal quarterly instalments of ₹ 50 crores each from 7 May 2022 to 7 February 2023 | First pari passu charge on the entire property, plant and equipment of the Company situated at Vasind, Tarapur and Kalmeshwar both present and future. |
| 167 | 103 | 244 | 103 | 9 quarterly instalments of ₹ 25.675 crores each from 30 June 2020 to 30 June 2022<br>4 quarterly instalments of ₹ 9.65 crores each from 30 June 2022 to 31 March 2023. | First ranking charge/ mortgage/ collateral on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of coke oven project situated at Village JuiBapuji, Taluka Alibag, District Raigad, Maharashtra. |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non- Current | Current | Non-Current | Current | | |
| 150 | 86 | 214 | 86 | 11 quarterly instalments of ₹ 21.43 crores from 30 June 2020 to 31 December 2022 | First ranking charge/ mortgage/ security interest on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of pellet project situated at Village JuiBapuji Taluka Ali bag, District Raigad, Maharashtra. |
| 115 | 40 | 92 | 33 | Repayable in equal monthly instalment in 10 years. | Secured by way of equitable mortgage by deposit of title deeds of project assets and by way of mortgage of Phase III of JSW township at Basapur village site, extension of mortgage of phase I & II of housing colony at Torangallu, assignment of receivables from the property financed and comfort letter from the parent for loan repayment. |
| 18 | 13 | - | - | 3 quarterly instalments of ₹ 3 crores each from 30 June 2020 to 31 December 2020<br>5 quarterly instalments of ₹ 3.75 crores each from 31 March 2021 to 31 March 2022<br>1 quarterly instalment of ₹ 3.32 crores on 30 June 2022 | First pari passu charge on all the fixed assets and current assets of the respective entity situated at Rajpura, Punjab. |
| 1 | 2 | - | - | 2 quarterly instalments of ₹ 0.45 crores each from 30 June 2020 to 30 September 2020<br>7 quarterly instalments of ₹ 0.36 crores each from 31 December 2020 to 30 June 2022<br>1 quarterly instalment of ₹ 0.05 crores on 30 September 2022 | First pari passu charge on all the fixed assets and current assets of the respective entity situated at Rajpura, Punjab. |
| 8 | 6 | - | - | 8 quarterly instalments of ₹ 1.51 crores each from 30 June 2020 to 31 March 2022<br>1 quarterly instalment of ₹ 1.46 crores on 30 June 2022 | First pari passu charge on all the fixed assets and current assets of the respective entity situated at Rajpura, Punjab. |
| 530 | 96 | 556 | 66 | 24 equal quarterly instalments of USD 3.214 mio (equivalent ₹ 24.23 crores) each from 30 June 2020 to 31 March 2026<br>1 instalment of USD 6.11 mio (equivalent ₹ 46.09 crores) on 30 June 2026 | First pari passu charge on property, plant and equipment of 1.5 mtpa coke oven plant (i.e. Phase I under erstwhile Dolvi Coke Projects Ltd.) at Dolvi Works, Maharashtra. |
| - | 503 | 461 | 461 | 1 instalment of USD 66.67 mio (equivalent ₹ 503 crores) on 9 September 2020 | Secured through an unconditional and irrevocable standby letter of credit (SBLC) to the bank. The SBLC is secured corporate guarantee of JSW Steel Limited, India and a 1st charge on property, plant and equipment of Dolvi unit up to 3.3 mtpa. |
| 1 | 1 | 2 | 1 | 18 varying instalments commencing from April 20 to September 2021 | Secured against equipment for its Preparation plant |
| 942 | - | 865 | - | 2 equal instalments of USD 41.25 mio each (equivalent ₹ 311 crores each) from August 2021 to August 2022 and USD 42.5 mio (equivalent to ₹ 320 crores) payable in August 2023 | Secured against the property, plant and equipment (as on date of agreement i.e. August 2018) located at Mingo Junction, Ohio, USA. |
| **13,022** | **3,301** | **12,474** | **2,760** | | |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non- Current | Current | Non-Current | Current | | |
| **Term Loans From Banks (Unsecured)** | | | | **Weighted average interest rate – 4.06 %** | |
| **30** | **120** | 150 | 120 | 5 quarterly instalments of ₹ 30 crores each from 20 June 2020 to 20 June 2021 | |
| **-** | **250** | 250 | 500 | 1 instalment of ₹ 250 crores each on 20 May 2020 | |
| **750** | **-** | - | - | 1 instalment of ₹ 250 crores on 5 April 2021 and 1 instalment of ₹ 500 crore on 5 September 2021 | |
| **300** | **218** | 475 | 200 | 3 half yearly instalments of ₹ 62.70 crores each from 31 May 2020 to 31 May 2021<br>7 half yearly instalments of ₹ 40.07 crores each from 30 April 2020 to 30 April 2023<br>8 half yearly instalments of ₹ 6.10 crores each from 18 September 2020 to 18 March 2024. | - |
| **43** | **14** | 53 | 13 | 8 half yearly instalments of ₹ 7.18 crores each from 28 August 2020 to 28 February 2024 | |
| **91** | **21** | 103 | 20 | 8 half yearly instalments of ₹ 3.40 crores each from 31 July 2020 to 31 July 2024.<br>9 half yearly instalments of ₹ 1.21 crores each from 30 April 2020 to 30 April 2024<br>12 semi-annual instalments of ₹2.23 crores each from 25 September 2020 to 25 March 2026<br>12 semi-annual instalments of ₹2.27 crores each from 25 September 2020 to 25 March 2026<br>13 semi-annual instalments of ₹1.596 crores each from 25 June 2020 to 25 September 2026 | |
| **43** | **14** | 53 | 13 | 8 half yearly instalments of ₹ 7.22 crores each from 30 September 2020 to 31 March 2024 | |
| **-** | **-** | - | 1,729 | Repaid on 20 March 2020 | |
| **246** | **84** | 300 | 76 | 8 half yearly instalments of ₹ 18.01 crores each from 19 July 2020 to 19 January 2024<br>7 half yearly instalments of ₹ 24.02 crores each from 19 July 2020 to 19 July 2023 and 1 half yearly instalment of ₹ 18.24 crores on 19 January 2024 | |
| **150** | **39** | 172 | 35 | 9 equal semi-annual instalments of ₹ 6.32 crores each from 9 July 2020 to 9 July 2024 and 1 semi-annual instalment of ₹ 5.57 crores on 9 January 2025<br>9 equal semi-annual instalments of ₹ 13.004 crores each from 9 July 2020 to 9 July 2024 and 1 semi-annual instalment of ₹ 9.42 crores on 9 January 2025 | |
| **141** | **111** | 231 | 102 | 9 equal semi-annual instalments of ₹ 3.45 crores each from 25 September 2020 to 25 September 2024 and 1 semi-annual instalment of ₹ 2.906 crores on 25 March 2025<br>2 equal annual instalments of ₹ 100.51 crores from 13 August 2020 to 13 August 2021<br>10 equal semi-annual instalments of ₹ 1.697 crores each from 25 September 2020 to 25 March 2025 | |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non- Current | Current | Non-Current | Current | | |
| 30 | 10 | 37 | 9 | 8 equal semi-annual instalments of ₹4.966 crores each from 15 June 2020 to 15 December 2023. | |
| 277 | 260 | 493 | - | Repayable in two tranches<br>a) ₹260.29 crores on 27 April 2020<br>b) ₹276.56 crores on 27 April 2021 | |
| 54 | 9 | 59 | 8 | 14 semi-annual instalments of ₹4.533 crores each from 31 July 2020 to 31 January 2027 | |
| - | 1,131 | 1,037 | - | 3 equal instalments of ₹ 376.93 crores each on 7 April 2020, 21 September 2020 and 21 March 2021 | |
| 69 | 14 | 76 | 13 | 12 semi-annual instalments of ₹ 4.715 crores each from 23 July 2020 to 23 January 2026<br>12 semi-annual instalments of ₹2.21 crores each from 6 August 2020 to 5 February 2026 | |
| 678 | - | 623 | - | Repayable in three tranches<br>a) ₹376.93 crores on 21 February 2022<br>b) ₹37.69 crores on 6 March 2022<br>c) ₹263.85 crores on 3 July 2022 | |
| 1,583 | - | 1,452 | - | 4 annual instalments of ₹ 395.78 crores from 12 October 2021 to 12 November 2024 | |
| 302 | - | 277 | - | 4 annual instalments of ₹ 75.386 crores from 12 July 2022 to 12 July 2025 | |
| 942 | - | 865 | - | 4 annual instalments of ₹ 235.58 crores from 16 July 2022 to 16 July 2025 | |
| 754 | - | 692 | - | Repayable on 5 April 2024 | |
| 565 | - | 519 | - | 4 equal instalment of ₹ 141.35 crores from 19 October 2022 to 19 October 2025 | |
| 176 | 20 | 110 | - | 20 equal semi-annual instalment of ₹ 9.798 crores from 31 August 2020 to 28 February 2030 | |
| 142 | 16 | 78 | - | 20 equal semi-annual instalment of ₹ 7.892 crores from 30 June 2020 to 31 December 2029 | |
| 364 | 52 | 210 | 11 | 16 equal semi-annual instalments of ₹ 13.56 crores from 25 September 2020 to 25 March 2028 and 1 instalment of ₹ 0.24 crore on 25 September 2028<br>16 equal semi-annual instalments of ₹ 12.252 crores from 25 September 2020 to 25 March 2028 and 1 instalment of ₹ 2.637 crores on 25 September 2028 | |
| 181 | 23 | 168 | - | 17 equal semi-annual instalments of ₹ 6.515 crores from 25 June 2020 to 25 June 2028 and 1 instalment of ₹ 2.683 crores on 25 December 2028<br>17 equal semi-annual instalments of ₹ 5.205 crores from 25 June 2020 to 25 June 2028 and 1 instalment of ₹ 1.809 crores on 25 December 2028 | |
| - | 188 | 173 | 35 | USD 25 mio (equivalent ₹ 188.46 crores) is repayable on 9 March 2021 | |
| 332 | - | - | - | 6 equal instalments of EUR 2.5 mio each (equivalent ₹ 20.76 crores) from 21 July 2021 to 21 October 2022<br>5 equal instalments of EUR 5.0 mio each (equivalent ₹ 41.52 crores) from 21 January 2023 to 21 January 2024 | |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non- Current | Current | Non-Current | Current | | |
| 377 | - | - | - | 2 annual equal instalment of USD 25 mio each (equivalent ₹ 188.46 crores) payable on 14 May 2023 and 14 May 2024 | |
| 377 | - | - | - | 3 annual equal instalment of USD 16.67 mio each (equivalent ₹ 125.67 crores) from 24 March 2022 to 24 March 2024 | |
| 225 | 83 | 291 | 19 | 5 equal instalments of EUR 2.5 mio each (equivalent ₹ 20.76 crores) from 25 April 2020 to 25 April 2021<br>5 equal instalments of EUR 5 mio each (equivalent ₹ 41.52 crores) from 25 July 2021 to 25 July 2022 | |
| 4 | 2 | 5 | 2 | 3 equal annual instalments of USD 0.24 mio each (equivalent ₹ 1.81 crores) | |
| 204 | 23 | - | - | 2 equal semiannual instalments of USD 3 mio each (equivalent ₹ 22.62 crores) from 26 February 2021 to 27 August 2021.<br>2 equal semiannual instalments of USD 5.25 mio each (equivalent ₹ 39.58 crores) from 26 February 2022 to 27 August 2022.<br>2 equal semiannual instalments of USD 6.75 mio each (equivalent ₹ 50.89 crores) from 26 February 2023 to 27 August 2023 | |
| 1,131 | - | 727 | - | 3 equal annual instalments of USD 1.67 mio each (equivalent ₹ 12.59 crores) from 28 March 2023 to 28 March 2025<br>3 equal annual instalments of USD 6.67 mio each (equivalent ₹ 50.28 crores) from 19 April 2023 to 19 April 2025<br>3 equal annual instalments of USD 10 mio each (equivalent ₹ 75.38 crores) from 11 July 2023 to 11 July 2025<br>3 equal annual instalments of USD 6.67 mio each (equivalent ₹ 50.28 crores) from 9 October 2023 to 9 October 2025<br>3 equal annual instalments of USD 3.33 mio each (equivalent ₹ 25.10 crores) from 11 January 2024 to 11 January 2026<br>3 equal annual instalments of USD 6.67 mio each (equivalent ₹ 50.28 crores) from 29 January 2024 to 29 January 2026<br>3 equal annual instalments of USD 15 mio each (equivalent ₹ 113.08 crores) from 29 January 2024 to 29 January 2026 | |
| 183 | 20 | 111 | - | 20 equal half-yearly instalments of USD 1.35 mio each (equivalent ₹ 10.18 crores) from 30 June 2020 to 31 December 2029 | |
| 186 | 33 | - | - | 13 equal semi-annual instalments of ₹ 16.42 crores from 25 June 2020 to 25 June 2026 and 1 instalment of ₹ 5.274 crores on 25 December 2026 | |
| 1,885 | - | - | - | 2 annual instalments of ₹ 621.934 crores from 19 March 2024 to 19 March 2025 and 1 instalment of ₹ 640.78 crores on 19 March 2026 | |

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non- Current | Current | Non-Current | Current | | |
| 286 | 15 | - | - | 20 equal semi-annual instalment of ₹ 15.05 crores from 31 October 2020 to 30 April 2030 | |
| 786 | - | - | - | 3 annual instalments of ₹ 238.72 crores from 27 December 2023 to 26 December 2025 | |
| | | | | 3 annual instalments of ₹ 23.216 crores from 22 January 2024 to 22 January 2026 | |
| 116 | 37 | - | - | 8 equal semi-annual instalments of ₹ 18.634 crores from 30 August 2020 to 29 February 2024 and 1 instalment of ₹ 3.987 crores on 31 December 2026 | |
| 293 | 34 | - | - | 19 equal semi-annual instalment of ₹ 17.238 crores from 30 June 2020 to 30 June 2029 | |
| **14,296** | **2,842** | **9,790** | **2,905** | | |
| **C. Acceptances for capital projects with more than 1 year** | | | | | |
| **Acceptances for capital projects with more than 1 year (Secured)** | | | | | |
| 9 | - | - | - | Repayment of ₹ 9.12 crores on 1 August 2022 | First pari passu charge on movable fixed assets of 1.5 mtpa Coke Oven Plant (Phase 2) at Dolvi Works, Maharashtra. |
| 8 | 61 | - | - | Repayment of 5 cases in 2020-21 - ₹ 61.12 crores | First pari passu charge on expansion project at Dolvi Works, Maharashtra from 5 mtpa to 10 mtpa capacity (other than specifically carved out). |
| | | | | Repayment of 3 cases 2021-22 - ₹ 7.67 crores | |
| 633 | - | - | - | Repayment of 10 cases 2021-22 - ₹ 56.96 crores | First pari passu charge on movable fixed assets of 1.5 mtpa Coke Oven Plant (Phase 2) at Dolvi Works, Maharashtra. |
| | | | | Repayment of 77 cases 2022-23 - ₹ 576.11 crores | |
| 23 | - | - | - | Repayment of 3 cases 2022-23 – ₹ 23.39 crores | Pari-passu first charge over the fixed asset of the respective subsidiary. |
| **673** | **61** | **-** | **-** | | |
| **Acceptances for capital projects with more than 1 year (Unsecured)** | | | | | |
| 268 | 101 | - | - | Repayment of 10 cases in 2020-21 – ₹101.23 crores | |
| | | | | Repayment of 38 cases in 2021-22 – ₹141.59 crores | |
| | | | | Repayment of 23 cases in 2022-23 – ₹126.42 crores | |
| 662 | 14 | - | - | Repayment of 4 cases in 2020-21 – ₹14.03 crores | |
| | | | | Repayment of 57 cases in 2021-22 – ₹196.24 crores | |
| | | | | Repayment of 117 cases in 2022-23 – ₹465.35 crores | |
| 127 | - | - | - | Repayment of 4 cases in 2021-22 – ₹17.84 crores | |
| | | | | Repayment of 2 cases of ₹2.26 crores each on 22 March 2022 | |
| | | | | Repayment of 67 cases in 2022-23 – ₹93.82 crores | |
| | | | | Repayment of 14 cases in 2022-23 - ₹2.76 crores | |
| **1,057** | **115** | **-** | **-** | | |

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| As at 31 March 2020 | | As at 31 March 2019 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non- Current | Current | Non-Current | Current | | |
| **D. Deferred Payment Liabilities** | | | | | |
| **Deferred Sales Tax Loan (Unsecured)** | | | | | |
| 1 | 25 | 21 | 31 | Interest free loan and payable in 42 varying monthly instalments starting from 12 April 2018 to 12 September 2021. | |
| 134 | - | 58 | - | Interest free loan Payable after 14 years by 31 March 2032. | |
| 7 | @ | 9 | 2 | 6 annual equal instalments starting after 12 years of disbursement till July 2032 | |
| - | - | - | 1 | Repaid in June 19 | |
| **142** | **25** | **88** | **33** | | |
| **E. Finance Lease Obligations** | | | | | |
| - | - | 1,697 | 260 | Varying monthly instalments from 8 to 15 years | |
| **F. Preference Shares** | | | | | |
| - | - | - | 231 | 0.01% CPRS Redeemed by 15 March 2020 | |
| 23 | - | 20 | - | 10% non-cumulative, Redeemable at their face value after 15 years from the date of allotment at 20% per annum on or before 31 March of each year starting from the 16th year and ending on or before 31 March of the 20th year. | |
| **23** | **-** | **20** | **231** | | |
| **G. Unamortised Upfront Fees on Borrowing** | | | | | |
| **(275)** | **(87)** | **(172)** | **(82)** | | |
| **Total Amount in ₹ Crores** | | | | | |
| **44,673** | **6,375** | **29,656** | **11,407** | | |

@ - less than ₹ 0.50 crores

Pursuant to the Covid 19 pandemic, the Reserve Bank of India, vide its notification reference RBI/2019-20/186 dated 27 March 2020, announced a "Covid 19 Regulatory Package" to mitigate the adverse impact of the pandemic and ensure continuity of viable businesses. As per this package banks were inter alia permitted to grant a moratorium of three months on payment of all instalments (principal and interest) on Term loans falling due between 1 March 2020 and 31 May 2020. The Company and an Indian subsidiary opted to avail the package relating to term loans and the same was approved by the lenders in line with RBI's notification. Accordingly, the financial statement has been prepared giving effect to the above.

## 22. Derivative liabilities

### A. Non-current

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Interest rate swaps | 130 | - |
| **Total** | **130** | **-** |

### B. Current

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Forward contract | 181 | 322 |
| Commodity contract | 67 | 30 |
| Interest rate swaps | - | 27 |
| Currency options | 3 | @ |
| **Total** | **251** | **379** |

@ - less than ₹ 0.50 crores

## 23. Other financial liabilities (non-current)

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Rent and other deposits | 44 | 66 | 43 | 58 |
| Retention money for capital projects | 407 | 1,082 | 481 | 182 |
| Premium on redemption of debentures | - | - | - | 490 |
| Other payables | 13 | - | 8 | - |
| **Total** | **464** | **1,148** | **532** | **730** |
| Less: Amount clubbed under other financial liabilities (refer note 29) | - | (1,148) | - | (730) |
| **Total** | **464** | **-** | **532** | **-** |

## 24. Provisions

₹ in crores

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Provision for employee benefits** | | | | |
| Provision for compensated absences | 123 | 43 | 98 | 36 |
| Provision for gratuity (refer note 42) | 181 | 95 | 134 | 84 |
| Provision for long-term service award (refer note 42) | 12 | 2 | - | - |
| Provision for provident fund (refer note 42) | - | 5 | - | 1 |
| **Other provisions** | | | | |
| Provision for contingency | - | - | 2 | - |
| Mine closure provision | 29 | * | 18 | - |
| Others | 3 | 16 | 6 | 13 |
| **Total** | **348** | **161** | **258** | **134** |

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Provision for contingency** | | |
| Balance at the beginning of the year | 2 | 2 |
| Utilisation during the year | 2 | - |
| Balance at the end of the year | - | 2 |
| **Mine closure provision #** | | |
| Balance at the beginning of the year | 18 | 12 |
| Created during the year | 9 | 5 |
| Unwinding of discount and changes in the discount rate | 1 | * |
| Movement on account of exchange rate variation | 1 | 1 |
| Balance at the end of the year | 29 | 18 |
| **Others** | | |
| Balance at the beginning of the year | 19 | 13 |
| Movement during the year | 1 | 6 |
| Balance at the end of the year | 20 | 19 |

* - less than ₹ 0.50 crore

# Site restoration expenditure is incurred on an ongoing basis until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

## 25. Income Tax

### India

Indian companies are subject to Indian income tax on a standalone basis. For each fiscal year, the respective entities profit or loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Statutory income tax is charged at 30% plus a surcharge and education cess with tax benefits or 22% plus a surcharge and education cess without tax benefits.

MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT for the fiscal year 2019-20 is 15% plus a surcharge and education cess. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

**United States of America (USA)**

Some of the subsidiaries of the Group are a C corporation for federal tax purposes and files a consolidated tax return. The subsidiaries records income taxes pursuant to the liability method and the applicable tax rate is 21%.

**Italy**

The subsidiaries in Italy records income taxes pursuant to the liability method. The nominal tax rates in Italy are 24% for the Income Tax of the Companies (IRES) and 3.9% for the Regional Tax on Productive Activities (IRAP), calculated on a different tax base.

## a) Income tax expense/(benefit)

₹ in crores

| Particulars | For the year ended | |
|---|---|---|
| | 31 March 2020 | 31 March 2019 |
| **Current tax** | | |
| Current tax (including earlier years reversal/ adjustments) | **943** | 2,473 |
| **Total** | **943** | **2,473** |
| **Deferred tax** | | |
| Deferred tax | **133** | 1,325 |
| MAT credit entitlement | **198** | (154) |
| (Restoration)/Reversal of MAT credit entitlement | **(16)** | - |
| Reversal of DTL on measurement due to change in tax rate (Refer note b below) | **(2,225)** | - |
| Tax provision/(reversal) for earlier years | **61** | - |
| **Total** | **(1,849)** | **1,171** |

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

₹ in crores

| Particulars | For the year ended | |
|---|---|---|
| | 31 March 2020 | 31 March 2019 |
| **Profit before tax** | **3,013** | **11,168** |
| Enacted tax rate in India | **34.944%** | 34.944% |
| **Expected income tax expense at statutory tax rate** | **1,053** | **3,903** |
| Expenses not deductible in determining taxable profits | **34** | 38 |
| Income exempt from taxation/taxable separately | **(150)** | (314) |
| Tax holiday allowances | **(382)** | (371) |
| Effect of different tax rates of subsidiaries | **309** | 191 |
| Deferred tax assets not recognised | **751** | 250 |
| Dividend distribution tax | **-** | (46) |
| Elimination of allowances for loan to subsidiaries on consolidation | **(212)** | - |
| Reversal of DTL on measurement due to change in tax rate (refer note b below) | **(2,323)** | - |
| Others | **(31)** | (7) |
| **Total** | **(906)** | **3,644** |
| **Effective tax rate** | **(30.07)%** | **32.63%** |

a) There are certain income-tax related legal proceedings which are pending against the Group. Potential liabilities, if any have been adequately provided for, and the Group does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 45).

b) Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') subsequently amended in Finance Act issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions.

During the year ended 31 March 2020, the Group had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. Based on the detailed assessment carried out the management, deferred tax liabilities on temporary differences expected to reverse during the year in which the Company and one of its subsidiaries would be under the new tax regime and accordingly applied the new rate for measuring the said deferred tax liabilities in accordance with the requirements of IND AS 12 - 'Income Taxes". This has resulted in reversal of deferred tax liabilities amounting to ₹ 2,225 crores.

Further, certain components of the Group have opted for the new tax rate from financial year 2019-20 which has resulted into a reversal of deferred tax liabilities upto 31 March 2019 amounting to ₹ 98 crores during the year ended 31 March 2020.

There are certain income-tax related legal proceedings which are pending against the Group and its Joint ventures. Potential liabilities, if any have been adequately provided for, and the Group does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 45).

## b) Deferred tax assets / (liabilities)

The following is the analysis of deferred tax assets / (liabilities) balances presented in the balance sheet:

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Deferred tax liabilities | (1,677) | (3,894) |
| Deferred tax assets | - | 117 |
| **Total** | **(1,677)** | **(3,777)** |

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

₹ in crores

| Deferred tax balance in relation to | As at 31 March 2019 | Acquired pursuant to business combination | For the year ended 31 March 2020 | | | As at 31 March 2020 |
|---|---|---|---|---|---|---|
| | | | Recognised / (reversed) through profit and loss | Recognised in / (reclassified) from OCI | Others | |
| Property, plant and equipment | (11,174) | (6) | 1,813 | - | (87) | (9,454) |
| Carried forward business loss / unabsorbed depreciation | 1,207 | - | (596) | - | 50 | 661 |
| Provision for employee benefit / loans and advances | 673 | - | 517 | 7 | - | 1,197 |
| Minimum alternate tax (MAT) credit entitlement | 4,626 | - | (182) | - | - | 4,444 |
| Cashflow hedges / FCMITDA | 1 | - | - | 253 | - | 254 |
| Finance lease obligations | 621 | - | 58 | - | - | 679 |
| Others | 269 | (3) | 239 | - | 37 | 542 |
| **Total** | **(3,777)** | **(9)** | **1,849** | **260** | **-** | **(1,677)** |

₹ in crores

| Deferred tax balance in relation to | As at 1 April 2018 | Acquired pursuant to business combination | For the year ended 31 March 2019 | | | As at 31 March 2019 |
|---|---|---|---|---|---|---|
| | | | Recognised / (reversed) through profit and loss | Recognised in / (reclassified) from OCI | Others | |
| Property, plant and equipment | (10,549) | (211) | (362) | - | (52) | (11,174) |
| Carried forward business loss / unabsorbed depreciation | 2,322 | 181 | (1,333) | - | 37 | 1,207 |
| Provision for employee benefit / loans and advances | 597 | - | 69 | 7 | - | 673 |
| Minimum alternate tax (MAT) credit entitlement | 4,473 | - | 153 | - | - | 4,626 |
| Cashflow hedges / FCMITDA | 19 | - | (10) | (8) | - | 1 |
| Finance lease obligations | 575 | - | 46 | - | - | 621 |
| Others | 7 | - | 266 | (4) | - | 269 |
| **Total** | **(2,556)** | **(30)** | **(1,171)** | **(5)** | **(15)** | **(3,777)** |

The Group offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and relates to income taxes levied by the same tax authority.

Deferred tax assets on carry forward business loss/unabsorbed depreciation have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset at respective entities.

The deferred tax liabilities on temporary differences associated with investment in subsidiaries which have not been recognised aggregate to ₹628 crores (31 March 2019: ₹278 crores), where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group expects to utilise the MAT credit within a period of 15 years.

Expiry schedule of losses on which deferred tax assets is not recognised is as under:

₹ in crores

| Expiry of losses (as per local tax laws) | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | Beyond 5 years | Indefinite | Total |
|---|---|---|---|---|---|---|---|---|
| I. Business losses | 88 | 89 | 96 | 128 | 116 | 387 | 5,981 | 6,885 |
| II. Unabsorbed depreciation | - | - | - | - | - | - | 69 | 69 |
| III. Long-term capital losses | - | 203 | 3 | - | 2,025 | - | - | 2,231 |
| IV. Short-term capital losses | - | - | @ | - | 677 | - | - | 677 |
| **Total** | **88** | **292** | **99** | **128** | **2,818** | **387** | **6,050** | **9,862** |

@ - Less than ₹ 0.50 crores

## 26. Other non-current liabilities

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Advance from customer # | 3,044 | 4,079 |
| Share warrants | 14 | 14 |
| Export obligation deferred income* | - | 117 |
| Other payables | 14 | 11 |
| **Total** | **3,072** | **4,221** |

# Advance from customer includes the amount outstanding relating to a five year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. for supply of Steel Products. Duferco S.A. has provided an interest bearing advance amount of USD 700 million under this agreement. The advance and interest will be adjusted by export of steel products to Duferco S.A. Current portion of ₹ 1,010 crores (as at 31 March 2019 - 763 crores) has been included in note 30.

* Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and Special Economic Zone (SEZ) scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over the useful life of such assets.

## 27. Borrowings (current) (at amortised cost)

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Loan repayable on demand | | |
| Working capital loans from banks (secured) | | |
| Rupee loans | 3,092 | 734 |
| Foreign currency loans | 1,150 | 958 |
| Export Packing Credit in Rupee from banks (unsecured) | 200 | 69 |
| Commercial papers (unsecured) | 3,883 | 4,572 |
| **Total** | **8,325** | **6,333** |

Borrowing have been drawn at following rate of interest

| Particulars | Rates of interest |
|---|---|
| Working capital loans from banks | 0.25% p.a. to 8.65% p.a. |
| Commercial papers | 8.50% p.a. to 8.65% p.a. |
| Export packing credit | 8.50% p.a. to 8.65% p.a. |

Working capital loans of ₹ 4,242 crores (31 March 2019 – ₹ 1,692 crores) are secured by:

i) pari passu first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts / receivables of the Company and the respective subsidiary, both present and future.

ii) pari passu second charge on movable properties and immovable properties forming part of the property, plant and equipment of the Company and the respective subsidiary, both present and future except such properties as may be specifically excluded.

## 28. Trade payables

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (a) Total outstanding, dues of micro and small enterprises | 142 | 39 |

**Disclosure pertaining to micro, small and medium enterprises (as per information available with the Group):**

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Principal amount due outstanding as at end of year | 142 | 39 |
| Principal amount overdue more than 45 days | - | - |
| Interest due on (1) above and unpaid as at end of year | - | - |
| Interest paid to the supplier | - | - |
| Payments made to the supplier beyond the appointed day during the year | * | - |
| Interest due and payable for the year of delay | * | - |
| Interest accrued and remaining unpaid as at end of year | - | 1 |
| Amount of further interest remaining due and payable in succeeding year | - | 1 |

* Under legal evolution

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| b) Total outstanding, dues of creditors other than micro and small enterprises | | |
| Acceptances | 9,798 | 10,228 |
| Other than acceptances | 7,978 | 5,892 |
| **Total** | **17,776** | **16,120** |

Acceptances include credit availed by the Group from banks for payment to suppliers for raw materials purchased by the Group. The arrangements are interest-bearing and are payable within one year.

Payables other than acceptances payables are normally settled within 180 days.

Trade payables to related parties has been disclosed in note 44.

## 29. Other financial liabilities (current)

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Current maturities of long-term borrowings (refer note 21) | 6,375 | 11,147 |
| Current maturities of finance lease obligations (refer note 21) | - | 260 |
| Current dues of other financial liabilities (refer note 23) | 1,148 | 730 |
| Payables for capital projects | | |
| Acceptances | 2,710 | 1,332 |
| Other than acceptances | 2,461 | 1,832 |
| Interest accrued but not due on borrowings | 651 | 451 |
| Payables to employees | 313 | 183 |
| Unclaimed matured debentures and accrued interest thereon | @ | @ |
| Unclaimed dividends | 32 | 26 |
| Unclaimed amount of sale proceeds of fractional shares | 3 | 3 |
| Others | 450 | 867 |
| **Total** | **14,143** | **16,831** |

@ - less than ₹ 0.50 crore.

Acceptance includes credit availed by the group from banks for payment to suppliers for capital items. The arrangements are interest-bearing and are payable within one year.

## 30. Other current liabilities

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Advances from customers | 1,459 | 1,154 |
| Statutory liabilities | 419 | 634 |
| Export obligation deferred income | 561 | 154 |
| Others | 16 | 34 |
| **Total** | **2,455** | **1,976** |

Advance from customer includes current portion ₹ 1,010 crores (as at 31 March 2019 – ₹ 763 crores relating to APSA. Refer note 26.

Export obligation deferred income represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) scheme on purchase of property, plant and equipment accounted for as government grant and accounted in revenue on fulfillment of export obligation.

## 31. Revenue from operations

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Sale of products (including shipping services)** | **71,116** | **82,499** |
| **Other operating revenues** | | |
| Government grant income | | |
| Gain on fair value of deferred GST government loan | **623** | 1,174 |
| Export obligation deferred income amortisation | **144** | 165 |
| Export benefits and entitlements income | **395** | 374 |
| Unclaimed liabilities written back | **144** | 263 |
| Miscellaneous income* | **188** | 282 |
| **Total (a)** | **72,610** | **84,757** |
| Government grant income - VAT / GST incentive relating to earlier years (refer note (a) below) | **466** | - |
| Fees for assignment of procurement contract (refer note (b) below) | **250** | - |
| **Total (b)** | **716** | **-** |
| **Total Revenue from operations (a+b)** | **73,326** | **84,757** |

*includes income from scrap sales, CST incentive etc.

**Notes:**

**a) Incentives under the State Industrial Policy**

The Company units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible for incentives under the respective State Industrial Policy and have been availing incentives in the form of VAT deferral / CST refunds historically. The Company currently recognises income for such government grants based on the State Goods & Service Tax rates instead of VAT rates, in accordance with the relevant notifications issued by the State of Maharashtra and the State of Karnataka post implementation of Goods & Services Tax (GST).

i) During October 2019, the Company has received an in-principle approval for eligibility from the Government of Maharashtra in response to the application filed by the Company for incentive under PSI Scheme 2007 on its investment for expansion from 3.3 mtpa to 5 mtpa at Dolvi unit for the period beginning May 2016 onwards.

Accordingly, the Company had recognised grant income during the year including ₹466 crores in relation to earlier years.

ii) The State Government of Maharashtra (GoM) vide its Government Resolution (GR) dated 20 December 2018 issued the modalities for sanction and disbursement of incentives, under GST regime, and introduced certain new conditions / restrictions for accruing incentive benefits granted to the Company

The management has evaluated the impact of other conditions imposed and has obtained legal advice on the tenability of these changes in the said scheme. Based on such legal advice, the Company has also made the representation to GOM and believes that said Incentives would continue to be made available to the Company under the GST regime, since the new conditions are not tenable legally and will contest these changes appropriately.

**b)** During the year, the Company received an amount of ₹ 250 crores as consideration from a vendor for assignment of its long-term supply contract in favour of a third party with same terms and conditions over the remaining term of the contract and have accordingly recognised one-time income in relation to the same.

### c) Ind AS 115 Revenue from Contracts with Customers

The Group recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has assessed that impact of COVID-19 on its revenue stream due to disruption in supply chain, drop in demand, termination or deferment of contracts by customers etc. and have recognised revenue only when the control over the goods or services is transferred to the customer.

The Group sales to customers was affected in the last week of March 2020 as measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses in India, resulting in an economic slowdown.

The Group has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 41):

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Revenue from contracts with customer – Sale of products (including shipping services) | 71,116 | 82,499 |
| Other operating revenue | 2,210 | 2,258 |
| **Total revenue from operations** | **73,326** | **84,757** |
| India | 55,419 | 69,085 |
| Outside India | 17,907 | 15,672 |
| **Total revenue from operations** | **73,326** | **84,757** |
| **Timing of revenue recognition** | | |
| At a point in time | 73,326 | 84,757 |
| **Total revenue from operations** | **73,326** | **84,757** |

**Product-wise turnover**

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| MS slabs | 856 | 1,274 |
| Hot rolled coils/steel plates/sheets | 26,554 | 31,339 |
| Galvanised coils/sheets | 7,643 | 9,080 |
| Color Coated Galvanised and Galvalume coils/sheets | 4,571 | 4,432 |
| Cold rolled coils/sheets | 8,340 | 10,774 |
| Steel billets & blooms | 389 | 1,728 |
| Long rolled products | 16,593 | 16,222 |
| Plates and pipes | 2,780 | 2,918 |
| Others | 3,390 | 4,732 |
| **Total** | **71,116** | **82,499** |

**Contract Balances**

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Trade Receivables (gross) (refer note 16) | 4,505 | 7,160 |
| **Contract liabilities** | | |
| Advance from customers (refer note 26 and 30) | 4,503 | 5,233 |

The credit period on sales of goods ranges from 7 to 90 days with or without security.

The acquisition of the subsidiaries resulted in increase in trade receivables of ₹98 crores in FY 2019-20.

As at 31 March 2020, ₹ 181 crores (previous year: ₹ 106 crores) was recognised as provision for allowance for doubtful debts on trade receivables.

Contract liabilities include long-term and short-term advances received for sale of goods. The outstanding balances of these accounts increased in due to the continuous increase in the customer base. Long-term advances is detailed in note 26.

Amount of revenue recognised from amounts included in the contract liabilities at the beginning of the year ₹ 1,154 crores (previous year: ₹370 crores) and performance obligations satisfied in previous years is ₹ Nil (previous year: ₹ Nil).

Out of total contract liabilities outstanding as on 31 March 2020 ₹ 1,459 crores will be recognised by 31 March 2021, and remaining thereafter.

# NOTES

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### Refund liabilities

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Arising from volume rebates and discount (included in Other financial liabilities – Note 29) | 343 | 663 |

The Group does not have any significant adjustments between the contracted price and revenue recognised in the consolidated statement of profit and loss.

## 32. Other income

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Interest income earned on financial assets that are not designated as FVTPL | | |
| Loans to related parties | 76 | 20 |
| Bank deposits | 315 | 21 |
| Others | 48 | 93 |
| Dividend income from non-current investments designated as FVTOCI | 10 | - |
| Gain on sale of current investments designated as FVTPL | 5 | 19 |
| Fair value gain on financial instruments designated as FVTPL | 4 | 6 |
| Unwinding of interest on financial assets carried at amortised cost | 45 | 25 |
| Fair value gain on joint venture's previously held stake on acquisition of control | 13 | - |
| Miscellaneous income (insurance claim received, rent income etc.) | 30 | 20 |
| **Total** | **546** | **204** |

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

₹ in crores

| Particulars | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| Opening stock: | | | |
| Work-in-progress | | 583 | 773 |
| Semi-finished/ finished goods/ stock-in-trade | | 4,564 | 3,700 |
| | **A** | **5,147** | **4,473** |
| Semi-finished /finished goods/stock-in-trade | | 28 | 84 |
| Acquired pursuant to business combination (refer note 40): | | | |
| | **B** | **28** | **84** |
| Closing stock: | | | |
| Work-in-progress | | 451 | 583 |
| Semi-finished/ finished goods/ stock-in-trade | | 4,994 | 4,564 |
| | **C** | **5,445** | **5,147** |
| **Total** | **D=A+B-C** | **(270)** | **(590)** |

## 34. Employee benefits expense

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Salaries, wages and bonus | 2,343 | 2,053 |
| Contribution to provident and other funds (refer note 42) | 327 | 186 |
| Gratuity expense | 7 | 10 |
| Expense on employees stock ownership plan | 31 | 48 |
| Staff welfare expenses | 131 | 192 |
| **Total** | **2,839** | **2,489** |

The JSWSL Employees Samruddhi Plan 2019 (Plan) was approved by a special resolution passed by the shareholders of the Company by way of a postal ballot on 17 May, 2019. The Plan was effective from 1 April, 2019.

The scheme is a one-time scheme applicable only for certain permanent employees (Eligible Employee) of the Company and its subsidiaries. The Eligible Employee can purchase the Equity Shares from the open market by availing a loan provided by a bank / non-banking financial institution ("Lending Agency") identified by the Company to facilitate acquisition of Equity Shares by the Eligible Employees under the Plan. The plan provides that the Company shall service 75% of the total interest liability owed to the Lending Agency and the balance 25% will be borne by the Eligible Employee. The interest expense recognised in the financial statements during the year was ₹7 crores.

## 35. Finance costs

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Interest expense | | |
| on bonds and debentures | 838 | 893 |
| Others | 2,792 | 2,406 |
| Dividend on redeemable preference shares | 12 | 41 |
| Interest on lease liabilities / finance lease obligations | 252 | 220 |
| Unwinding of interest on financial liabilities carried at amortised cost | 30 | 21 |
| Exchange differences regarded as an adjustment to borrowing costs | 89 | 143 |
| Other borrowing costs | 248 | 188 |
| Interest on income tax | 4 | 5 |
| **Total** | **4,265** | **3,917** |

## 36. Depreciation and amortisation expense

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Depreciation of property, plant and equipment | 3,943 | 4,012 |
| Amortisation of intangible assets | 42 | 29 |
| Depreciation of right of use assets | 261 | - |
| **Total** | **4,246** | **4,041** |

## 37. Other expenses

₹ in crores

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Stores and spares consumed | 3,781 | 4,109 |
| Power and fuel | 6,272 | 7,053 |
| Royalty / Premium on captive mines | 651 | 272 |
| Rent | 54 | 81 |
| Repairs and maintenance | | |
| Plant and equipment | 1,201 | 1,124 |
| Buildings | 29 | 44 |
| Others | 24 | 37 |
| Insurance | 146 | 107 |
| Rates and taxes | 204 | 90 |
| Carriage and freight | 3,898 | 4,015 |
| Jobwork and processing charges | 659 | 829 |
| Commission on sales | 46 | 51 |
| Net loss / (gain) on foreign currency transactions and translation # | 829 | 554 |
| Donations and contributions | 56 | 33 |
| Fair value loss on financial instruments designated as FVTPL | 2 | 1 |
| Miscellaneous expenses | 1,889 | 1,550 |
| Allowance for doubtful debts and advances | 113 | 152 |
| Loss on sale of property, plant and equipment (net) | 30 | 8 |
| **Total** | **19,884** | **20,110** |

# including hedging cost of ₹332 crores (previous year ₹ 470 crores) and loss on disposal of stake in Geo Steel LLC (erstwhile joint venture) amounting to ₹ 42 crores, which has been reclassified from foreign currency transaction reserve.

## 38. Earnings per share

₹ in crores

| Particulars | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| Profit attributable to equity shareholders (A) (₹ in crores) | | 4,030 | 7,639 |
| Weighted average number of equity shares for basic EPS (B) | | 2,402,145,868 | 2,404,625,681 |
| Effect of dilution: | | | |
| Weighted average number of treasury shares held through ESOP trust | | 15,074,572 | 12,594,759 |
| Weighted average number of equity shares adjusted for the effect of dilution(C) | | 2,417,220,440 | 2,417,220,440 |
| **Earnings per share of ₹ 1 each** | | | |
| Basic (₹) | (A / B) | 16.78 | 31.77 |
| Diluted (₹) | (A / C) | 16.67 | 31.60 |

For details regarding treasury shares held through ESOP trust (refer note 19(a) and 39).

## 39. Employee share-based payment plans

### ESOP SCHEME 2016

The Board of Directors of the Company at its meeting held on 29 January 2016, formulated the JSWSL EMPLOYEES STOCK OWNERSHIP PLAN 2016 ("ESOP Plan"). At the said meeting, the Board authorised the ESOP Committee for the superintendence of the ESOP Plan.

ESOP 2016 is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and it's subsidiaries in India.

Three grants have been made under ESOP plan 2016 to eligible employees on the rolls of the Company as at 1 April 2016, 1 April 2017 and 1 April 2018.

During the year the Company has made supplementary grants under the JSWSL Employee stock ownership Plan 2016 to its permanent employees who are on the rolls of the Company and its Indian subsidiaries as on 5 December 2019 and the same was approved by the ESOP committee in its meeting held on 5 December 2019.

The maximum value and share options that can be awarded to eligible employees is calculated by reference to certain percentage of individuals fixed salary compensation. 50% of the grant would vest at the end of the third year and 50% of the grant would vest at the end of the fourth year with a vesting condition that the employee is in continuous employment with the Company till the date of vesting.

The exercise price would be determined by the ESOP committee as a certain discount to the primary market price on the date of grant.

A total of 28,687,000 options would be available for grant to the eligible employees of the Company and a total of 3,163,000 options would be available for grant to the eligible employees of the Indian subsidiaries of the Company under the ESOP Plan.

These options are equity settled and are accounted for in accordance with the requirement applying to equity settled transactions.

The details of an employee share-based payments plan operated through a trust for ESOP 2016 are as follows:

| Option series | Options granted | Options vested | Grant date | Vesting period | Exercise price | Fair value at grant date | Method of settlement |
|---|---|---|---|---|---|---|---|
| 1st Grant | 7,436,850 | 7,436,850 | 17 May 2016 | 17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant) | 103.65 | 67.48 | Equity |
| 2nd Grant | 5,118,977 | 2,559,489 | 16 May 2017 | 16 May 2017 till 31 March 2020 (for 50% of the grant) and 16 May 2017 to 31 March 2021 (for remaining 50% of the grant) | 161.36 | 104.04 | Equity |
| 3rd Grant | 3,388,444 | Nil | 14 May 2018 | 14 May 2018 till 31 March 2021 (for 50% of the grant) and 14 May 2017 to 31 March 2022 (for remaining 50% of the grant) | 263.24 | 167.15 | Equity |
| Supplementary grant | 185,595 | NIL | 5 December 2019 | up to 6 December, 2020 | 207.84 | 91.07 | Equity |
| | 129,154 | | | up to 6 December, 2020 for 50% of the options granted and up to 31 March 2021 for remaining 50% of the options granted | | 94.02 | |
| | 55,002 | | | up to 31 March 2021 for 50% of the options granted and up to 31 March 2022 for remaining 50% of the options granted | | 103.24 | |

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## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

The outstanding position as at 31 March 2020 is summarised below:

| Particulars | ESOP 2016 | | |
|---|---|---|---|
| | 1st grant (L-16 and above Grade) | 2nd grant (L-16 and above Grade) | 3rd grant (L-16 and above Grade) |
| Date of grant | | | |
| – original grant | 17 May 2016 | 16 May 2017 | 14 May 2018 |
| – supplementary grant | 5 December 2019 | 5 December 2019 | 5 December 2019 |
| Share price on date of grant | | | |
| – original grant | 129.56 | 201.70 | 329.05 |
| – supplementary grant | 259.80 | 259.80 | 259.80 |
| **Outstanding as on 1 April 2018** | **6,772,140** | **4,910,871** | **-** |
| Granted during the year | - | - | 3,388,444 |
| Transfer in | - | - | - |
| Transfer out | 371,390 | 192,383 | 13,027 |
| Forfeited \ lapsed during the year | 23,640 | - | - |
| Exercised during the year | - | - | - |
| **Outstanding as on 31 March 2019** | **6,377,110** | **4,718,488** | **3,375,417** |
| Granted during the year * | 185,595 | 129,154 | 211,002 |
| Transfer in | 28,370 | 19,926 | - |
| Transfer out | 418,990 | 278,188 | 193,376 |
| Forfeited \ lapsed during the year | 127,315 | 187,655 | 132,092 |
| Exercised during the year | 824,510 | 4,617 | - |
| **Outstanding as on 31 March 2020** | **5,220,260** | **4,397,108** | **3,260,951** |
| of above - vested outstanding options | 5,034,665 | 2,559,489 | - |
| of above - unvested outstanding options | 185,595 | 1,837,619 | 3,260,951 |
| Vesting Period | | | |
| – Original | 17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant) | 16 May 2017 till 31 March 2020 for 50% of the options granted and upto 31 March 2021 for remaining 50% of the options granted | 14 May 2018 till 31st March, 2021 for 50% of the options granted and upto 31st March, 2022 for remaining 50% of the options granted |
| – Supplementary | 5 December 2019 to 6 December 2020 for the subsequent grants | 5 December 2019 to 6th December 2020 for 50% of the options granted and upto 31st March, 2021 for remaining 50% of the options granted | |
| Exercise period | 4 years from vesting date | | |
| Weighted average remaining contract life | | | |
| – original grant | 42 months | 54 months | 66 months |
| – supplementary grant | 57 months | 59 months | 66 months |
| Exercise Price | | | |
| – Original grants | 103.65 | 161.36 | 263.24 |
| – Subsequent grants | 207.84 | 207.84 | 207.84 |
| Weighted average share price on exercise date | Not Applicable | Not Applicable | Not Applicable |
| A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: | The fair value of options has been calculated by using Black Scholes Method. The assumptions used in the above are: | The fair value of options has been calculated by using Black Scholes Method. The assumptions used in the above are: | The fair value of options has been calculated by using Black Scholes Method. The assumptions used in the above are: |
| Weighted-average values of share price | Not applicable | Not applicable | Not applicable |
| Weighted-average exercise prices | Not applicable | Not applicable | Not applicable |
| Expected volatility | Volatility was calculated using standard deviation of daily change in stock price. | Volatility was calculated using standard deviation of daily change in stock price. | Volatility was calculated using standard deviation of daily change in stock price. |
| Original grants | The volatility used for valuation is 39.23 % for options with 3 year vesting and 39.62 % with 4 years vesting | The volatility used for valuation is 39.76 % for options with 3 year vesting and 37.43 % with 4 years vesting | The volatility used for valuation is 33.23 % for options with 3 year vesting and 33.28% with 4 years vesting |
| Subsequent grants | The volatility used for valuation is 32.30 % | The volatility used for valuation is 32.10 % | The volatility used for valuation is 32.21 % |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| Particulars | ESOP 2016 | | |
|---|---|---|---|
| | 1st grant (L-16 and above Grade) | 2nd grant (L-16 and above Grade) | 3rd grant (L-16 and above Grade) |
| Expected option life | The expected option life is assumed to be midway between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2 | The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2 | The expected option life is assumed to be mid way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2 |
| Expected dividends | | | |
| – Original grants | Rs.1.10 per share | Rs.0.75 per share | Rs.2.25 per share |
| – Subsequent grants | Rs.4.10 per share | Rs.4.10 per share | Rs.4.10 per share |
| Risk-free interest rate | Zero coupon sovereign bond yields were utilized with maturity equal to expected term of the option | Zero coupon sovereign bond yields were utilized with maturity equal to expected term of the option | Zero coupon sovereign bond yields were utilized with maturity equal to expected term of the option |
| Original grants | The rate used for calculation is 7.36% (for 3 years vesting) & 7.44%(for 4 years vesting) | The rate used for calculation is 6.87% (for 3 years vesting) & 6.96%(for 4 years vesting) | The rate used for calculation is 7.85% for options with 3 year vesting and 7.92% for options with 4 years vesting |
| Subsequent grants | The rate used for calculation is 5.67% | The rate used for calculation is 5.76% | The rate used for calculation is 6.02% |
| The method used and the assumptions made to incorporate the effects of expected early exercise; | Black-Scholes Options pricing model | | |
| How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and<br>Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. | The following factors have been considered:<br>a) Share price<br>b) Exercise prices<br>c) Historical volatility<br>d) Expected option life<br>e) Dividend Yield | | |

*Includes grants as part of supplementary grants.

## 40. Business combination

a) On 6 June 2019, the Company acquired 100% stake in Piombino Steel Limited (PSL), which in turn acquired 100% stake in Makler Private Limited (MPL). These entities are acquired with the purpose to be utilised as an investment vehicle for acquisitions.

The Company completed the acquisition by infusing ₹ 0.02 crore as a cash consideration in PSL group and has been issued equity shares in lieu thereof. Accordingly, PSL has become a wholly owned subsidiary of the Company.

As per Ind AS 103 on Business Combination, purchase consideration has been allocated on a basis of the fair value of the acquired assets and liabilities. The resulting differential has been accounted as goodwill. The financial statements include the results of PSL and MPL for the period from 6 June 2019 to 31 March 2020.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

₹ in crores

| Particulars | PSL (consolidated) |
|---|---|
| **Assets** | |
| Trade receivables | **46** |
| Other assets | **1** |
| Cash and cash equivalents | **@** |
| **Total (A)** | **47** |
| **Liabilities** | |
| Borrowings | **6** |
| Trade Payables | **47** |
| Other current liabilities and provision | **@** |
| **Total (B)** | **53** |
| **Total identifiable net assets acquired at fair value (C) = (A-B)** | **(6)** |
| **Purchase Consideration transferred in cash (D)** | **@** |
| **Goodwill arising on acquisition (D-C)** | **6** |

Basis the purchase price allocation, the goodwill of ₹6 crores is recognised in the consolidated financial statements.

At the date of the acquisition, the fair value of the trade receivables approximated their gross contractual amount.

From the date of acquisition, PSL and MPL has contributed ₹ 66 crores of revenue and net loss after tax of ₹ 1 crore. The Company has not incurred any material transaction costs for the above acquisition.

b) Pursuant to the Corporate insolvency resolution process under the Insolvency Bankruptcy Code, the resolution plan submitted by the Company for Vardhman Industries Limited (VIL) was approved, by the Hon'ble National Company Law Tribunal (NCLT), New Delhi, by its order dated 19 December 2018 and as clarified by its order dated 16 April 2019 and by the Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated 4 December 2019 and as clarified by its order dated 11 December 2019.

The Company completed the acquisition of VIL on 31 December 2019 by infusing ₹ 63.50 crores as a cash consideration in VIL and has been issued equity shares and compulsorily convertible debentures (CCDs) by VIL in lieu thereof. Accordingly, VIL has become a wholly owned subsidiary of the Company.

VIL is mainly engaged in the manufacturing and marketing of Colour Coated Coils & Sheets and has a production capacity of 3,000 tonnes per month with manufacturing facility located at Rajpura, Patiala (Punjab).

The Company held 50% stake in JSW Vallabh Tin Plate Limited (JSWVTPL), a joint venture, and Vardhman Industries Limited (VIL) held 23.55% stake in JSWVTPL. Consequently, to the above acquisition of VIL, the shareholding of the Group in JSWVTPL has increased from 50% to 73.55% due to which the Group gained control over JSW VTPL and accordingly considered it as a subsidiary w.e.f. 31 December 2019.

JSWVTPL is into tin plate business and has a capacity of 1.0 lakh tonnes.

As per Ind AS 103 on Business Combination, purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of the acquired assets and liabilities. The resulting differential has been accounted as goodwill/capital reserve. The financial statements include the results of VIL and JSWVTPL for the period from 1 January 2020 to 31 March 2020.

Details of the purchase consideration, net assets acquired and goodwill/ capital reserve are as follows:

₹ in crores

| Particulars | VIL | JSW VTPL |
|---|---|---|
| **Assets** | | |
| Property Plant and Equipment including intangible assets | 24 | 191 |
| Capital work-in-progress | - | 3 |
| Investments | 23 | - |
| Inventories | 10 | 49 |
| Trade receivables | 2 | 35 |
| Other receivables | 9 | 22 |
| Cash and cash equivalents | 3 | @ |
| **Total (A)** | **71** | **300** |
| **Liabilities** | | |
| Borrowings | - | 103 |
| Trade Payables | 2 | 91 |
| Other current liabilities and provision | 3 | 8 |
| Long-term liabilities and provision | 1 | 2 |
| Deferred Tax Liabilities | - | 9 |
| Contingent liabilities | - | @ |
| **Total (B)** | **5** | **213** |
| **Total identifiable net assets acquired at fair value (C) = (A-B)** | **66** | **87** |
| **Purchase Consideration transferred in cash (D)** | **64** | **-** |
| **Existing value of investment held by the Company in JSWVTPL (E)** | **-** | **35** |
| **Gain on re-measurement of existing stake held by Company in JSWVTPL (F)** | **-** | **13** |
| **Fair value of Investment in JSWVTPL held by VIL (G)** | **-** | **23** |
| **Non-controlling interest accounted (H)** | **-** | **25** |
| **Goodwill/ (Capital reserve) arising on acquisition (I)** | **(2)** | **9** |

@ - less than ₹ 0.50 crore.

Basis the purchase price allocation carried out by independent valuation expert, the capital reserve arising on VIL acquisition is not material. The goodwill of ₹9 crores recognised for JSWVTPL acquisition is primarily attributable to the expected synergies and other benefits from integrating JSWVTPL into the Group's existing steel business.

At the date of the acquisition, the fair value of the trade receivables approximated their gross contractual amount.

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

From the date of acquisition, VIL and JSWVTPL has contributed ₹147 crores of revenue and net loss after tax of ₹1 crore. The Company has not incurred any material transaction costs for the above acquisition.

If both the acquisition had taken place at the beginning of the period, management estimates that consolidated revenue from operation and profit for the combined entity would be ₹73,811 crores and ₹3,943 crores respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2019.

## 41. Segment reporting

The Group is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker for assessment of Group's performance and resource allocation. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed below:

**Information about geographical revenue and non-current assets**

### a) Revenue from operations

₹ in crores

| Particulars | For the year ended 31 March 2020 | | | For the year ended 31 March 2019 | | |
|---|---|---|---|---|---|---|
| | Within India | Outside India | Total | Within India | Outside India | Total |
| Revenue from operations | 55,419 | 17,907 | **73,326** | 69,085 | 15,672 | **84,757** |

Revenue from operations has been allocated on the basis of location of customers.

### b) Non-current assets

₹ in crores

| Particulars | As at 31 March 2020 | | | As at 31 March 2019 | | |
|---|---|---|---|---|---|---|
| | Within India | Outside India | Total | Within India | Outside India | Total |
| (a) Property, plant and equipment | 50,923 | 6,835 | 57,758 | 55,051 | 6,553 | 61,604 |
| (b) Capital work-in-progress | 26,434 | 423 | 26,857 | 11,363 | 177 | 11,540 |
| (c) Right of Use assets | 3,371 | 100 | 3,471 | - | - | - |
| (d) Goodwill | 43 | 372 | 415 | 28 | 812 | 840 |
| (e) Other intangible assets | 325 | 25 | 350 | 176 | 24 | 200 |
| (f) Intangible assets under development | 331 | 3 | 334 | 344 | 5 | 349 |
| (g) Investment in joint ventures | 283 | - | 283 | 424 | 204 | 628 |
| (h) Other non-current assets | 2,704 | 252 | 2,956 | 3,557 | 368 | 3,925 |
| (i) Current tax assets (net) | 385 | - | 385 | 240 | - | 240 |
| (j) Financial assets | | | 2,442 | | | 1,916 |
| (k) Deferred tax assets (net) | | | - | | | 117 |
| **Total non-current assets** | | | **95,251** | | | **81,359** |

Non-current assets have been allocated on the basis of their physical location.

## 42. Employee benefits

### a) Defined contribution plan

The Group operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

Group's contribution to provident fund and 401 (K) plan recognised in the Consolidated Statement of Profit and Loss is ₹137 crores (previous year: ₹62 crores) (included in note 34).

### b) Defined benefit plans

The Group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58, 60 and 62, without any payment ceiling. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

Under the Compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2020 by independent qualified actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

## (i) Gratuity

₹ in crores

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|---|---|---|---|---|
| | Funded | Unfunded | Funded | Unfunded |
| **a) Liability recognised in the Balance Sheet** | | | | |
| **i) Present value of obligation** | | | | |
| **Opening balance** | **310** | **5** | **265** | **5** |
| Service cost | 21 | 2 | 16 | @ |
| Interest cost | 21 | 1 | 21 | @ |
| Actuarial loss / (gain) on obligation | 22 | - | 17 | 2 |
| Benefits paid | (14) | (1) | (14) | - |
| Experience adjustments | - | - | 3 | - |
| Transfer on business combination | - | 2 | - | - |
| Liability In | - | - | 2 | - |
| Liability transfer | - | - | (2) | - |
| **Closing balance** | **360** | **9** | **308** | **7** |
| **Less:** | | | | |
| **ii) Fair value of plan assets** | | | | |
| **Opening balance** | **97** | **-** | **95** | **-** |
| Expected return on plan assets less loss on investments | 7 | - | 7 | - |
| Actuarial (loss)/gain on plan assets | - | - | @ | - |
| Employers' contribution | - | - | 5 | - |
| Benefits paid | (11) | - | (10) | - |
| **Closing balance** | **93** | **-** | **97** | **-** |
| **Amount recognised in Balance Sheet (refer note 24)** | **267** | **9** | **211** | **7** |
| **b) Expenses during the year** | | | | |
| Service cost | 21 | 2 | 16 | @ |
| Interest cost | 21 | 1 | 21 | @ |
| Expected return on plan assets | (7) | - | (7) | - |
| Transferred to preoperative expenses | - | - | (2) | - |
| **Component of defined benefit cost recognised in statement of profit & loss (a)** | **35** | **3** | **28** | **@** |
| Remeasurement of net defined benefit liability | | | | |
| - Actuarial (gain)/loss on defined benefit obligation | 22 | 1 | 17 | 2 |
| - Return on plan assets (excluding interest income) | @ | - | - | - |
| **Component of defined benefit cost recognised in other comprehensive income (b)** | **22** | **1** | **17** | **2** |
| **Total (a+b)** | **57** | **2** | **45** | **2** |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|---|---|---|---|---|
| | Funded | Unfunded | Funded | Unfunded |
| **c) Actual return on plan assets** | **7** | **-** | **7** | **-** |
| **d) Break up of plan assets:** | | | | |
| (i) ICICI Prudential Life Insurance Co. Ltd. | | | | |
| Balanced Fund | **3** | **-** | 3 | - |
| Debt Fund | **3** | **-** | @ | - |
| Short-Term Debt Fund | **-** | **-** | @ | - |
| Short-Term Debt Fund III | **-** | **-** | 3 | |
| Endowment Plan | **-** | **-** | - | - |
| (ii) HDFC Standard Life Insurance Co. Ltd. | | | | |
| Defensive Managed Fund | **1** | **-** | 2 | - |
| Secure Managed Fund | **21** | **-** | 22 | - |
| Stable Managed Fund | **-** | **-** | @ | - |
| (iii) SBI Life Insurance Co. Ltd. – Cap Assured Fund | **44** | **-** | 47 | - |
| (iv) LIC of India – Insurer Managed Fund | **9** | **-** | 18 | - |
| (v) Bajaj Allianz Fund | **11** | **-** | 3 | - |

@ - less than ₹ 0.50 crore.

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

### e) Principal actuarial assumptions

| Particulars | | | | |
|---|---|---|---|---|
| Discount rate | **6.84%-6.89%** | **6.80%-6.87%** | 7.54%-7.83% | 7.76%-7.88% |
| Expected return on plan assets | **6.84%-6.89%** | **-** | 7.54%-7.83% | - |
| Expected rate of increase in salaries | **6.00%-8.00%** | **6.00%-8.00%** | 6.00% | 6.00% |
| Attrition rate | **2.00%** | **2.00%-10.00%** | 2.00% | 2.00% |

Based on India's standards mortality table with modifications to reflect expected changes in mortality.

### f) Experience adjustments

₹ in crores

| Particulars | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 |
|---|---|---|---|---|---|
| Defined benefit obligation | **368** | 315 | 270 | 243 | 208 |
| Plan assets | **93** | 97 | 95 | 80 | 77 |
| Surplus / (deficit) | **(275)** | (218) | (175) | (163) | (131) |
| Experience adjustments on plan liabilities – loss/(gain) | **23** | 19 | 5 | 20 | 6 |
| Experience adjustments on plan assets – gain/(loss) | **@** | @ | @ | @ | @ |

@ - less than ₹ 0.50 crore.

**g)** The Group expects to contribute ₹95 crores (previous year ₹ 84 crores) to its gratuity plan for the next year.

**h)** The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2019: 10 years).

**i)** In assessing the Group's post retirement liabilities, the Group monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

**j)** Expected return on plan assets is based on expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

**k)** The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**l)** The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

**m)** The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plan is as follows:

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Defined benefit obligation | 368 | 315 |
| Plan assets | 93 | 97 |
| **Net liability arising from defined benefit obligation** | **275** | **218** |

### Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in crores

| Particulars | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (27) | 32 | (22) | 26 |
| Future salary growth (1% movement) | 31 | (28) | 26 | (23) |
| Attrition rate (1% movement) | 2 | (2) | 3 | (4) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Category of assets average percentage allocation fund-wise

| | SBI | HDFC | ICICI | Bajaj Allianz | LIC |
|---|---|---|---|---|---|
| Government securities | 0.00% | 44.37% | 34.14% | 51.40% | 20.00% |
| Debt | 92.51% | 49.69% | 51.81% | 14.29% | Balance invested in approved |
| Equity | 6.39% | 1.48% | 8.12% | 18.15% | investments as specified in |
| Others | 1.10% | 4.46% | 5.93% | 16.16% | Schedule I of IRDA guidelines |

Maturity analysis of projected benefit obligation

₹ in crores

| Particulars | Less than a year | Between 1 to 5 years | Over 5 years | Total |
|---|---|---|---|---|
| **As at 31 March 2020** | | | | |
| Projected benefit payable | 32 | 110 | 582 | 724 |
| **As at 31 March 2019** | | | | |
| Projected benefit payable | 27 | 98 | 550 | 675 |

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles.

## (ii) Provident fund

Provident Fund for certain eligible employees is managed by the Company through JSW Steel Employees Provident Fund Trust, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The Company makes monthly contributions to provident fund managed by trust for qualifying employees. The Trustees of JSW Steel Employees Provident Fund Trust are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and the relevant provisions prescribed under the law.

The members of the Provident Fund Trust are entitled to the rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The shortfall, if any, is made good by the Company in the year in which it arises.

As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the Company as at 31 March 2020 is 8.50%.

Out of the total contribution made for Provident Fund in Defined Contribution Plan, ₹27 crores (previous year ₹ 20 crores) is made to the JSW Steel Employees Provident Fund Trust.

The funds of the Trust have been invested under various securities in accordance with the rules prescribed by the Government of India.

The Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and interest rate guarantee shortfall of ₹4 crores (Previous year – ₹1 crore) is recognised in the Statement of Profit and Loss.

**Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Total plan assets @ | 588 | 505 |
| Total plan liabilities @ | 593 | 499 |
| Discount rate | 6.84% | 7.79% |
| Rate of return on assets | 8.49% | 8.55% |
| Guaranteed rate of return | 8.50% | 8.65% |

@ JSW Steel Employees Provident Fund Trust as at 31 March 2020 as per the unaudited financial statements.

### (iii) Other long-term benefits:

#### (a) Compensated absences

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. Employee are entitled to encash leave while serving in the Company. At the rate of daily salary, as per current accumulation of leave days.

#### (b) Long Service Award

The Company has a policy to recognise the long service rendered by employees and celebrate their long association with the Company. This scheme is called – Long Association of Motivation, Harmony & Excitement (LAMHE). The award is paid at milestone service completion years of 10, 15, 20 and 25 years.

## 43. Financial instruments

### A. Capital management

The Group being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Group's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Group is not subject to any externally imposed capital requirements.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Long-term borrowings | 44,673 | 29,656 |
| Lease liabilities | 1,744 | - |
| Current maturities of long-term debt | 6,375 | 11,407 |
| Current maturities of lease liabilities | 306 | - |
| Short-term borrowings | 8,325 | 6,333 |
| **Total borrowings** | **61,423** | **47,396** |
| Less: | | |
| Cash and cash equivalents | 3,966 | 5,581 |

| Particulars | As at 31 March 2020 | ₹ in crores<br>As at 31 March 2019 |
|---|---|---|
| Bank balances other than cash and cash equivalents | 8,037 | 606 |
| Current investments | 2 | 82 |
| **Net debt** | **49,418** | **41,127** |
| **Total equity** | **36,024** | **34,345** |
| **Gearing ratio** | **1.37** | **1.20** |

(i) Equity includes capital and all reserves of the Group that are managed as capital.

(ii) Debt is defined as long-and short-term borrowings (excluding derivatives and financial guarantee contracts), as described in notes 21 and 27.

## B. Categories of financial instruments

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

### As at 31 March 2020

| Particulars | Amortised cost | Fair value through other comprehensive income | Fair value through profit and loss | Derivatives in hedging relations | Total Carrying Value | ₹ in crores<br>Fair value |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Loans | 1,514 | - | - | - | 1,514 | 1,514 |
| Other financial assets | 3,554 | - | - | - | 3,554 | 3,554 |
| Trade receivables | 4,505 | - | - | - | 4,505 | 4,505 |
| Cash and cash equivalents | 3,966 | - | - | - | 3,966 | 3,966 |
| Bank balances other than cash and cash equivalents | 8,037 | - | - | - | 8,037 | 8,037 |
| Derivative assets | - | - | 294 | - | 294 | 294 |
| Investments | 477 | 452 | 47 | - | 976 | 984 |
| **Total financial assets** | **22,053** | **452** | **341** | **-** | **22,846** | **22,854** |
| **Financial liabilities** | | | | | | |
| Long-term borrowings* | 51,048 | - | - | - | 51,048 | 51,731 |
| Lease liabilities | 2,050 | - | - | - | 2,050 | 2,276 |
| Short-term borrowings | 8,325 | - | - | - | 8,325 | 8,325 |
| Trade payables | 17,918 | - | - | - | 17,918 | 17,918 |
| Derivative liabilities | - | - | 84 | 297 | 381 | 381 |
| Other financial liabilities | 8,232 | - | - | - | 8,232 | 8,232 |
| **Total financial liabilities** | **87,573** | **-** | **84** | **297** | **87,954** | **88,863** |

### As at 31 March 2019

| | Amortised cost | Fair value through other comprehensive income | Fair value through profit and loss | Derivatives in hedging relations | Total Carrying Value | ₹ in crores<br>Fair value |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Loans | 994 | - | - | - | 994 | 994 |
| Other financial assets | 2,516 | - | - | - | 2,516 | 2,516 |
| Trade receivables | 7,160 | - | - | - | 7,160 | 7,160 |
| Cash and cash equivalents | 5,581 | - | - | - | 5,581 | 5,581 |
| Bank balances other than cash and cash equivalents | 606 | - | - | - | 606 | 606 |
| Derivative assets | - | - | 159 | 162 | 321 | 321 |
| Investments | 387 | 756 | 123 | - | 1,266 | 1,268 |
| **Total financial assets** | **17,244** | **756** | **282** | **162** | **18,444** | **18,446** |
| **Financial liabilities** | | | | | | |
| Long-term borrowings* | 41,063 | - | - | - | 41,063 | 41,816 |
| Short-term borrowings | 6,333 | - | - | - | 6,333 | 6,333 |
| Trade payables | 16,159 | - | - | - | 16,159 | 16,159 |
| Derivative liabilities | - | - | 313 | 66 | 379 | 379 |
| Other financial liabilities | 5,956 | - | - | - | 5,956 | 5,929 |
| **Total financial liabilities** | **69,511** | **-** | **313** | **66** | **69,890** | **70,616** |

* including current maturities of long-term borrowings.

## C. Financial risk management

The Group has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are

established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk and
- Liquidity risk

**D. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Group seeks to minimise the effects of these risks by using derivative and non-derivative financial instruments to hedge risk exposures. The use of financial derivatives and non-derivative financial instruments governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

**E. Financial currency risk management**

The Group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency. In order to hedge exchange rate risk, the Group has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and hedges. At any point in time, the Group hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Company hedges its payables as when the exposure arises. Short-term exposures are hedged progressively based on their maturity.

In order to hedge exchange rate risk, the Group has a policy to hedge cash flows up to a specific tenure using forward exchange contracts, options and other non-derivative financial instruments like long-term foreign currency borrowings and acceptances. At any point in time, the Group hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months using derivative instruments. Forecasted sales beyond the period of 6 months are hedged using non-derivative financial instruments basis the tenure of the specific long term foreign currency borrowings. In respect of imports and other payables, the Group hedges its payables as when the exposure arises. Short term exposures are hedged progressively based on their maturity.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The Group basis its assessment believes that the probability of the occurrence of the forecasted sales transactions is not impacted by COVID-19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Group continues to believe that there is no impact on effectiveness of its hedges.

The forward exchange contracts entered into by the Group and outstanding are as under:

| As at | Nature | No. of Contracts | Type | US$ Equivalent (millions) | INR Equivalent (crores) | MTM (₹ in crores) |
|---|---|---|---|---|---|---|
| **31 March 2020** | **Assets** | **136** | **Buy** | **936** | **7,058** | **241** |
| | | **12** | **Sell** | **166** | **1,255** | **8** |
| | **Liabilities** | **20** | **Buy** | **215** | **1,618** | **(60)** |
| | | **27** | **Sell** | **398** | **3,003** | **(119)** |
| 31 March 2019 | Assets | 20 | Buy | 190 | 1,311 | 4 |
| | | 63 | Sell | 653 | 4,518 | 200 |
| | Liabilities | 154 | Buy | 1,292 | 8,944 | (320) |

Currency options to hedge against fluctuations in changes in exchange rate:

| As at | Nature | No. of Contracts | US$ equivalent (million) | INR equivalent (crores) | MTM of Option (₹ in crores) |
|---|---|---|---|---|---|
| **31 March 2020** | **Assets** | **20** | **317** | **2,390** | **15** |
| | **Liabilities** | **1** | **15** | **113** | **(3)** |
| 31 March 2019 | Assets | 3 | 40 | 277 | 1 |
| | Liabilities | 1 | 10 | 69 | @ |

@ - less than ₹ 0.50 crore.

The carrying amounts of the Group's monetary assets and monetary liabilities at the end of the reporting period are as follows:

### As at 31 March 2020

₹ in crores

| Particulars | INR | USD | Euro | JPY | Others | Total |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Investments | 917 | - | 14 | - | 45 | 976 |
| Loans | 1,514 | - | - | | - | 1,514 |
| Trade receivables | 3,031 | 802 | 672 | - | - | 4,505 |
| Cash and cash equivalents | 3,835 | 69 | 62 | - | - | 3,966 |
| Bank balances other than cash and cash equivalents | 7,982 | 54 | - | - | 1 | 8,037 |
| Derivative assets | 19 | 275 | - | - | - | 294 |
| Other financial assets | 3,481 | 28 | 43 | - | 2 | 3,554 |
| **Total financial assets** | **20,779** | **1,228** | **791** | **-** | **48** | **22,846** |
| **Financial liabilities** | | | | | | |
| Borrowings | 24,940 | 25,682 | 1,843 | 533 | - | 52,998 |
| Trade payables | 5,653 | 10,542 | 1,627 | 31 | 65 | 17,918 |
| Derivative liabilities | 61 | 319 | - | - | 1 | 381 |
| Lease liabilities | 1,964 | 33 | 53 | - | - | 2,050 |
| Other financial liabilities | 7,176 | 4,815 | 2,151 | 234 | 231 | 14,607 |
| **Total financial liabilities** | **39,794** | **41,391** | **5,674** | **798** | **297** | **87,954** |

### As at 31 March 2019

₹ in crores

| Particulars | INR | USD | Euro | JPY | Others | Total |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Investments | 1,253 | - | 13 | - | - | 1,266 |
| Loans | 993 | 1 | - | - | - | 994 |
| Trade receivables | 5,039 | 1,461 | 660 | - | - | 7,160 |
| Cash and cash equivalents | 5,451 | 31 | 98 | - | 1 | 5,581 |
| Bank balances other than cash and cash equivalents | 467 | 139 | - | - | - | 606 |
| Derivative assets | - | 321 | @ | - | - | 321 |
| Other financial assets | 2,455 | 25 | 36 | - | - | 2,516 |
| **Total financial assets** | **15,658** | **1,978** | **807** | **-** | **1** | **18,444** |
| **Financial liabilities** | | | | | | |
| Borrowings | 20,436 | 14,827 | 312 | 414 | - | 35,989 |
| Trade payables | 3,550 | 11,565 | 1,011 | 32 | 1 | 16,159 |
| Derivative liabilities | 340 | 39 | - | - | - | 379 |
| Other financial liabilities | 10,235 | 5,347 | 1,323 | 432 | 26 | 17,363 |
| **Total financial liabilities** | **34,561** | **31,778** | **2,646** | **878** | **27** | **69,890** |

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

**a) Amounts receivable in foreign currency on account of the following:**

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | US$ equivalent (million) | INR equivalent (crores) | US$ equivalent (million) | INR equivalent (crores) |
| Trade receivables | 66 | 496 | 160 | 1,106 |

**b) Amounts payable in foreign currency on account of the following:**

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | US$ equivalent (million) | INR equivalent (crores) | US$ equivalent (million) | INR equivalent (crores) |
| Borrowings | 3,514 | 26,488 | 2,661 | 18,406 |
| Acceptances | | | 3 | 20 |
| Trade payables | 65 | 489 | 41 | 280 |
| Payables for capital projects | 337 | 2,539 | 368 | 2,544 |
| Interest accrued but not due on borrowings | 59 | 446 | 42 | 288 |

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

**Impact on Profit / (loss) for the year for a 1% change:**

₹ in crores

| Particulars | Increase | | Decrease | |
|---|---|---|---|---|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| USD / INR | 482 | 202 | (482) | (202) |
| YEN / INR | 62 | 9 | (62) | (9) |
| EURO / INR | 8 | 13 | (8) | (13) |

## F. Commodity price risk

The Group's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Group. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Group earns from the sale of its steel products.

The Group is subject to fluctuations in prices for the purchase of iron ore, coking coal, ferro alloys, zinc, scrap and other raw material inputs. The Group purchased primarily all of its iron ore and coal requirements in the open market at prevailing price during the year ended 31 March 2020.

The Group aims to sell the products at prevailing market prices. Similarly, the Group procures key raw materials like iron ore and coal based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.

Commodity hedging is used primarily as a risk management tool to secure the future cash flows in case of volatility by entering into commodity forward contracts.

Hedging commodity is based on its procurement schedule and price risk. Commodity hedging is undertaken as a risk offsetting exercise and, depending upon market conditions hedges, may extend beyond the financial year. The Group is presently hedging maximum up to 100% of its consumption.

The following table details the Group's sensitivity to a 5% movement in the input price of iron ore and coking coal net of hedge accounting impact. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5%. For a 5% reduction in commodity prices, there would be a comparable impact on profit or equity, and the balances below would be negative.

**Impact on Profit / (loss) for the year for a 5% change:**

₹ in crores

| Particulars | Increase for the year ended | | Decrease for the year ended | |
|---|---|---|---|---|
| | **31 March 2020** | 31 March 2019 | **31 March 2020** | 31 March 2019 |
| Iron ore | **(512)** | (609) | **512** | 609 |
| Coal/Coke | **(795)** | (1,153) | **795** | 1,153 |
| Zinc | **(38)** | - | **38** | - |

The commodity forward and option contracts entered into by the Group and outstanding at the year-end are as under:

| As at | Nature | No. of Contracts | Commodity Name | Quantity (Iron Ore, Coking Coal, Zinc – MT) (Brent Crude – Mio Barrels) | US$ Equivalent of notional value (million) | INR equivalent (crores) | MTM of Commodity contract (₹ in crores) |
|---|---|---|---|---|---|---|---|
| **31 March 2020** | **Assets** | **3** | **Zinc** | **1,250** | **2** | **18** | **@** |
| | **Liabilities** | **20** | **Liquified natural gas** | **9,702,000** | **(37)** | **(281)** | **(56)** |
| | | **4** | **Zinc** | **1,500** | **3** | **25** | **(3)** |
| 31 March 2019 | Assets | 1 | Brent Crude | 45,000 | 2 | 17 | 4 |
| | | 12 | Iron Ore | 375,003 | 24 | 165 | 45 |
| | Liabilities | 10 | Iron Ore | 375,003 | (26) | (179) | (30) |

@ - less than ₹ 0.50 crore.

## G. Interest rate risk

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 Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Group hedges up to 20% of interest risk in US dollars. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short-term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides a break-up of the Group's fixed and floating rate borrowings:

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Fixed rate borrowings | **22,810** | 19,624 |
| Floating rate borrowings | **36,926** | 27,999 |
| **Total borrowings** | **59,736** | **47,623** |
| | | |
| Total borrowings | **59,373** | 47,396 |
| Add: Upfront fees | **363** | 227 |
| **Total gross borrowings** | **59,736** | **47,623** |

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower and all other variables were being constant, the Group's profit for the year ended 31 March 2020 would decrease / increase by ₹339 crores (for the year ended 31 March 2019: decrease/ increase by ₹248 crores). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

The following table detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the year-end.

| As at | Nature | No. of Contracts | US$ Equivalent of notional value (million) | MTM of IRS (₹ in crores) |
|---|---|---|---|---|
| **31 March 2020** | **Assets** | **3** | **60** | **1** |
| | **Liabilities** | **22** | **335** | **(130)** |
| 31 March 2019 | Assets | 13 | 220 | 20 |
| | Liabilities | 15 | 245 | (27) |

### H. Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets, financial guarantees and derivative financial instruments. The Company has assessed the change in counterparty credit risk due to COVID-19 and believe that the same are fully recoverable.

Moreover, given the diverse nature of the Group's business trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the trade receivables in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of the Group's counterparties. In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. The assessment is carried out considering the segment of customer, impact seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable. Basis this assessment, the allowance for doubtful trade receivables as at 31 March 2020 is considered adequate.

**Movements in allowances for bad and doubtful debts**

| Particulars | ₹ in crores Amount |
|---|---|
| **As at 1 April 2018** | **96** |
| Movement during the year | 10 |
| **As at 31 March 2019** | **106** |
| Movement during the year | 76 |
| **As at 31 March 2020** | **181** |

For current investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Group's mutual fund and bond investments. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 22,846 crores as at 31 March 2020 and, ₹ 18,444 crores as at 31 March 2019, being the total carrying value of trade receivables, balances with bank, bank deposits, current investments and other financial assets.

In respect of financial guarantees provided by the Group to banks and financial institutions, the maximum exposure which the Group is exposed to is the maximum amount which the Group would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. The Group based on past experiences does not expect any material loss on its receivables and hence no provision is deemed necessary on account of expected credit loss ('ECL').

The credit quality of the Group is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Group uses simplified approach for (i.e. lifetime expected credit loss model) impairment of trade receivable / contract assets. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Group actively seeks to recover the amounts in question and enforce compliance with credit terms.

For all other financial assets, if credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used.

## I. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short-term operational needs as well as for long-term capital expenditure growth projects. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short-term investments provide liquidity in the short-term and long-term. The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the group may be required to pay.

### Liquidity exposure as at 31 March 2020

₹ in crores

| Particulars | 〈 1 year | 1-5 years | 〉5 years | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Investments | 2 | - | 974 | 976 |
| Trade receivables | 4,505 | - | - | 4,505 |
| Cash and cash equivalents | 3,966 | - | - | 3,966 |
| Bank balances other than cash and cash equivalents | 8,037 | - | - | 8,037 |
| Loans | 742 | 734 | 38 | 1,514 |
| Derivative assets | 294 | - | - | 294 |
| Other financial assets | 2,858 | 696 | - | 3,554 |
| **Total** | **20,404** | **1,430** | **1,012** | **22,846** |
| **Financial liabilities** | | | | |
| Long-term borrowings | - | 34,990 | 9,683 | 44,673 |
| Short-term borrowings | 8,325 | - | - | 8,325 |
| Trade payables | 17,918 | - | - | 17,918 |
| Derivative liabilities | 251 | 130 | - | 381 |
| Lease liabilities | 306 | 1,162 | 582 | 2,050 |
| Other financial liabilities | 14,143 | 457 | 7 | 14,607 |
| **Total** | **40,943** | **36,739** | **10,272** | **87,954** |

### Liquidity exposure as at 31 March 2019

₹ in crores

| Particulars | 〈 1 year | 1-5 years | 〉5 years | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Investments | 82 | - | 1,184 | 1,266 |
| Trade receivables | 7,160 | - | - | 7,160 |
| Cash and cash equivalents | 5,581 | - | - | 5,581 |
| Bank balances other than cash and cash equivalents | 606 | - | - | 606 |
| Loans | 561 | 269 | 164 | 994 |
| Derivative assets | 321 | - | - | 321 |
| Other financial assets | 2,217 | 299 | - | 2,516 |
| **Total** | **16,528** | **568** | **1,348** | **18,444** |
| **Financial liabilities** | | | | |
| Long-term borrowings | - | 26,033 | 3,623 | 29,656 |
| Short-term borrowings | 6,333 | - | - | 6,333 |
| Trade payables (including acceptances) | 16,159 | - | - | 16,159 |
| Derivative liabilities | 379 | - | - | 379 |
| Other financial liabilities | 16,831 | 531 | 2 | 17,363 |
| **Total** | **39,702** | **26,563** | **3,625** | **69,890** |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

The amount of guarantees given included in Note 45(i) represents the maximum amount the Group could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the group considers that it is more likely than not that such an amount will not be payable under the arrangement.

### Collateral

The Group has pledged part of its trade receivables, short-term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Group. There is obligation to return the securities to the Group once these banking facilities are surrendered (refer note 21 and 27).

### J. Level-wise disclosure of financial instruments

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 | Level | Valuation technique and key inputs |
|---|---|---|---|---|
| Quoted investments in the equity shares measured at FVTOCI | 434 | 738 | I | Quoted bid prices in an active market. |
| Quoted investments in the equity shares measured at FVTPL | 2 | 82 | I | Quoted bid prices in an active market. |
| Derivative assets | 294 | 321 | II | Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). |
| Derivative liabilities | 381 | 379 | II | Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). |
| Unquoted investments in the equity shares measured at FVTOCI | 13 | 13 | III | Net asset value of share arrived has been considered as fair value. |
| Unquoted investments in the equity shares measured at FVTOCI | 5 | 5 | III | Cost is approximate estimate of fair value. |
| Non-current investments in unquoted Preference shares measured at FVTPL | 54 | 51 | III | Discounted cash flow – Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks. |

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short-term nature.

A significant part of the financial assets is classified as Level 1 and Level 2. The fair value of these assets is marked to an active market or based on observable market data which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in equity instruments, debt securities and derivatives, accordingly, any material volatility is not expected.

### Sensitivity analysis of Level III:

| | Valuation technique | Significant unobservable inputs | Change | Sensitivity of the input to fair value |
|---|---|---|---|---|
| Investments in unquoted Preference shares | DCF method | Discounting Rate 8.40% | 0.50% | 0.50% Increase / (decrease) in the discount would decrease / (increase) the fair value by ₹ 2 crores / (₹ 2 crores) |

### Reconciliation of Level III fair value measurement:

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Opening balance | 69 | 67 |
| Purchases / (sale) (net) | @ | @ |
| Gain / (loss) recognised in the Consolidated statement of Profit and Loss | 3 | 2 |
| Gain / (loss) recognised in the Other comprehensive income | - | - |
| **Closing balance** | **72** | **69** |

@ - Less than ₹0.50 crore.

### Details of financial assets / liabilities measured at amortised but fair value disclosed in category-wise

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 | Level | Valuation technique and key inputs |
|---|---|---|---|---|
| Long-term borrowings | | | II | Discounted cash flow method – Future cash flows are discounted by using rates which reflect market risks. |
| Fair value | 51,731 | 41,816 | | |
| Carrying value | 51,048 | 41,063 | | |
| Investments | | | II | Discounted cash flow on observable Future cash flows are based on terms of discounted at a rate that reflects market risks. |
| Fair value | 485 | 389 | | |
| Carrying value | 477 | 387 | | |
| Premium payable on redemption of debentures | - | 463 | II | Discounted cash flow method –Future cash flows are discounted by using rates which reflect market risks. |
| Loans – financial assets | | | II | Discounted cash flow method – Future cash flows are discounted by using rates which reflect market risks. |
| Fair value | 1,514 | 994 | | |
| Carrying value | 1,514 | 994 | | |

There have been no transfers between level I and level II during the year.

### The Asset and Liability position of various outstanding derivative financial instruments is given below:

₹ in crores

| Particulars | Underlying | Nature of Risk being Hedged | As at 31 March 2020 | | | As at 31 March 2019 | | |
|---|---|---|---|---|---|---|---|---|
| | | | Asset | Liability | Net Fair Value | Asset | Liability | Net Fair Value |
| **Cash Flow Hedges** | | | | | | | | |
| **Designated and effective hedges** | | | | | | | | |
| Forwards Currency Contract | Highly probable forecast sales | Exchange rate movement risk | - | (100) | (100) | 102 | - | 102 |
| Interest rate swap | Long-term foreign currency borrowings | Interest rate Risk | - | (130) | (130) | 20 | (27) | (7) |
| Commodity Contract | | Price Risk | - | (67) | (67) | 50 | (30) | 20 |
| **Designated and ineffective hedges** | | | | | | | | |
| Forwards Currency Contract | Highly probable forecast Sales | Exchange rate movement risk | - | (37) | (37) | 105 | - | 105 |
| **Fair Value Hedges** | | | | | | | | |
| **Designated Hedges** | | | | | | | | |
| Forwards Currency Contract | Highly probable forecast Sales | Exchange rate movement risk | 221 | (3) | 218 | 4 | (312) | (308) |
| **Non Designated Hedges** | | | | | | | | |
| Forwards Currency Contracts | Trade payables & Acceptance | Exchange rate movement risk | 27 | (1) | 26 | - | (9) | (9) |
| Forwards Currency Contracts | Long-term foreign currency borrowings | Exchange rate movement risk | - | (1) | (1) | - | - | - |
| Forwards Currency Contracts | Loans and advance | Exchange rate movement risk | - | (37) | (37) | - | - | - |
| Interest rate Swap | Long-term foreign currency borrowings | Interest rate risk | 1 | - | 1 | - | - | - |
| Options Contract | Trade payables & acceptance | | 15 | (3) | 12 | 1 | - | 1 |
| | | | 264 | (379) | (115) | 282 | (378) | (96) |
| Cancellation of forwards contracts | | | 30 | (2) | 28 | 39 | (1) | 38 |
| **Total** | | | 294 | (381) | (87) | 321 | (379) | (58) |

### Details of non-derivative financial instruments designated as hedging instruments during the year:

| | 31 March 2020 | |
|---|---|---|
| Cash Flow hedges | Value in USD Mio | Fair Value Rs in Crs |
| Long term borrowings | 638 | (333) |
| Acceptances | 328 | (118) |
| | 966 | (451) |

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## 44. Related party disclosures

| | |
|---|---|
| **A.** | **List of related parties** |
| **1.** | **Joint ventures** |
| | Vijayanagar Minerals Private Limited |
| | Rohne Coal Company Private Limited |
| | JSW Severfield Structures Limited |
| | Gourangdih Coal Limited |
| | Geo Steel LLC (Ceased w.e.f. 28 January 2020) |
| | JSW Structural Metal Decking Limited |
| | JSW MI Steel Service Center Private Limited |
| | JSW Vallabh Tinplate Private Limited (Ceased w.e.f. 31 December 2019) |
| | Accialtalia S.p.A. (ceased w.e.f. 16 April 2018) |
| | Creixent Special Steels Limited (w.e.f. 28 August 2018) |
| | Monnet Ispat & Energy Limited (w.e.f. 31 August 2018) |
| | |
| **2.** | **Key Management Personnel (KMP)** |
| **a)** | **Non-Independent Executive Director** |
| | Mr. Sajjan Jindal |
| | Mr. Seshagiri Rao M V S |
| | Dr. Vinod Nowal |
| | Mr. Jayant Acharya |
| | |
| **b)** | **Independent Non-Executive Director** |
| | Mr. Ganga Ram Baderiya – Nominee Director, KSIIDC |
| | Mr. Hiroyuki Ogawa – Nominee Director, JFE Steel Corporation |
| | Mrs. Punita Kumar Sinha |
| | Mr. Malay Mukherjee |
| | Mr. Haigreve Khaitan |
| | Mr. Seturaman Mahalingam |
| | Mrs. Nirupama Rao |
| | Mr. Harsh Charandas Mariwala |
| | |
| **c)** | **Mr. Rajeev Pai – Chief Financial Officer** |
| | |
| **d)** | **Mr. Lancy Varghese – Company Secretary** |
| **3.** | **Relatives of KMP** |
| | Mrs. Savitri Devi Jindal |
| | Mr. Prithvi Raj Jindal |
| | Mr. Naveen Jindal |
| | Mrs. Nirmala Goyal |
| | Mrs. Urmila Bhuwalka |
| | Mrs. Sangita Jindal |
| | Mrs. Tarini Jindal Handa |
| | Mrs. Tanvi Shete |
| | Mr. Parth Jindal |
| | |
| **4.** | **Other Related Parties** |
| | JSW Energy Limited |
| | JSW Energy (Barmer) Limited (formerly known as Raj West Power Limited) |
| | JSW Power Trading Company Limited (formerly known as JSW Green Energy Limited) |
| | JSW Hydro Energy Limited (formerly known as Himachal Baspa Power Company Limited) |
| | JSW Energy (Kutehr) Limited |
| | JSW Solar Limited |
| | Jindal Stainless Limited |
| | JSL Lifestyle Limited |
| | Jindal Saw Limited |
| | Jindal Saw USA LLC |
| | Jindal Tubular (India) Limited |
| | Jindal Urban Waste Management Limited |
| | Jindal Rail Infrastructure Limited |
| | Jindal Steel & Power Limited |
| | India Flysafe Aviation Limited |
| | JSW Infrastructure Limited |
| | JSW Jaigarh Port Limited |
| | South West Port Limited |
| | JSW Dharamatar Port Private Limited |
| | JSW Paradip Terminal Private Limited |
| | Jaigarh Digni Rail Limited |
| | JSW Cement Limited |
| | JSW Cement, FZE |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

| | |
|---|---|
| | South West Mining Limited |
| | JSW Projects Limited |
| | JSW IP Holdings Private Limited |
| | JSoft Solutions Limited (merged into Everbest Consultancy Services Private Limited) |
| | Reynold Traders Private Limited |
| | JSW Techno Projects Management Limited |
| | JSW Global Business Solutions Limited |
| | JSW Minerals Trading Private Limited |
| | Everbest Consultancy Services Private Limited |
| | Jindal Industries Private Limited |
| | JSW Foundation |
| | JSW Sports Limited |
| | JSW Realty Private Limited |
| | JSW Green Energy Limited |
| | Ganga Ferro Alloys Private limited |
| | Jindal Technologies & Management Services Private Limited |
| | Epsilon Carbon Private Limited |
| | JSW Living Private Limited |
| | JSW International Trade Corp PTE Limited |
| | Jindal Education Trust |
| | JSW Paints Private Limited |
| | Toshiba JSW Power System Private Limited |
| | MJSJ Coal Limited |
| | JSW Bengaluru Football Club Private Limited |
| | JSW Shipping & Logistics Private Limited (formerly known as Utkarsh Advisory Services Private Limited) |
| | Epsilon Aerospace Private Limited |
| | Neotrex Steel Wires Private Limited |
| | Neotrex Steel Private Limited |
| | Khaitan & Company # |
| | Vinar Systems Private Limited ## (ceased w.e.f. 31 May 2018) |
| | Eurokids International Private Limited |
| | J Sagar Associates |
| | Danta Enterprises Private Limited |
| | Glebe Trading Private Limited |
| | JSW Holdings Limited |
| | JSL Architecture Limited |
| | JSW GMR Cricket Private Limited |
| | JSW Investments Private Limited |
| | JSW Logistics Infrastructure Private Limited |
| | Sahyog Holdings Private Limited |
| | Virtuous Tradecorp Private Limited |
| | S K Jindal and Sons HUF |
| | P R Jindal HUF |
| | Windsor Residency Private Limited |
| | Tranquil Homes & Holdings Private Limited |

# Mr. Haigreve Khaitan is a partner in Khaitan & Company

## Mr. Haigreve Khaitan was a director in Vinar Systems Private Limited up to 31 May 2018

| | |
|---|---|
| **5)** | **Post-Employment Benefit Entity** |
| | JSW Steel EPF Trust |
| | JSW Steel Group Gratuity Trust |
| | JSW Steel Limited Employee Gratuity Fund |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

### B. Transactions with related parties

₹ in crores

| Particulars | Joint ventures | | Other related parties # | | Total | |
|---|---|---|---|---|---|---|
| | FY 2019-20 | FY 2018-19 | FY 2019-20 | FY 2018-19 | FY 2019-20 | FY 2018-19 |
| **Party's Name** | | | | | | |
| **Purchase of Goods/ Power & fuel/ Services/ Branding expenses** | | | | | | |
| JSW Energy Limited | - | - | 2,489 | 2,944 | 2,489 | 2,944 |
| JSW International Tradecorp PTE Limited | - | - | 15,478 | 18,418 | 15,478 | 18,418 |
| Others | 84 | 106 | 2,166 | 2,040 | 2,250 | 2,146 |
| **Total** | 84 | 106 | 20,133 | 23,402 | 20,217 | 23,508 |
| **Reimbursement of expenses incurred on our behalf by** | | | | | | |
| JSW Energy Limited | - | - | 3 | 3 | 3 | 3 |
| JSW MI Steel Service Centre Private Limited | - | 1 | - | - | - | 1 |
| JSW Cement, FZE | - | - | 1 | - | 1 | - |
| Others | @ | - | @ | @ | @ | @ |
| **Total** | @ | 1 | 4 | 3 | 4 | 4 |
| **Sales of Goods/ Power & fuel/ Services/ Assets** | | | | | | |
| JSW Vallabh Tin Plate Private Limited | 312 | 431 | - | - | 312 | 431 |
| Jindal Saw Limited | - | - | 1,165 | 1,198 | 1,165 | 1,198 |
| JSW Energy Limited | - | - | 404 | 525 | 404 | 525 |
| Jindal Industries Private Limited | - | - | 374 | 646 | 374 | 646 |
| Epsilon Carbon Private Limited | - | - | 530 | 543 | 530 | 543 |
| Others | 497 | 523 | 165 | 346 | 662 | 869 |
| **Total** | 809 | 954 | 2,638 | 3,258 | 3,447 | 4,212 |
| **Other income/ Interest income/ Dividend income** | | | | | | |
| JSW Energy Limited | - | - | 11 | 2 | 11 | 2 |
| JSW Global Business Solutions Limited | - | - | 6 | 6 | 6 | 6 |
| JSW Techno Projects Management Limited | - | - | 8 | 11 | 8 | 11 |
| India Flysafe Aviation Limited | - | - | 20 | 21 | 20 | 21 |
| JSW Projects Limited | - | - | 40 | 2 | 40 | 2 |
| Monnet Ispat & Energy Limited | 16 | 7 | - | - | 16 | 7 |
| Others | 4 | 4 | 21 | 9 | 25 | 13 |
| **Total** | 20 | 11 | 106 | 51 | 126 | 62 |
| **Purchase of assets** | | | | | | |
| JSW Severfield Structures Limited | 762 | 416 | - | - | 762 | 416 |
| Jindal Steel & Power Limited | - | - | 238 | 228 | 238 | 228 |
| JSW Cement Limited | - | - | 243 | 148 | 243 | 148 |
| Others | 16 | 6 | 120 | 44 | 136 | 50 |
| **Total** | 778 | 422 | 601 | 420 | 1,379 | 842 |
| **Capital / revenue advances aiven** | | | | | | |
| JSW Dharmatar Port Private Limited | - | - | 200 | - | 200 | - |
| Jindal Steel & power Limited | - | - | 200 | - | 200 | - |
| Others | - | @ | 39 | 1 | 39 | 1 |
| **Total** | - | @ | 439 | 1 | 439 | 1 |
| **Capital / revenue advances received back** | | | | | | |
| Jindal Steel & power Limited | - | - | 200 | - | 200 | - |
| JSW Energy Limited | - | - | - | 1 | - | 1 |
| JSW Cement Limited | - | - | - | 5 | - | 5 |
| **Total** | - | - | 200 | 6 | 200 | 6 |
| **Security deposit given** | | | | | | |
| JSW Shipping and Logistics Private Limited (formerly known as Utkarsh Advisory Services Private Limited) | - | - | 116 | 59 | 116 | 59 |
| **Total** | - | - | 116 | 59 | 116 | 59 |
| **Lease and other deposit received back** | | | | | | |
| India Flysafe Aviation Limited | - | - | 10 | 10 | 10 | 10 |
| Others | - | - | 1 | 1 | 1 | 1 |
| **Total** | - | - | 11 | 11 | 11 | 11 |
| **Lease deposit received** | | | | | | |
| JSW Cement Limited | - | - | - | 11 | - | 11 |
| Others | - | - | - | @ | - | @ |
| **Total** | - | - | - | 11 | - | 11 |
| **Lease and other advances refunded** | | | | | | |
| JSW Infrastructure Limited | - | - | - | 53 | - | 53 |
| **Total** | - | - | - | 53 | - | 53 |

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

## B. Transactions with related parties

₹ in crores

| Particulars | Joint ventures | | Other related parties # | | Total | |
|---|---|---|---|---|---|---|
| | **FY 2019-20** | FY 2018-19 | **FY 2019-20** | FY 2018-19 | **FY 2019-20** | FY 2018-19 |
| **Loan given received back** | | | | | | |
| JSW Techno Projects Management Limited | - | - | 96 | - | 96 | - |
| JSW Projects Limited | - | - | 15 | - | 15 | - |
| JSW Global Business Solutions Private Limited | - | - | 2 | 11 | 2 | 11 |
| **Total** | - | - | 113 | 11 | 113 | 11 |
| **Loan given** | | | | | | |
| JSW Projects Limited | - | - | 130 | 300 | 130 | 300 |
| Monnet Ispat & Energy Limited | 90 | 125 | - | - | 90 | 125 |
| Others | 1 | - | - | 5 | 1 | 5 |
| **Total** | 91 | 125 | 130 | 305 | 221 | 430 |
| **Donation/ CSR expenses** | | | | | | |
| JSW Foundation | - | - | 75 | 26 | 75 | 26 |
| **Total** | - | - | 75 | 26 | 75 | 26 |
| **Recovery of expenses incurred by us on their behalf** | | | | | | |
| JSW Energy Limited | - | - | 9 | 19 | 9 | 19 |
| JSW Cement Limited | - | - | 45 | 43 | 45 | 43 |
| JSW International Tradecorp Pte Limited | - | - | 119 | - | 119 | - |
| JSW Jaigarh Port Limited | - | - | 3 | 7 | 3 | 7 |
| JSW Infrastructure Limited | - | - | 7 | 6 | 7 | 6 |
| Monnet Ispat & Energy Limited | 1 | 15 | - | - | - | 15 |
| Others | 6 | 4 | 27 | 19 | 33 | 23 |
| **Total** | 6 | 19 | 210 | 94 | 216 | 113 |
| **Investments / Share application money given** | | | | | | |
| JSW Severfield Structures Limited | - | 38 | - | - | - | 38 |
| Rohne Coal Company Private Limited | 1 | - | - | - | 1 | - |
| Creixent Special Steels Limited | - | 370 | - | - | - | 370 |
| Others | @ | @ | - | - | @ | @ |
| **Total** | 1 | 408 | - | - | 1 | 408 |
| **Investments / share application money refunded** | | | | | | |
| Rohne Coal Company Private Limited | @ | - | - | - | @ | - |
| **Total** | @ | - | - | - | @ | |
| **Interest expenses** | | | | | | |
| JSW Techno Projects Management Limited | - | - | 2 | - | 2 | - |
| **Total** | - | - | 2 | - | 2 | - |
| **Lease interest cost** | | | | | | |
| JSW Projects Limited | - | - | 132 | 156 | 132 | 156 |
| JSW Techno Projects Management Limited | - | - | 84 | 54 | 84 | 54 |
| Others | - | - | 17 | - | 17 | - |
| **Total** | - | - | 233 | 210 | 233 | 210 |
| **Lease liabilities / Finance lease obligation repayment** | | | | | | |
| JSW Projects Limited | - | - | 228 | 204 | 228 | 204 |
| Others | - | - | 26 | 8 | 26 | 8 |
| **Total** | - | - | 254 | 212 | 254 | 212 |
| **Loan refunded** | | | | | | |
| JSW Techno Projects Management Limited | - | - | 6 | - | 6 | - |
| **Total** | - | - | 6 | - | 6 | - |
| **Liabilities written back** | | | | | | |
| JSW MI Steel Service Centre Private Limited | - | 3 | - | - | - | 3 |
| South West Port Limited | - | - | - | 3 | - | 3 |
| Jindal Saw Limited | - | - | - | 3 | - | 3 |
| JSW Projects Limited | - | - | - | 3 | - | 3 |
| JSW Infrastructure Limited | - | - | - | 11 | - | 11 |
| Others | - | @ | - | 1 | - | 2 |
| **Total** | - | 3 | - | 21 | - | 25 |
| **Dividend paid** | | | | | | |
| JSW Holdings Limited | - | - | 73 | 57 | 73 | 57 |
| JSW Techno Projects Management Limited | - | - | 101 | 74 | 101 | 74 |
| Sahyog Holdings Private Limited | - | - | 46 | 35 | 46 | 35 |
| Others | - | - | 99 | 76 | 99 | 76 |
| **Total** | - | - | 319 | 242 | 319 | 242 |

@ less than ₹ 0.50 crore.
# includes relatives of KMP.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

**Notes:**

1. The Group makes monthly contributions to provident fund managed by JSW Steel EPF Trust for qualifying Vijayanagar employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Group contributed ₹ 22 crores (previous year ₹ 20 crores).

2. The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). During the year, the Group contributed ₹Nil crores (previous year ₹ 5 crores).

3. During the year, the Company has transferred environment clearance certificate issued for its slag grinding & mixing unit to JSW Cement Limited for no consideration.

### Compensation to Key Management Personnel

₹ in crores

| Nature of transaction | FY 2019-20 | FY 2018-19 |
|---|---|---|
| Short-term employee benefits | 56 | 86 |
| Post-employment benefits | 1 | 1 |
| Other long-term benefits | - | - |
| Termination benefits | - | - |
| Share-based payment | - | - |
| **Total compensation to key management personnel** | **57** | **87** |

**Notes:**

1. As the future liability for gratuity 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. The Company has recognised an expenses of ₹3 crores (previous year ₹ 4 crores) towards employee stock options granted to Key Managerial Personnel. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not been exercised.

3. Dividend paid to KMP is ₹0.18 crores (FY 2018-19: ₹0.14 crores), not included above.

4. The Independent Non-Executive Directors are paid remuneration by way of commission and sitting fees. The commission payable to the Non-Executive Directors is based on the number of meetings of the Board attended by them and their Chairmanship/Membership of Audit Committee during the year, subject to an overall ceiling of 1% of the net profits approved by the Members. The Company pays sitting fees at the rate of ₹ 20,000/- for each meeting of the Board and sub-committees attended by them. The amount paid to them by way of commission and sitting fees during FY 2019-20 is ₹3 crores (FY 2018-19 is ₹3 crores), which is not included above.

### Terms and conditions

**Sales:**

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended 31 March 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

**Purchases:**

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are based on made on normal commercial terms and conditions and market rates.

The transactions other than mentioned above are also in the ordinary course of business and at arms' length basis.

## D. Amount due to / from related parties

₹ in crores

| Particulars | Joint ventures | | Other related parties | | Total | |
|---|---|---|---|---|---|---|
| | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 |
| **Party's Name** | | | | | | |
| **Trade payables** | | | | | | |
| JSW Energy Limited | - | - | 377 | 245 | 377 | 245 |
| JSW International Trade Corp PTE Limited | - | - | 1,499 | 1,398 | 1,499 | 1,398 |
| Others | 115 | 8 | 532 | 303 | 647 | 311 |
| **Total** | **115** | **8** | **2,408** | **1,946** | **2,523** | **1,954** |
| **Advance received from customers** | | | | | | |
| JSW Structural Metal Decking Limited | 1 | - | - | - | 1 | - |
| Monnet ipat & Energy limited | 2 | - | - | - | 2 | - |
| Jindal Saw Limited | - | - | 1 | - | 1 | - |
| Others | - | - | @ | @ | @ | @ |
| **Total** | **3** | **-** | **1** | **@** | **4** | **@** |
| **Lease & other deposit received** | | | | | | |
| JSW Severfield Structures Limited | 13 | 13 | - | - | 13 | 13 |
| JSW Energy Limited | - | - | 11 | 11 | 11 | 11 |
| Jindal Saw Limited | - | - | 5 | 5 | 5 | 5 |
| JSW Cement Limited | - | - | 11 | 11 | 11 | 11 |
| Others | - | - | 12 | 12 | 12 | 12 |
| **Total** | **13** | **13** | **39** | **39** | **52** | **52** |
| **Trade receivables** | | | | | | |
| JSW Vallabh Tin Plate Private Limited | - | 83 | - | - | - | 83 |
| JSW MI Steel Service Centre Private Limited | 44 | 42 | - | - | 44 | 42 |
| Jindal Industries Private Limited | - | - | 8 | 24 | 8 | 24 |
| Jindal Saw Limited | - | - | 34 | 34 | 34 | 34 |
| Epsilon Carbon Private Limited | - | - | 109 | 124 | 109 | 124 |
| Others | @ | 22 | 6 | 26 | 6 | 48 |
| **Total** | **44** | **147** | **157** | **208** | **201** | **355** |
| **Share application money given** | | | | | | |
| Gourangdih Coal Limited | 1 | @ | - | - | 1 | @ |
| Others | - | @ | - | - | - | @ |
| **Total** | **1** | **@** | **-** | **-** | **1** | **@** |
| **Capital / Revenue advance** | | | | | | |
| Monnet Ispat & Energy Limited | 36 | 1 | - | - | 36 | 1 |
| Rohne Coal Company Private Limited | 22 | 19 | - | - | 22 | 19 |
| JSW Severfield Structures Limited | - | 42 | - | - | - | 42 |
| JSW Projects Limited | - | - | 49 | 50 | 49 | 50 |
| Jindal Steel & Power Limited | - | - | - | 33 | - | 33 |
| JSW IP Holdings Private Limited | - | - | 10 | 18 | 10 | 18 |
| JSW Dharamatar Port Private Limited | - | - | 200 | - | 200 | - |
| Others | 6 | 5 | 8 | 2 | 14 | 7 |
| **Total** | **64** | **67** | **267** | **103** | **331** | **172** |
| **Lease and other deposits given** | | | | | | |
| JSW Shipping and Logistics Private Limited (formerly known as Utkarsh Advisory Services Private Limited) | - | - | 175 | 59 | 175 | 59 |
| India Flysafe Aviation Limited | - | - | 193 | 203 | 193 | 203 |
| **Total** | **-** | **-** | **368** | **262** | **368** | **262** |
| **Loan and advances given** | | | | | | |
| JSW Shipping and Logistics Private Limited (formerly known as Utkarsh Advisory Services Private Limited) | - | - | - | 105 | - | 105 |
| JSW Projects Limited | - | - | 415 | 300 | 415 | 300 |
| Monnet Ispat & Energy Limited | 215 | 125 | - | - | 215 | 125 |
| Others | 1 | @ | 18 | 20 | 19 | 20 |
| **Total** | **216** | **125** | **433** | **425** | **649** | **550** |
| **Interest receivable** | | | | | | |
| JSW Techno Projects Management Limited | - | - | 9 | - | 9 | - |
| Others | - | - | 1 | - | 1 | - |
| **Total** | **-** | **-** | **10** | **-** | **10** | **-** |

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

| Particulars | Joint ventures | | Other related parties | | Total | |
|---|---|---|---|---|---|---|
| | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 |
| **Lease liabilities / Finance lease obligation** | | | | | | |
| JSW Projects Limited | - | - | 1,052 | 1,280 | 1,052 | 1,280 |
| JSW Techno Projects Management Limited | - | - | 550 | 567 | 550 | 567 |
| JSW Jaigarh Port Limited | - | - | 46 | - | 46 | - |
| JSW Dharamatar Port Private Limited | - | - | 138 | - | 138 | - |
| **Total** | - | - | 1,786 | 1,847 | 1,786 | 1,847 |

@ less than ₹ 0.50 crore.

**Note:**

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). As on 31 March 2020, the fair value of plan assets was as ₹92 crores (As at 31 March 2019: ₹87 crores).

## 45. Contingent liabilities:

₹ in crores

| Particulars | | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| (i) | Guarantees | 82 | 47 |
| (ii) | Disputed claims/levies (excluding interest, if any), in respect of: | | |
| | Excise duty | 491 | 463 |
| | Custom-duty | 774 | 741 |
| | Income tax | 32 | 21 |
| | Sales tax / Special entry tax | 1,509 | 1,334 |
| | Service tax | 702 | 659 |
| | Miscellaneous | - | 9 |
| | Levies by local authorities | 54 | 53 |
| | Levies relating to Energy / Power Obligations | 277 | 208 |
| | Claim by suppliers and other parties | 98 | 90 |

a) Excise duty cases includes disputes pertaining to availment of CENVAT credit, valuation methodologies, classification of gases under chapter heading.

b) Custom-duty cases includes disputes pertaining to import of Iron ore fines and lumps under wrong heading, utilisation of SHIS licences for clearance of imported equipment, payment of customs duty for Steam Coal through Krishnapatnam Port and anti-dumping duty on Met Coke used in Corex.

c) Sales Tax/ VAT/ Special Entry Tax cases includes disputes pertaining to demand of special entry tax in Karnataka and demand of cess by department of transport in Goa.

d) Service Tax cases includes disputes pertaining to availment of service tax credit on ineligible services, KKC amount paid but no credit not availed, denial of credit distributed as an ISD, service tax on railway freight not taken as per prescribed documents.

e) Income Tax cases includes disputes pertaining to transfer pricing, deduction u/s 80-IA and other matters.

f) Levies by local authorities – statutory cases include disputes pertaining to payment of water charges and enhanced compensation.

g) Levies relating to Energy/Power Obligations cases includes disputes pertaining to uninterrupted power charges by Karnataka Power Transmission Company Ltd., belated payment surcharge, claims for the set off of renewable power obligations against the power generated in its captive power plants and dues relating to additional surcharge imposed on captive consumption by Maharashtra State Electricity Distribution Company Limited.

h) Claims by Suppliers and other parties includes Quality Claims issues raised by suppliers and others.

i) There are several other cases which has been determined as remote by the Group and hence not been disclosed above.

| | | | |
|---|---|---|---|
| (iii) | Claims related to Forest Development Tax / Fee | 2,588 | 2,160 |
| | Amount paid under protest | 920 | 920 |

In response to a petition filed by the iron ore mine owners and purchasers (including the Company) contesting the levy of Forest Development Tax (FDT) on iron ore on the ground that the State does not have jurisdiction to legislate in the field of major minerals which is a central subject, the Honourable High Court of Karnataka vide its judgement dated 3 December 2015 directed

refund of the entire amount of FDT collected by Karnataka State Government on sale of iron ore by private lease operators and National Mineral Development Corporation Limited (NMDC). The Karnataka State Government has filed an appeal before the Supreme Court of India ("SCI"). SCI has not granted stay on the judgement but stayed refund of FDT. The matter is yet to be heard by SCI. Based on merits of the case and supported by a legal opinion, the Company has not recognised provision for FDT of ₹ 1,043 crores (including paid under protest – ₹ 665 crores) and treated it as a contingent liability.

The State of Karnataka on 27 July 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI, and based on merits of the case duly supported by a legal opinion and a favourable order from the High Court, the Company has not recognised provision for FDF amount of ₹ 1,545 crores (including paid under protest - ₹255 crores) pertaining to the private lease operators & NMDC and treated it as contingent liability.

## 46. Commitments

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Capital commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | **13,929** | 18,044 |
| **Other commitments** | | |
| a) The Group has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports. Such export obligations at year end aggregate to | **17,407** | 11,742 |
| b) The Group has given guarantees to Commissioner of Customs in respect of goods imported. | **127** | 127 |
| c) The Company has entered into a five-year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. ("DSA") for supply of Steel Products. Duferco S.A has provided an interest bearing advance amount of US $700 million under this agreement, secured by committed export of steel products to Duferco S.A. Out of this US $590 million is pending towards fulfilment. | | |
| d) Minimum commission payable under a purchase contract - ₹ 111 crores. | | |

**47.** Exceptional items for the year ended 31 March 2020 includes impairment provision of:

i) ₹725 crores relating to overseas subsidiaries towards the value of Property, plant and equipment (PPE) (including CWIP), Goodwill, Intangibles and other assets based on the overall assessment of recoverable value considering increased uncertainty in restarting the Iron ore mining operations at Chile on account of COVID-19 outbreak.

The provision of ₹ 725 crores include ₹ 143 crores towards PPE, ₹ 9 crores towards CWIP, ₹ 7 crores towards Intangible assets, ₹ 513 crores towards Goodwill and ₹ 53 crores towards advances.

ii) ₹ 80 crores towards identified items of property, plant and equipment of the Company.

**48.** In assessing the carrying amounts of Goodwill, PPE, Capital work-in-progress (CWIP), ROU, Inventories and Advances (net of impairment loss / loss allowance) aggregating to ₹ 9,141 crores (₹ 6,875 crores as at 31 March 2019) relating to certain businesses (listed below), the Company considered various factors as detailed there against and concluded that they are recoverable.

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

i. PPE (including CWIP and advances) of ₹ 4,314 crores (₹ 3,886 crores as at 31 March 2019) relating to steel operations at Baytown, USA – Estimate of values of the businesses and assets by independent external valuers based on cash flow projections at a pre-tax discount rate of 12.7 %. The said assessment includes significant assumptions such as discount rate, increase in operational performance on account of committed capital expenditure, future margins and the likely impact of COVID-19 on the said operations.

ii. Goodwill, PPE, CWIP and Capital advances of ₹266 crores (₹244 crores as at 31 March 2019),

₹446 crores (₹421 crores as at 31 March 2019), ₹9 crores (₹2 crores as at 31 March 2019) and ₹3 crores (₹5 crores as at 31 March 2019) respectively relating to coal mines at West Virginia, USA – Estimate of values of the businesses and assets by independent external valuers based on cash flow projections over a period of the lease at a pre-tax discount rate of 16.7 %. In making the said projections, reliance has been placed on estimates of future prices of coal, mineable resources, and assumptions relating to operational performance, availability of infrastructure facilities for mines and likely impact of COVID-19 on the said operations.

iii. PPE (including CWIP) of ₹ 1,812 crores and goodwill of ₹ 98 crores relating to steel operations at Ohio, USA – Estimate of values of the businesses and assets by independent external valuers based on cash flow projections at a pre-tax discount rate of 18.4 %. The said assessment includes significant assumptions such as discount rate, increase in operational performance on account of committed capital expenditure, future margins and the likely impact of COVID-19 on the said operations.

iv. PPE (including CWIP) of ₹ 543 crores relating to steel operations at Piombino, Italy - Estimate of values of the businesses and assets by independent external valuers based on cash flow projections at a pre-tax discount rate ranging from 11.5% to 12.9%. The said assessment includes significant assumptions such as discount rate, increase in operational performance on account of committed capital expenditure, future margins and the likely impact of COVID-19 on the said operations.

v. Integrated Steel Complex at Salboni, Bengal [PPE ₹219 crores (₹229 crores as at 31 March 2019), CWIP ₹14 crores (₹ 15 crores as at 31 March 2019), ROU assets ₹78 crores (₹74 crores as at 31 March 2019) and advances ₹148 crores (₹148 crores as at 31 March 2019)] – Evaluation of current status of the integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal and the plans for commencing construction of the said complex.

vi. Integrated Steel Complex at Ranchi, Jharkhand [PPE ₹45 crores (₹45 crores as at 31 March 2019), CWIP ₹31 crores (₹31 crores as at 31 March 2019) and Advances ₹1 crore (₹1 crore as at 31 March 2019)] – Evaluation of current status of the integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand and the plans for commencing construction of the said complex.

vii. Goodwill ₹24 crores (₹24 crores as at 31 March 2019) and Inventories ₹91 crores (₹121 crores as at 31 March 2019) relating to interest in a real estate property – Valuation of the property by an independent expert.

viii. PPE ₹ 95 crores including mining development and projects ₹84 crores (₹87 crores including mining development and projects ₹76 crores as at 31 March 2019) and goodwill ₹8 crores (₹7 crores as at 31 March 2019) relating to coal mines at Mozambique – Assessment of mineable reserves by independent experts based on plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities and infrastructure is developed.

ix. PPE (including CWIP) of ₹ 446 crores (₹ 374 crores as at 31 March 2019) of a subsidiary JSW Realty & Infrastructure Private Limited, – Estimates of value of business based on the cash flow projections approved by the Management. The assessments includes significant assumptions relating to operational performance, expansion, rentals and other charges, inflation and terminal value.

x. Investment in equity shares (net of share of profits) and preference shares of Creixent Special Steels Limited, a joint venture, ₹ 449 crores (₹ 551 crores as at 31 March 2019) and a loan of ₹ 1 crore– Estimates of value of business based on the cash flow projections approved by the management. The assessments include significant assumptions such as expansion, capacity utilisation, operational performance, future margins, discount rates, and terminal value.

## 49. Research and development activities

The manufacturing and other expenses include ₹ 33 crores (previous year – ₹ 37 crores) in respect of research and development activities undertaken during the year. Depreciation expenditure includes ₹13 crores (previous year – ₹13 crores) in respect of research and development activities undertaken during the year.

## 50. Joint ventures

Details of the Group's material joint ventures are as follows:

| Name of the Joint venture | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group | | Principal activity |
|---|---|---|---|---|
| | | 31 March 2020 | 31 March 2019 | |
| JSW Severfield Structures Limited | India | 50% | 50% | Design, fabrication and erection of structural steel works |
| JSW Structural Metal Decking Limited | India | 33.33% | 33.33% | Metal Deckings |
| Rohne Coal Company Private Limited | India | 49% | 49% | Coal mining company |
| JSW MI Steel Service Center Private Limited | India | 50% | 50% | Steel service centre |
| JSW Vallabh Tin Plate Private Limited (up to 31 December 2019) | India | - | 50% | Steel plant |
| Vijayanagar Minerals Private Limited | India | 40% | 40% | Supply of iron ore |
| Gourangdih Coal Limited | India | 50% | 50% | Coal mining company |
| Accialtalia S.p.A. (up to 16 April 2018) | Italy | - | - | Trading in steel products |
| Geo Steel LLC | Georgia | - | 49% | Manufacturing of TMT rebar |
| Creixent Special Steels Limited (w.e.f. 27 August 2018) | India | 48% | 48% | Investment in steel related & allied businesses and trading in steel products |
| Monnet Ispat & Energy Limited (w.e.f. 31 August 2018) | India | 23.10% | 23.10% | Manufacturing & marketing of sponge iron, steel & Ferro alloys |

The above joint ventures are accounted using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's, material joint ventures are set out below. The summarised financial information below represents amounts shown in joint ventures financial statements prepared in accordance with the local GAAP (adjusted by the Group for equity accounting purposes).

### a) Financial information of joint ventures as at 31 March 2020

₹ in crores

| Particulars | JSW Severfield Structures Limited | JSW MI Steel Service Center Private Limited | Creixent Special Steels Limited |
|---|---|---|---|
| Current Assets | 716 | 119 | 1,259 |
| Non-current Assets | 318 | 240 | 3,587 |
| Current liabilities | 686 | 74 | 1,344 |
| Non-current liabilities | 19 | 116 | 2,906 |
| The above amount of assets and liabilities include the following: | | | |
| Cash and cash equivalents | 3 | 21 | 36 |
| Current financial liabilities (excluding trade and other payables and provisions) | 146 | 14 | 817 |
| Non-current financial liabilities (excluding trade and other payables and provisions) | 16 | 113 | 2,880 |
| | | | |
| Revenue | 995 | 305 | 2,639 |
| Profit / (loss) for the year | 59 | 7 | (549) |
| Other comprehensive income for the year | @ | 2 | (29) |
| Total comprehensive income for the year | 59 | 9 | (578) |
| Dividends received from the joint venture during the year | - | - | - |
| The above profit/(loss) for the year include the following: | | | |
| Depreciation and amortisation | 21 | 9 | 213 |
| Interest income | 4 | 3 | 12 |
| Interest expense | 33 | 8 | 319 |
| Income tax expense (income) | 1 | 4 | - |
| **Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:** | | | |
| Net assets of the joint venture | 326 | 170 | 65 |
| Proportion of the Group's ownership interest in the joint venture | 50% | 50% | 48% |
| Other adjustments | - | - | - |
| Carrying amount of the Group's interest in the joint venture | 163 | 85 | 31 |

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## b) Financial information of joint ventures as at 31 March 2019

₹ in crores

| Particulars | JSW Severfield Structures Limited | JSW MI Steel Service Center Private Limited | JSW Vallabh Tin Plate Private Limited | Geo Steel LLC | Creixent Special Steels Limited |
|---|---|---|---|---|---|
| Current Assets | 741 | 127 | 95 | 637 | 1,106 |
| Non-current Assets | 220 | 206 | 180 | 144 | 3,611 |
| Current liabilities | 688 | 64 | 172 | 364 | 976 |
| Non-current liabilities | 2 | 108 | 45 | - | 2,570 |
| The above amount of assets and liabilities include the following: | | | | | |
| Cash and cash equivalents | 89 | 36 | 2 | 125 | 166 |
| Current financial liabilities (excluding trade and other payables and provisions) | 2 | 22 | 77 | 345 | 576 |
| Non-current financial liabilities (excluding trade and other payables and provisions) | - | 108 | 43 | - | 2,567 |
| | | | | | |
| Revenue | 788 | 258 | 626 | 469 | - |
| Profit / (loss) for the year | 30 | 12 | (4) | 61 | - |
| Other comprehensive income for the year | @ | - | @ | - | - |
| Total comprehensive income for the year | 30 | 12 | (4) | 61 | - |
| Dividends received from the joint venture during the year | - | - | - | - | - |
| The above profit/(loss) for the year include the following: | | | | | |
| Depreciation and amortisation | 16 | 7 | 11 | 17 | 129 |
| Interest income | 4 | 5 | @ | 3 | 9 |
| Interest expense | 21 | 7 | 16 | 1 | 148 |
| Income tax expense (income) | 1 | 3 | - | 11 | - |
| **Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:** | | | | | |
| Net assets of the joint venture | 267 | 161 | 58 | 416 | 370 |
| Proportion of the Group's ownership interest in the joint venture | 50% | 50% | 50% | 49% | 48% |
| Other adjustments | - | - | - | - | - |
| Carrying amount of the Group's interest in the joint venture | 133 | 81 | 29 | 204 | 178 |

@- between ₹ (0.50) crore to ₹ 0.50 crore.

## a) Aggregate information of joint ventures that are not individually material

₹ in crores

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Aggregate carrying amount of the Group's interest in these joint ventures | 4 | 4 |
| Profit / (loss) from continuing operations | @ | @ |
| Post tax profit/(loss) from continuing operations | @ | @ |
| Other comprehensive income | - | - |
| **Total comprehensive income** | @ | @ |

@ between ₹ (0.50) crore to ₹ 0.50 crore.

## 51. Subsidiaries

Details of the Group's subsidiaries at the end of reporting period are as follows:

| Name of the subsidiary | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group | | Principal activity |
|---|---|---|---|---|
| | | 31 March 2020 | 31 March 2019 | |
| JSW Steel (Netherlands) B.V. | Netherlands | **100%** | 100% | Acquisition and investment in steel related & allied businesses and trading in steel products |
| JSW Steel Italy S.r.L. | Italy | **100%** | 100% | Trading in steel products and Holding company of JSW Steel Italy Piombino S.p.A., Piombino Logistics S.p.A. – A JSW Enterprise and GSI Lucchini S.p.A. |
| JSW Steel Italy Piombino S.p.A. (formerly known as Aferpi S.p.A.)<br><br>(w.e.f. 24 July 2018) | Italy | **100%** | 100% | Produces & distributes special long steel products |
| Piombino Logistics S.p.A. – A JSW Enterprise (formerly known as Piombino Logistics S.p.A.) (w.e.f. 24 July 2018) | Italy | **100%** | 100% | Manages the logistic infrastructure of piombino's port area |
| GSI Lucchini S.p.A. (w.e.f. 24 July 2018) | Italy | **69.27%** | 69.27% | Producer of forged steel balls |
| JSW Steel (UK) Limited | United Kingdom | **100%** | 100% | Investment in steel related and steel allied businesses |
| Periama Holdings, LLC | United States of America | **100%** | 100% | Holding company of JSW Steel (USA) Inc. and West Virginia operations |
| JSW Steel (USA) Inc. | United States of America | **90%** | 90% | Manufacturing plates, pipes and double jointing |
| Purest Energy, LLC | United States of America | **100%** | 100% | Holding company |
| Meadow Creek Minerals, LLC | United States of America | **100%** | 100% | Mining company |
| Hutchinson Minerals, LLC | United States of America | **100%** | 100% | Mining company |
| R.C. Minerals, LLC | United States of America | **100%** | 100% | Mining company |
| Keenan Minerals, LLC | United States of America | **100%** | 100% | Mining company |
| Peace Leasing, LLC | United States of America | **100%** | 100% | Mining company |
| Prime Coal, LLC | United States of America | **100%** | 100% | Management company |
| Planck Holdings, LLC | United States of America | **100%** | 100% | Holding company |
| Rolling S Augering, LLC | United States of America | **100%** | 100% | Mining company |
| Periama Handling, LLC | United States of America | **100%** | 100% | Coal loading company |
| Lower Hutchinson Minerals, LLC | United States of America | **100%** | 100% | Mining company |
| Caretta Minerals, LLC | United States of America | **100%** | 100% | Mining company |
| JSW Panama Holdings Corporation | Republic of Panama | **100%** | 100% | Holding company for Chile based companies and trading in iron ore |
| Inversiones Euroush Limitada | Chile | **100%** | 100% | Holding company (LLP) of Santa Fe Mining |
| Santa Fe Mining | Chile | **70%** | 70% | Mining company and Holding company of Santa Fe Pureto S.A. |
| Santa Fe Puerto S.A. | Chile | **70%** | 70% | Port company |
| JSW Natural Resources Limited | Republic of Mauritius | **100%** | 100% | Holding company of JSW Natural Resources Mozambique Limitada and JSW Mali Resources SA |
| JSW Natural Resources Mozambique Limitada | Mozambique | **100%** | 100% | Mining company |
| JSW ADMS Carvao Limitada | Mozambique | **100%** | 100% | Mining company |
| Acero Junction Holdings, Inc (w.e.f. 15 June 2018) | United States of America | **100%** | 100% | Investment in steel related and steel allied businesses |
| JSW Steel (USA) Ohio, Inc. (w.e.f. 15 June 2018) | United States of America | **100%** | 100% | Manufacturing of slabs and hot rolled coils. |
| JSW Bengal Steel Limited | India | **98.69%** | 98.69% | Steel plant |
| JSW Natural Resources India Limited | India | **98.69%** | 98.69% | Mining related company |
| JSW Energy (Bengal) Limited | India | **98.69%** | 98.69% | Power plant |
| JSW Natural Resources Bengal Limited | India | **98.69%** | 98.69% | Mining related company |

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| Name of the subsidiary | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group | | Principal activity |
|---|---|---|---|---|
| | | 31 March 2020 | 31 March 2019 | |
| JSW Jharkhand Steel Limited | India | 100% | 100% | Steel plant and mining |
| JSW Steel Coated Products Limited | India | 100% | 100% | Steel plant |
| Amba River Coke Limited | India | 100% | 100% | Coke oven and Pellet plant |
| Nippon Ispat Singapore (PTE) Limited | Singapore | 100% | 100% | Mining company |
| Erebus Limited | Mauritius | 100% | 100% | Mining company |
| Arima Holdings Limited | Mauritius | 100% | 100% | Mining company |
| Lakeland Securities Limited | Mauritius | 100% | 100% | Mining company |
| Peddar Realty Private Limited | India | 100% | 100% | Real estate |
| JSW Realty & Infrastructure Private Limited | India | 0% | 0% | Construction and development of residential township |
| JSW Industrial Gases Private Limited | India | 100% | 100% | Production of gaseous and liquid form of oxygen, nitrogen, argon and other products recoverable from separation of air |
| JSW Utkal Steel Limited | India | 100% | 100% | Steel plant |
| JSW Retail Limited (w.e.f. 20 September 2018) | India | 100% | 100% | Trading in steel and allied products |
| Hasaud Steel Limited | India | 100% | 100% | Investment in steel related activities |
| Vardhman Industries Limited (w.e.f. 31 December 2019) | India | 100% | - | Steel plant |
| JSW Vallabh Tin Plate Private Limited (w.e.f. 31 December 2019) | India | 73.55% | - | Steel plant |
| JSW Vijayanagar Metallics Limited (w.e.f. 24 December 2019) | India | 100% | - | Steel plant |
| Piombino Steel Limited (w.e.f. 6 June 2019) | India | 100% | - | Trading in steel products |
| Makler Private Limited (w.e.f. 6 June 2019) | India | 100% | - | Trading in steel products |

Summarised financial information in respect of the Group's, material subsidiary that has non-controlling interests is set out below. The amount disclosed for each subsidiary are before inter-company elimination.

### Financial information of non-controlling interest as on 31 March 2020

₹ in crores

| Particulars | JSW Realty & Infrastructure Limited | JSW Vallabh Tin Plate Private Limited | Santa Fe Mining (Consolidated) | JSW Steel (USA), Inc. | GSI Luchhini S.p.A |
|---|---|---|---|---|---|
| Non-current assets | 504 | 214 | - | 4,314 | 29 |
| Current assets | 54 | 101 | 16 | 1,318 | 305 |
| Non-current liabilities | 394 | 37 | - | 4,631 | 8 |
| Current liabilities | 60 | 183 | 489 | 1,676 | 187 |
| Equity attributable to owners of the Company | - | 70 | (331) | (164) | 80 |
| Non-controlling interest | 104 | 25 | (142) | (511) | 59 |
| Revenue | 41 | 107 | - | 2,207 | 362 |
| Expenses | 48 | 108 | 218 | 3,155 | 361 |
| Profit/ (loss) for the year | 33 | (1) | (218) | 423 | 1 |
| Profit / (loss) attributable to owners of the Company | - | (1) | (153) | 380 | 1 |
| Profit / (loss) attributable to the non-controlling interest | 33 | @ | (65) | 42 | @ |
| Profit / (loss) for the year | 33 | (1) | (218) | 423 | 1 |
| Other comprehensive income attributable to owners of the Company | - | @ | - | - | - |
| Other comprehensive income attributable to the non-controlling interests | @ | @ | - | - | @ |
| Other comprehensive income for the year | @ | @ | - | - | @ |
| Total comprehensive income attributable to the owners of the Company | - | (1) | (153) | 380 | 1 |
| Total comprehensive income attributable to the non-controlling interests | 33 | @ | (65) | 42 | - |
| Total comprehensive income for the year | 33 | (1) | (218) | 423 | 1 |
| | | | | | |
| Net cash inflow / (outflow) from operating activities | 38 | 4 | (9) | 323 | 10 |
| Net cash inflow / (outflow) from investing activities | (60) | (1) | - | (442) | (2) |
| Net cash inflow / (outflow) from financing activities | 49 | (3) | 9 | 133 | 2 |
| Net increase / (decrease) in cash and cash equivalents | 27 | @ | @ | 14 | 10 |

@ between ₹ (0.50) crore to ₹ 0.50 crore.

### Financial information of non-controlling interest as on 31 March 2019

₹ in crores

| Particulars | JSW Realty & Infrastructure Limited | Santa Fe Mining | JSW Steel (USA), Inc. | GSI Luchhini S.p.A |
|---|---|---|---|---|
| Non-current assets | 436 | 186 | 3,926 | 29 |
| Current assets | 18 | 21 | 1,349 | 199 |
| Non-current liabilities | 53 | 10 | 3,960 | 7 |
| Current liabilities | 335 | 417 | 1,120 | 89 |
| Equity attributable to owners of the Company | - | (154) | 583 | 76 |
| Non-controlling interest | 66 | (66) | (388) | 56 |
| Revenue | 32 | - | 2,927 | 162 |
| Expenses | 75 | 18 | 3,389 | 169 |
| Profit/ (loss) for the year | (20) | (18) | (373) | (6) |
| Profit / (loss) attributable to owners of the Company | - | (13) | (336) | (4) |
| Profit / (loss) attributable to the non-controlling interest | (20) | (5) | (37) | (2) |
| Profit / (loss) for the year | (20) | (18) | (373) | (6) |
| Other comprehensive income attributable to owners of the Company | - | - | - | - |
| Other comprehensive income attributable to the non-controlling interests | @ | - | - | - |
| Other comprehensive income for the year | @ | - | - | - |
| Total comprehensive income attributable to the owners of the Company | - | (13) | (336) | (4) |
| Total comprehensive income attributable to the non-controlling interests | (20) | (5) | (37) | (2) |
| Total comprehensive income for the year | (20) | (18) | (373) | (6) |
| | | | | |
| Net cash inflow / (outflow) from operating activities | (78) | (19) | (345) | 4 |
| Net cash inflow / (outflow) from investing activities | (76) | - | (297) | @ |
| Net cash inflow / (outflow) from financing activities | 150 | 19 | 563 | 16 |
| Net cash inflow / (outflow) | (4) | @ | (79) | 20 |

@ between ₹ (0.50) crore to ₹ 0.50 crores

**52.** The Company submitted the Resolution Plan in respect of Bhushan Power and Steel Limited (BPSL), a company currently undergoing insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code. The Committee of Creditors (CoC) approved the Resolution Plan and the Resolution Professional issued the Letter of Intent to the Company on 11 February 2019, which was duly accepted by the Company. The Resolution Plan was approved by the National Company Law Tribunal (NCLT) vide its order dated 5 September 2019, and subsequently an appeal preferred by the Company has been allowed by the National Company Law Appellate Tribunal (NCLAT) vide its order 17 February 2020. The erstwhile promoters and few operational creditors preferred an Appeal before the Hon'ble Supreme Court against the NCLAT order. The said Appeals along with the Petition of CoC are pending before the Hon'ble Supreme Court for adjudication.

## 53. Subsequent events

On 22 May 2020, the board of directors recommended a final dividend of ₹ 2.00 (Rupees two only) per equity share of ₹1 each to be paid to the shareholders for the financial year 2019-20, which is subject to approval by the shareholders at the Annual General Meeting to be held on 23 July 2020. If approved, the dividend would result in cash outflow of ₹ 483 crores.

**54.** Previous year figures have been re-grouped / re-classified wherever necessary.

## 55. Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Joint ventures as per Schedule III of Companies Act, 2013

₹ in crores

| Name of entity in the group | Net Assets, i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| **PARENT COMPANY** | | | | | | | | |
| JSW Steel Limited | 71.35 | 25,702 | 161.85 | 6,343 | 60.57 | (679) | 202.43 | 5,664 |
| **SUBSIDIARIES** | | | | | | | | |
| **INDIAN** | | | | | | | | |
| Vardhmaan Industries Limited | 0.18 | 64 | 0.03 | 1 | - | @ | 0.04 | 1 |
| JSW Bengal Steel – Group | 1.29 | 464 | (0.28) | (11) | - | - | (0.39) | (11) |
| Amba River Coke Limited | 5.38 | 1,939 | 5.87 | 230 | 2.77 | (31) | 7.11 | 199 |
| JSW Steel Coated Products Limited | 6.68 | 2,405 | 7.35 | 288 | 8.47 | (95) | 6.90 | 193 |
| JSW Jharkhand Steel Limited | 0.21 | 77 | (0.15) | (6) | - | @ | (0.21) | (6) |
| Peddar Realty Private Limited | 0.32 | 114 | 0.28 | 11 | - | - | 0.39 | 11 |
| JSW Vallabh Tinplate Private Limited | 0.37 | 135 | 0.05 | 2 | - | @ | 0.07 | 2 |
| JSW Realty & Infrastructure Private Limited | 1.70 | 612 | (0.79) | (31) | - | - | (1.11) | (31) |
| JSW Industrial Gases Private Limited | 0.65 | 233 | 1.12 | 44 | - | @ | 1.57 | 44 |
| JSW Utkal Steel Limited | 0.23 | 82 | (0.08) | (3) | - | - | (0.11) | (3) |
| Hasaud Steel Limited | - | @ | - | @ | - | - | - | - |
| JSW Vijayanagar Metallics Limited | - | @ | - | @ | - | - | - | - |
| Piombino Steel Limited – Group | 0.02 | 7 | (0.03) | (1) | - | - | (0.04) | (1) |
| JSW Retail Limited | (0.00) | (1) | 0.03 | 1 | - | - | 0.04 | 1 |
| **FOREIGN** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | (5.10) | (1,836) | (1.15) | (45) | - | - | (1.61) | (45) |
| Periama Holding LLC – Group | 13.26 | 4,777 | (17.45) | (684) | - | - | (24.45) | (684) |
| JSW Panama Holdings Corporation – Group | 0.23 | 83 | (16.89) | (662) | - | - | (23.66) | (662) |
| JSW Steel (UK) Limited | 0.37 | 134 | (0.13) | (5) | - | - | (0.18) | (5) |
| JSW Natural Resources Limited – Group | 0.35 | 125 | - | @ | - | - | - | - |
| Arima Holding Limited | - | @ | - | @ | - | - | - | - |
| Lakeland Securities Limited | - | @ | - | @ | - | - | - | - |
| Erebus Limited | - | @ | - | @ | - | - | - | - |
| Nippon Ispat Singapore (PTE) Limited | - | @ | - | @ | - | - | - | - |
| JSW Steel Italy S.R.L. – Group | - | @ | (0.28) | (11) | - | - | (0.39) | (11) |
| Acero Holdings Junction Inc. – Group | 2.12 | 763 | (24.16) | (947) | - | - | (33.85) | (947) |
| JSW Steel Italy Piombino S.p.A | 0.72 | 260 | (9.11) | (357) | - | - | (12.76) | (357) |
| Piombino Logistics S.p.A | 0.18 | 65 | (0.66) | (26) | - | - | (0.93) | (26) |
| GSI Luchini S.p.A. | 0.14 | 51 | (0.28) | (11) | - | - | (0.39) | (11) |
| **NON-CONTROLLING INTEREST IN ALL SUBSIDIARIES** | (1.43) | (515) | (2.83) | (111) | 4.01 | (45) | (5.58) | (156) |

# NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020



₹ in crores

| Name of entity in the group | Net Assets, i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| **JOINT VENTURES** (investment as per the equity method) | | | | | | | | |
| **INDIAN** | | | | | | | | |
| Vijayanagar Minerals Private Limited | 0.01 | 2 | - | @ | - | - | - | - |
| Rohne Coal Company Private Limited | - | - | - | - | - | - | - | - |
| JSW Severfield Structures Limited – Group | 0.45 | 163 | 0.33 | 13 | - | - | 0.46 | 13 |
| Gourangdih Coal Limited | 0.01 | 2 | - | @ | - | - | - | - |
| JSW MI Steel Service Center Private Limited | 0.24 | 86 | 0.10 | 4 | - | - | 0.14 | 4 |
| JSW Vallabh Tinplate Private Limited | - | - | 0.15 | 6 | - | - | 0.21 | 6 |
| Creixent Special Steels Limited - Group | 0.09 | 31 | (3.57) | (140) | - | - | (5.00) | (140) |
| **FOREIGN** | | | | | | | | |
| Geo Steel LLC | - | - | 0.69 | 27 | - | - | 0.96 | 27 |
| Foreign currency translation reserve | - | - | - | - | 24.17 | (271) | (9.69) | (271) |
| **Total** | **100.00** | **36,024** | **100.00** | **3,919** | **100.00** | **(1,121)** | **100.00** | **2,798** |

@ Less than ₹ 0.50 crore.

**Note:** The balances and amounts presented above are net of intercompany eliminations and consolidation adjustments.

## 56. Standards issued but not yet effective

There are no standards that have been issued but not yet effective.

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per VIKRAM MEHTA**
Partner
Membership No.: 105938

Place: Mumbai
Date: 22 May 2020

**RAJEEV PAI**
Chief Financial Officer

**LANCY VARGHESE**
Company Secretary
ICSI Membership No.: FCS 9407
Place: Mumbai
Date: 22 May 2020

**For and on behalf of the Board of Directors**
**SAJJAN JINDAL**
Chairman & Managing Director
DIN 00017762

**SESHAGIRI RAO M. V. S.**
Jt. Managing Director & Group CFO
DIN 00029136

## Form AOC-I

**(Information of Subsidiaries, JVs and Associates as required under first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)**

### Part A: Subsidiaries

₹ in crores

| | Name of the Subsidiary | JSW Steel Coated Products Limited | Amba River Coke Limited | JSW Industrial Gases Private Limited | JSW Retail Limited | JSW Vallabh Tin Plate Private Limited # | Vardhman Industries Limited # | JSW Bengal Steel Limited | JSW Natural Resources India Limited | JSW Energy (Bengal) Limited | JSW Natural Resources Bengal Limited |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A | Reporting Currency | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR |
| B | Exchange Rate | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| C | Share Capital | 800.05 | 931.90 | 92.08 | 0.01 | 50.04 | 4.50 | 458.21 | 107.33 | 29.86 | 64.20 |
| D | Reserves and Surplus | 1,959.99 | 928.01 | 173.38 | 1.31 | 19.79 | 29.92 | 37.60 | (5.05) | 38.54 | (3.95) |
| E | Total Assets | 7,675.60 | 3,497.00 | 296.24 | 4.29 | 279.21 | 92.08 | 503.99 | 102.30 | 68.74 | 60.26 |
| F | Total Liabilities | 4,915.56 | 1,637.09 | 30.78 | 2.97 | 209.38 | 57.66 | 8.18 | 0.02 | 0.34 | 0.01 |
| G | Investment | 42.82 | 30.79 | 0.03 | - | - | 14.46 | 137.19 | - | 64.28 | 1.67 |
| H | Turnover | 11,675.28 | 3,902.74 | 574.57 | 17.16 | 537.35 | 92.49 | - | - | - | - |
| I | Profits/(Losses) Before Taxes | 276.17 | 204.05 | 49.29 | 1.75 | 17.33 | (12.27) | (10.36) | (0.13) | (0.06) | 0.03 |
| J | Provision for Taxation | (19.69) | 9.62 | 5.18 | 0.44 | 5.27 | (12.76) | 0.40 | 0.08 | 0.07 | 0.01 |
| K | Profits/(Losses) After Taxes | 295.86 | 194.43 | 44.11 | 1.31 | 12.06 | 0.49 | (10.76) | (0.21) | (0.13) | 0.02 |
| L | Proposed Dividend | - | - | - | - | - | - | - | - | - | - |
| M | % of shareholding | 100.00% | 100.00% | 100.00% | 100.00% | 73.55% | 100.00% | 98.69% | 98.69% | 98.69% | 98.69% |

₹ in crores

| | Name of the Subsidiary | Peddar Realty Private Limited | JSW Utkal Steel Limited | JSW Jharkhand Steel Limited | JSW Realty & Infrastructure Private Limited | Hasaud Steel Limited | JSW Vijayanagar Metallics Limited | Makler Private Limited * | Piombino Steel Limited* | JSW Steel (USA) Inc. | JSW Steel (USA) Ohio Inc |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A | Reporting Currency | INR | INR | INR | INR | INR | INR | INR | INR | USD | USD |
| B | Exchange Rate | NA | NA | NA | NA | NA | NA | NA | NA | 75.39 | 75.39 |
| C | Share Capital | 0.01 | 49.75 | 93.03 | 0.01 | 0.22 | 0.01 | 4.15 | 7.80 | 6,053.49 | 246.78 |
| D | Reserves and Surplus | (20.20) | 31.55 | (16.27) | 104.17 | (0.21) | (0.03) | (3.77) | (3.51) | (6,713.20) | (1,750.46) |
| E | Total Assets | 91.63 | 91.45 | 78.10 | 558.46 | 0.01 | 0.19 | 68.71 | 4.97 | 5,617.53 | 2,029.69 |
| F | Total Liabilities | 111.82 | 10.15 | 1.34 | 454.28 | - | 0.21 | 68.33 | 0.68 | 6,277.24 | 3,533.37 |
| G | Investment | - | - | - | 48.39 | - | - | - | 4.15 | - | - |
| H | Turnover | 45.30 | - | - | 56.26 | - | - | 66.25 | - | 2,347.86 | 1,395.38 |
| I | Profits/(Losses) Before Taxes | 13.90 | (2.23) | (5.56) | 27.39 | (0.01) | (0.03) | (0.81) | (0.74) | (1,008.16) | (1,020.19) |
| J | Provision for Taxation | 2.43 | - | 0.10 | (5.39) | - | - | - | - | (146.25) | - |
| K | Profits/(Losses) After Taxes | 11.47 | (2.23) | (5.66) | 32.78 | (0.01) | (0.03) | (0.81) | (0.74) | (861.91) | (1,020.19) |
| L | Proposed Dividend | - | - | - | - | - | - | - | - | - | - |
| M | % of shareholding | 100.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% | 100.00% | 100.00% | 90.00% | 100.00% |

## Part A: Subsidiaries (Continued)

₹ in crores

| | Name of the Subsidiary | JSW Steel Italy Piombino S.p.A. | Piombino Logistics S.p.A. – A JSW Enterprise | GSI Luchini S.p.A. | Caretta Minerals LLC | Prime Coal LLC | Planck Holdings LLC | Rolling S Augering LLC | Periama Handling LLC | Lower Hutchinson Minerals LLC | Meadow Creek Minerals LLC |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A | Reporting Currency | EURO | EURO | EURO | USD | USD | USD | USD | USD | USD | USD |
| B | Exchange Rate | 83.05 | 83.05 | 83.05 | 75.39 | 75.39 | 75.39 | 75.39 | 75.39 | 75.39 | 75.39 |
| C | Share Capital | 175.01 | 11.80 | 22.72 | 610.97 | 0.79 | 560.51 | 33.27 | 30.17 | 12.22 | 30.63 |
| D | Reserves and Surplus | (176.32) | (12.99) | 89.93 | (266.37) | (106.31) | (177.16) | (83.85) | (78.85) | (21.96) | (88.94) |
| E | Total Assets | 1,782.84 | 110.54 | 303.57 | 834.67 | 0.41 | 649.66 | 0.04 | - | 0.83 | 0.25 |
| F | Total Liabilities | 1,784.15 | 111.73 | 190.92 | 490.07 | 105.93 | 266.31 | 50.62 | 48.68 | 10.57 | 58.56 |
| G | Investment | 14.33 | - | - | - | - | 613.69 | - | - | - | - |
| H | Turnover | 2,861.34 | 75.78 | 381.23 | 205.86 | - | - | - | - | - | - |
| I | Profits/(Losses) Before Taxes | (281.93) | (14.18) | 1.15 | (37.80) | (6.31) | (20.96) | (2.62) | (2.85) | (0.80) | (3.50) |
| J | Provision for Taxation | (24.12) | - | 0.10 | - | - | 26.86 | - | - | - | - |
| K | Profits/(Losses) After Taxes | (257.81) | (14.18) | 1.05 | (37.80) | (6.31) | (47.82) | (2.62) | (2.85) | (0.80) | (3.50) |
| L | Proposed Dividend | - | - | - | - | - | - | - | - | - | - |
| M | % of shareholding | 100.00% | 100.00% | 69.27% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

₹ in crores

| | Name of the Subsidiary | Keenan Minerals LLC | Hutchinson Minerals LLC | Peace Leasing LLC | R.C. Minerals LLC | Purest Energy LLC | JSW Steel (Netherlands) B.V. | Periama Holdings LLC | Acero Junction Holdings Inc | JSW Steel Italy S.R.L. | JSW Steel (UK) Limited |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A | Reporting Currency | USD | USD | USD | USD | USD | USD | USD | USD | EURO | GBP |
| B | Exchange Rate | 75.39 | 75.39 | 75.39 | 75.39 | 75.39 | 75.39 | 75.39 | 75.39 | 83.05 | 93.08 |
| C | Share Capital | 4.06 | 38.50 | - | 58.24 | 93.10 | 345.30 | 108.18 | 246.78 | 103.98 | 142.19 |
| D | Reserves and Surplus | (8.77) | (55.58) | (0.25) | (69.94) | (168.20) | (1,504.97) | (1,149.64) | 1.68 | (2.91) | (132.29) |
| E | Total Assets | - | 0.29 | - | - | - | 917.21 | 7,024.59 | 1,873.56 | 612.85 | 134.07 |
| F | Total Liabilities | 4.71 | 17.37 | 0.25 | 11.70 | 75.10 | 2,076.88 | 8,066.05 | 1,625.10 | 511.78 | 124.17 |
| G | Investment | - | - | - | - | - | 284.24 | 1,799.82 | 246.78 | 611.68 | - |
| H | Turnover | - | - | - | - | - | - | - | - | - | - |
| I | Profits/(Losses) Before Taxes | (0.04) | (0.15) | (0.01) | (0.01) | (2.12) | (40.40) | (408.01) | 3.02 | (62.31) | (11.72) |
| J | Provision for Taxation | - | - | - | - | - | - | 138.09 | - | - | - |
| K | Profits/(Losses) After Taxes | (0.04) | (0.15) | (0.01) | (0.01) | (2.12) | (40.40) | (546.10) | 3.02 | (62.31) | (11.72) |
| L | Proposed Dividend | - | - | - | - | - | - | - | - | - | - |
| M | % of shareholding | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

## Part A: Subsidiaries (Continued)

₹ in crores

| | Name of the Subsidiary | JSW Panama holdings Corporation | Inversiones Eurosh Limitada | Santa Fe Mining | Santa Fe Puerto S.A. | JSW Natural Resources Limited | JSW Natural Resources Mozambique Limitada | JSW ADMS Carvao Limitada | Nippon Ispat Singapore (PTE) Limited | Arima Holdings Limited | Erebus Limited | Lakeland Securities Limited |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A | Reporting Currency | USD | USD | USD | USD | USD | USD | USD | SGD | USD | USD | USD |
| B | Exchange Rate | 75.39 | 75.39 | 75.39 | 75.39 | 75.39 | 75.39 | 75.39 | 53.80 | 75.39 | 75.39 | 75.39 |
| C | Share Capital | 0.75 | 0.33 | 14.83 | 0.37 | 102.94 | 141.79 | - | 4.22 | 37.99 | 162.40 | 0.26 |
| D | Reserves and Surplus | 44.93 | (754.71) | (274.84) | (13.49) | (68.02) | (115.16) | 2.14 | (9.36) | (38.30) | (162.71) | (0.58) |
| E | Total Assets | 45.70 | 484.49 | 228.63 | - | 223.91 | 114.62 | 87.97 | - | 0.02 | 0.02 | 0.02 |
| F | Total Liabilities | 0.02 | 1,238.87 | 488.64 | 13.12 | 188.99 | 87.99 | 85.83 | 5.14 | 0.33 | 0.33 | 0.34 |
| G | Investment | 0.31 | 10.38 | - | - | 141.79 | 8.07 | - | - | - | - | - |
| H | Turnover | - | - | - | - | - | - | - | - | - | - | - |
| I | Profits/(Losses) Before Taxes | 1.38 | (42.28) | (19.17) | - | (4.82) | (0.18) | 0.63 | (0.01) | (0.07) | (0.07) | (0.07) |
| J | Provision for Taxation | - | - | - | - | - | - | - | - | - | - | - |
| K | Profits/(Losses) After Taxes | 1.38 | (42.28) | (19.17) | - | (4.82) | (0.18) | 0.63 | (0.01) | (0.07) | (0.07) | (0.07) |
| L | Proposed Dividend | - | - | - | - | - | - | - | - | - | - | - |
| M | % of shareholding | 100.00% | 100.00% | 70.00% | 70.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

**Note: The financial statements of subsidiaries are converted into Indian Rupees on the basis of exchange rate as on closing day of the financial year.**

* subsidiary w.e.f. 6 June 2019,
# subsidiary w.e.f. 31 December 2019

The financial information disclosed above in respect of entities acquired during the year are for the full financial year.

| Additional disclosure | Name of subsidiaries |
|---|---|
| Subsidiaries yet to commence operation | JSW Bengal Steel Limited |
| | JSW Natural Resources India Limited |
| | JSW Energy (Bengal) Limited |
| | JSW Natural Resources Bengal Limited |
| | JSW Jharkhand Steel Limited |
| | Inversiones Eurosh Limitada |
| | Santa Fe Puerto S.A. |
| | JSW Natural Resources Mozambique Limitada |
| | JSW ADMS Carvo Limitada |
| | JSW Utkal Steel Limited |
| | Hasaud Steel Limited |
| | JSW Vijayanagar Metallics Limited |
| | Piombino Steel Limited |
| Subsidiaries liquidated or sold during the year | None |

## Part B: Associates and Joint Ventures

₹ in crores

| Name of Associates/Joint Ventures | Joint ventures | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Vijaynagar Minerals Private Limited | Rohne Coal Company Private Limited | JSW Severfield Structures Limited | JSW Structural Metal Decking Limited | Gourangdih Coal Limited | JSW MI Service centre Private Limited | Monnet Ispat & Energy Limited | Creixent Special Steels Limited | JSW Vallabh Tinplate Private Limited# | Geo Steel LLC * |
| 1. Latest audited Balance Sheet Date | 31 March 2020 | 31 March 2020 | 31 March 2020 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2020 | 31 March 2020 | NA | NA |
| 2. Shares of Associate/ Joint Ventures held by the Company on the year end | | | | | | | | | | |
| Number of shares | 4,000 | 490,000 | 197,937,940 | 4,482,925 | 2,450,000 | 66,500,000 | 108,448,611 | 4,800,000 | NA | NA |
| Amount of Investment | - | 0.49 | 197.94 | 4.48 | 2.45 | 66.50 | 108.45 | 4.80 | NA | NA |
| Extend of Holding % | 40.00% | 49.00% | 50.00% | 33.33% | 50.00% | 50.00% | 23.10% | 48.00% | NA | NA |
| 3. Description of how there is significant influence | Joint Venture Agreement | | | | | | | | | |
| 4. Reason why the associate/ joint venture is not consolidated | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 5. Networth attributable to Shareholding as per latest audited Balance Sheet | 1.77 | (1.95) | 159.39 | 6.37 | 1.59 | 84.79 | 270.92 | (20.97) | NA | NA |
| 6. Profit / Loss for the year | | | | | | | | | | |
| i. Considered in Consolidation | (0.09) | - | 25.01 | 2.91 | (0.03) | 4.49 | (113.40) | (30.18) | 5.90 | 26.52 |
| ii. Not Considered in Consolidation | - | (1.74) | - | - | - | - | - | - | - | - |

# ceased to a joint venture and considered as a subsidiary w.e.f. 31 December 2019; * ceased to be a joint venture w.e.f. 28 January 2020.

| Additional disclosure | Name of associates and Joint Ventures |
|---|---|
| Associates and Joint Ventures yet to commence operation | Rohne Coal Company Private Limited |
| | Gourangdih Coal Limited |
| Associates and Joint Ventures liquidated or sold during the year | Geo Steel LLC |
| | JSW Vallabh Tinplate Private Limited |

**RAJEEV PAI**
Chief Financial Officer

**LANCY VARGHESE**
Company Secretary
ICSI Membership No.: FCS 9407

**For and on behalf of the Board of Directors**
**SAJJAN JINDAL**
Chairman & Managing Director
DIN 00017762

**SESHAGIRI RAO M. V. S.**
Jt. Managing Director & Group CFO
DIN 00029136

Place: Mumbai
Date: 22 May 2020

# FINANCIAL HIGHLIGHTS (STANDALONE)

| | 2015-16 | 2016-17 | 2017-18 | 2018-19@ | 2019-20 |
|---|---|---|---|---|---|
| **REVENUE ACCOUNTS (₹ in crores)** | | | | | |
| Gross Turnover | 40,354 | 56,244 | 66,235 | 75,210 | **62,315** |
| Net Turnover | 36,202 | 51,621 | 64,976 | 75,210 | **62,315** |
| Operating EBIDTA | 6,369 | 11,544 | 13,741 | 18,512 | **12,517** |
| Depreciation and Amortization | 2,847 | 3,025 | 3,054 | 3,421 | **3,522** |
| Finance Costs | 3,219 | 3,643 | 3,591 | 3,789 | **4,022** |
| Exceptional Items | 5,860 | - | 234 | - | **1,309** |
| Profit Before Taxes | (5,239) | 5,131 | 7,075 | 11,707 | **4,292** |
| Provision for Taxation | (1,710) | 1,554 | 2,450 | 3,586 | **(999)** |
| Profit after Taxes | (3,530) | 3,577 | 4,625 | 8,121 | **5,291** |
| | | | | | |
| **CAPITAL ACCOUNTS ( ₹ in crores)** | | | | | |
| Net Fixed Asset (including ROU assets) | 46,560 | 50,266 | 49,568 | 51,772 | **50,542** |
| Debt* | 35,658 | 38,273 | 36,181 | 48,539 | **58,713** |
| Net Debt | 35,059 | 36,946 | 35,580 | 42,725 | **47,312** |
| Equity Capital | 240 | 240 | 241 | 240 | **240** |
| Other Equity (Reserve & Surplus) | 20,109 | 23,797 | 27,605 | 34,592 | **38,061** |
| Shareholders' Funds | 20,410 | 24,098 | 27,907 | 34,893 | **38,362** |
| | | | | | |
| **RATIOS** | | | | | |
| Book Value Per Share (₹) | 84.44 | 99.69 | 115.45 | 144.35 | **158.70** |
| Market price Per Share (₹) | 128.33 | 188.20 | 288.15 | 293.05 | **146.25** |
| Earning per Share (Diluted) (₹) | (14.75) | 14.80 | 19.14 | 33.60 | **21.89** |
| Market Capitalisation (₹ in crores) | 31,019 | 45,492 | 69,652 | 70,837 | **35,352** |
| Equity Dividend per Share (₹) | 0.75 | 2.25 | 3.20 | 4.10 | **2.00** |
| Fixed Assets Turnover Ratio | 0.78 | 1.03 | 1.31 | 1.45 | **1.23** |
| Operating EBIDTA Margin | 17.4% | 22.1% | 20.7% | 24.0% | **19.5%** |
| Interest Service Coverage Ratio | 2.17 | 3.38 | 4.05 | 5.26 | **3.61** |
| Net Debt Equity Ratio | 1.71 | 1.53 | 1.27 | 1.22 | **1.23** |
| Net Debt to EBIDTA | 5.50 | 3.20 | 2.59 | 2.31 | **3.78** |

* including Lease liabilities, APSSA and excluding acceptance
@ restated pursuant to Merger

# FINANCIAL HIGHLIGHTS (CONSOLIDATED)

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | **2019-20** |
|---|---|---|---|---|---|
| **REVENUE ACCOUNTS (₹ in crores)** | | | | | |
| Gross Turnover | 45,288 | 59,560 | 71,349 | 82,499 | **71,116** |
| Net Turnover | 40,858 | 54,628 | 70,071 | 82,499 | **71,116** |
| Operating EBIDTA | 6,401 | 12,174 | 14,794 | 18,952 | **11,873** |
| Depreciation and Amortization | 3,323 | 3,430 | 3,387 | 4,041 | **4,246** |
| Finance Costs | 3,601 | 3,768 | 3,701 | 3,917 | **4,265** |
| Exceptional Items | 2,125 | - | 264 | - | **805** |
| Profit Before Taxes | (2,468) | 5,128 | 7,651 | 11,168 | **3,013** |
| Provision for Taxation | (1,966) | 1,674 | 1,538 | 3,644 | **(906)** |
| Profit after Taxes | (481) | 3,467 | 6,113 | 7,524 | **3,919** |
| | | | | | |
| **CAPITAL ACCOUNTS ( ₹ in crores)** | | | | | |
| Net Fixed Asset (including ROU assets) | 55,185 | 57,858 | 57,141 | 61,804 | **61,579** |
| Debt* | 42,204 | 43,334 | 39,393 | 52,238 | **65,477** |
| Net Debt | 41,184 | 41,549 | 38,019 | 45,969 | **53,473** |
| Equity Capital | 240 | 240 | 241 | 240 | **240** |
| Other Equity (Reserve & Surplus) | 18,665 | 22,346 | 27,696 | 34,494 | **36,298** |
| Shareholders' Funds | 18,771 | 22,401 | 27,534 | 34,345 | **36,024** |
| | | | | | |
| **RATIOS** | | | | | |
| Book Value Per Share (₹) | 77.65 | 92.67 | 113.91 | 142.08 | **149.03** |
| Market price Per Share (₹) | 128.33 | 188.20 | 288.15 | 293.05 | **146.25** |
| Earning per Share (Diluted) (₹) | (1.40) | 14.58 | 25.71 | 31.60 | **16.67** |
| Market Capitalisation (₹ in crores) | 31,019 | 45,492 | 69,652 | 70,837 | **35,352** |
| Equity Dividend per Share (₹) | 0.75 | 2.25 | 3.20 | 4.10 | **2.00** |
| Fixed Assets Turnover Ratio | 0.74 | 0.94 | 1.23 | 1.33 | **1.15** |
| Operating EBIDTA Margin | 15.4% | 21.9% | 20.6% | 22.4% | **16.2%** |
| Interest Service Coverage Ratio | 1.84 | 3.34 | 4.15 | 5.02 | **3.11** |
| Net Debt Equity Ratio | 2.18 | 1.85 | 1.38 | 1.34 | **1.48** |
| Net Debt to EBIDTA | 6.39 | 3.41 | 2.57 | 2.43 | **4.50** |

* including Lease liabilities, APSSA and excluding acceptance

Corporate Identification No. **(CIN)** - L27102MH1994PLC152925
**Regd. Office:** JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
**Tel.:** +91-22-4286 1000 **Fax:** +91-22-4286 3000
**Email id:** jswsl.investor@jsw.in **Website:** www.jsw.in

# Notice

Notice is hereby given that the TWENTY-SIXTH ANNUAL GENERAL MEETING of **JSW STEEL LIMITED** will be held on Thursday the July 23, 2020 at 11.00 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt:

   a) the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and

   b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.

2. To confirm the payment of dividend made on the 0.01% Cumulative Redeemable Preference Shares of the Company for the period April 01, 2019 upto the date of its redemption i.e. upto March 13, 2020.

3. To declare dividend on the Equity Shares of the Company for the financial year 2019-20.

4. To appoint a Director in place of Dr. Vinod Nowal (DIN 00046144), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

5. **Ratification of Remuneration Payable to M/s. Shome & Banerjee, Cost Auditors of the Company for the financial year ending March 31st, 2021.**

   To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 17 lakhs (Rupees seventeen lakhs only) plus taxes as applicable and reimbursement of actual travel and out of pocket expenses, to be paid to M/s. Shome & Banerjee (ICWAI Registration No.000001), Cost Auditors of the Company, for the financial year 2020-21, as approved by the Board of Directors of the Company, be and is hereby ratified."

6. **Re-appointment of Mr. Malay Mukherjee (DIN 02861065) as a Director of the Company, in the category of Independent Director.**

   To consider, and if thought fit, to pass the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 16 (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Malay Mukherjee (DIN 02861065), who was appointed as a Director of the Company in the category of Independent Director, and who holds office up to the conclusion of the 26th Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying his intention to propose his candidature for the office of Director, be and is hereby re-appointed as a Director of the Company, in the category of Independent Director, for a term upto July 27, 2025 or upto the conclusion of the 31st Annual General Meeting of the Company in the calendar year 2025, whichever is earlier."

7. **Re-appointment of Mr. Haigreve Khaitan (DIN 00005290) as a Director of the Company, in the category of Independent Director.**

   To consider, and if thought fit, to pass the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 16 (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Haigreve Khaitan (DIN 00005290), who was appointed as a Director of the Company in the category of Independent Director, and who holds office up to the conclusion of the 26th Annual General Meeting of the Company, and in respect of whom the Company has received a notice

in writing under Section 160 of the Act from a member signifying his intention to propose his candidature for the office of Director, be and is hereby re-appointed as a Director of the Company, in the category of Independent Director, for a term upto September 29, 2025 or upto the conclusion of the 31st Annual General Meeting of the Company in the calendar year 2025, whichever is earlier."

**8. Re-appointment of Mr. Seshagiri Rao M.V.S. (DIN 00029136) as a Whole Time Director of the Company.**

To consider, and if thought fit, to pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** subject to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Remuneration Policy of the Company and the Articles of Association of the Company, the Company hereby approves the re-appointment of Mr. Seshagiri Rao M.V.S. (DIN 00029136) as a Whole-time Director of the Company, designated as 'Jt. Managing Director and Group CFO', for a period of three years, with effect from April 6, 2020, upon such terms and conditions as are set out in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to the Notice of this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any duly authorised committee of the Board) to alter and vary the terms and conditions of the said re-appointment, including the remuneration which shall not exceed an overall ceiling of ₹ 50,00,000/- (Rupees fifty lakhs only) per month, as may be agreed to between the Board and Mr. Seshagiri Rao M.V.S.

**RESOLVED FURTHER THAT** subject to the provisions of Sections 196, 197 and 198 read with Schedule V, including limits imposed thereunder and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Articles of Association of the Company, the perquisite value, computed in terms of the Income-tax Act, 1961 and the rules and regulations framed thereunder, upon exercise of options, granted under the JSWSL Employees Stock Ownership Plan - 2016 and those which may be granted under any other Employees Stock Ownership Plans of the Company in future, by Mr. Seshagiri Rao M.V.S. during his tenure as a Wholetime Director of the Company, shall not be included in the aforesaid overall ceiling on remuneration (including salary and perquisites) of ₹ 50,00,000/-.

**RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of Mr. Seshagiri Rao M.V.S. as a Whole-time Director, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Seshagiri Rao M.V.S. the above remuneration, for a period not exceeding 3 (three) years from the date of appointment or such other period as may be statutorily permitted, by way of salary, perquisites and other allowances and benefits as specified above, subject to receipt of requisite approvals, if any, notwithstanding that the above specified remuneration may be in excess of the limits specified in Section 197 of the Companies Act, 2013 and Part-II of Section II of Schedule V to the Companies Act, 2013 or any amendments thereto".

**9. Consent for issue of specified securities to Qualified Institutional Buyers (QIBs).**

To consider, and if thought fit, to pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** in supersession of the Special Resolution adopted at the 25th Annual General Meeting of the Company held on July 25, 2019 and in accordance with the provisions of Sections 23, 42, 62, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), read with the rules made and circulars issued thereunder, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (hereinafter referred to as the "SEBI ICDR Regulations"), the applicable listing agreements entered into by the Company with the stock exchange(s) where the equity shares of the Company of face value of ₹1 each ("Equity Shares") are listed, the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder including, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Foreign Exchange Management (Debt Instruments) Regulations, 2019, the Consolidated FDI Policy Circular of 2017, as amended, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("DPIIT") and such other applicable statutes, notifications, clarifications, circulars, regulations, and guidelines (including any amendment thereto or re-enactment thereof) issued by the Government of India ("GOI"), the Ministry of Corporate Affairs ("MCA"), the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") and any other appropriate authorities, institutions or bodies, as may be applicable, and the enabling provisions of the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Memorandum of Association and Articles of Association of the Company, and subject to all such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, SEBI, Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be necessary or desirable, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting any such consents, permissions, approvals and/or sanctions (hereinafter singly or collectively referred to as the "Approvals") which may be agreed to by the Board of Directors of the Company ("Board", which term shall be deemed to include any committee(s), constituted or hereafter constituted by the Board), the Board be and is hereby authorised in its discretion, to create, offer, issue and allot in one or more tranches:

i. Non-Convertible Debentures with warrants which are convertible into or exchangeable with Equity Shares at a later date, for an amount not exceeding ₹7,000 crores (Rupees seven thousand crores only), inclusive of such premium as may be decided by the Board; and / or

ii. Equity Shares and/or convertible securities (other than warrants) for an amount not exceeding ₹7,000 crores (Rupees seven thousand crores only), inclusive of such premium as may be decided by the Board

(hereinafter collectively referred to as the "Specified Securities")

to Qualified Institutional Buyers (as defined in the SEBI ICDR Regulations) ("QIBs") by way of a Qualified Institutions Placement ("QIP"), whether or not they are members of the Company, as provided under Chapter VI of the SEBI ICDR Regulations, on such terms and conditions, including terms of the issuance, security and fixing of record date, as the Board may decide and at a price to be determined at the discretion of the Board, which price shall not be less than the price determined in accordance with the pricing formula stipulated under Chapter VI of the SEBI ICDR Regulations ("Floor price"), provided however that the Board may, in accordance with applicable law, offer a discount of not more than 5% (five per cent) or such percentage as permitted under applicable law, on the Floor price.

**RESOLVED FURTHER THAT** the Specified Securities shall be allotted as fully paid-up, subject to allottees having the option to pay either full or part consideration for warrants, with the balance consideration being payable at or by the time of exercise of such warrants in accordance with applicable law, provided however that the tenure of any convertible or exchangeable Securities shall not exceed 60 (sixty) months from the date of allotment or such other time prescribed under applicable law.

**RESOLVED FURTHER THAT** the allotment of the Specified Securities shall be completed within 365 days from the date of passing of this resolution approving the QIP or such other time as may be permitted under the SEBI ICDR Regulations.

**RESOLVED FURTHER THAT** the QIP shall be made only to "QIBs" who are eligible under the extant foreign exchange rules and regulations issued by the RBI and the GOI and the Consolidated FDI Policy Circular of 2017, as amended, issued by the and other applicable laws, to subscribe to such Specified Securities.

**RESOLVED FURTHER THAT** the relevant date for the purpose of arriving at the aforesaid minimum issue price of the Specified Securities shall be subject to applicable law –

- in case of allotment of Equity Shares, the date of the meeting in which the Board decides to open the proposed QIP.
- in case of allotment of eligible convertible securities;
    i. either the date of the meeting in which the Board decides to open the issue of such convertible securities; or
    ii. the date on which the holders of such eligible convertible securities become entitled to apply for the Equity Shares, as may be determined by the Board.

**RESOLVED FURTHER THAT:**

i. the Specified Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company;

ii. the Equity Shares that may be issued and allotted through the Qualified Institutions Placement or on conversion of the Specified Securities issued through the Qualified Institutions Placement as aforesaid, shall rank pari passu with the then existing Equity Shares of the Company in all respects including dividend; and

iii. The number and/or conversion price in relation to Equity Shares that may be issued and allotted on conversion of the Specified Securities that may be issued through the QIP shall be appropriately adjusted in accordance with the SEBI ICDR Regulations for corporate actions such as bonus issue, rights issue, split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid Specified Securities may have such features and attributes or

any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets and applicable law and the Board, subject to applicable laws, regulations and guidelines, be and is hereby authorised to dispose off such Specified Securities that are not subscribed, in such manner as it may in its absolute discretion deem fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be required in furtherance of, or in relation to, or ancillary to the offer, issue and allotment of Specified Securities or for the purpose of giving effect to this resolution, including but not limited to finalisation and approval of the preliminary as well as final offer document(s), determining the form, manner and timing of the issue, including the investors to whom the Specified Securities are to be issued and allotted, the number of Specified Securities to be allotted, floor price (including giving of any discount as permitted under SEBI ICDR Regulations), face value, premium amount on issue/ conversion of Specified Securities, if any, rate of interest, execution of various agreements/ deeds/ documents/ undertakings, creation of mortgage charge / encumbrance in addition to the existing mortgages, charges and hypothecation by the Company as may be necessary on such of the assets of the Company both present and future, in such manner as the Board may direct, in accordance with Section 180(1)(a) of the Companies Act, 2013, in respect of any of the Specified Securities issued through the QIP, and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of the Specified Securities and utilisation of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members to that end and intent that the Members shall be deemed to have given their approval thereto expressly by virtue of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to appoint such consultants, lead managers, underwriters, guarantors, depositories, custodians, registrars, trustees, bankers, solicitors, lawyers, merchant bankers and any such agencies and intermediaries as may be involved or concerned in such offerings of Specified Securities and to remunerate all such agencies by way of commission, brokerage, fees or the like, and to enter into or execute agreements / arrangements / memorandums of understanding with any such agency or intermediary and also to seek the listing of any or all of such Specified Securities or securities representing the same on one or more Stock Exchanges.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to constitute or form a committee or delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

**10. Consent for issue of Foreign Currency Convertible Bonds / Global Depository Receipts / American Depository Receipts/ Warrants and/or other Instruments convertible into equity shares optionally or otherwise for an aggregate sum of upto USD 1 Billion.**

To consider, and if thought fit, to pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** in supersession of the Special Resolution adopted at the Twenty Third Annual General Meeting of the Company held on June 29, 2017 and in accordance with the provisions of Sections 23, 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("Companies Act"), read with the rules made thereunder, the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, the Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 issued by the Reserve Bank of India ("RBI"), the Consolidated FDI Policy Circular of 2017, as amended, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("DPIIT") the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 ("FCCB Scheme"), the Depository Receipts Scheme, 2014 ("DR Scheme"), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Framework for issue of Depository Receipts issued by the Securities and Exchange Board of India ("SEBI") by circulars dated October 10, 2019 and November 28, 2019 ("DR Framework"), as applicable, as also the provisions of any other applicable laws, rules, regulations, and guidelines (including any amendment thereto or re-enactment thereof) and the enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE" and together with NSE, the "Stock Exchanges") where the equity shares of the Company ("Equity Shares") are listed, and in accordance with the regulations and guidelines

issued by and subject to all such approvals, consents, permissions and sanctions of the Government of India, Ministry of Finance ("MoF"), Ministry of Corporate Affairs, DPIIT, RBI, SEBI and all other appropriate and/or concerned authorities ("Appropriate Authorities") and subject to such terms, consents, approvals, sanctions, conditions and modifications, as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s), which the Board may have constituted or hereafter constitute in this behalf to exercise the powers conferred on the Board by this resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to create, offer, invite for subscription, issue and allot such number of Foreign Currency Convertible Bonds which are convertible into Equity Shares ("FCCB") and such number of Equity Shares upon conversion of the principal amount of the FCCB or Equity Shares through Global Depository Receipts ("GDR") / American Depository Receipts ("ADR") or [Warrants] and/or other instruments/securities convertible into Equity Shares optionally or otherwise (hereinafter referred to as "Securities") or any combination of such Securities, whether rupee denominated or denominated in foreign currency, for an aggregate sum of up to USD 1 Billion (United States Dollars One Billion only) or its equivalent in any other currency(ies), inclusive of such premium as may be determined by the Board, in the course of an international offering, in one or more foreign market(s), to all eligible investors including foreign/ resident/non-resident investors (whether institutions, incorporated bodies/ mutual funds/ trusts/ foreign portfolio investors/ banks and/ or otherwise, whether or not such investors are members of the Company) ("Investors"), by way of a public issue through circulation of an offering circular or prospectus or by way of private placement and/or other permissible offer documents or a combination thereof, at such time or times, in such tranche or tranches, at such price or prices, at a discount or a premium to market price or prices in such manner and on such terms and conditions and to such Investors as may be deemed appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors, wherever necessary in consultation with the lead managers, underwriters and other advisors and intermediaries.

**RESOLVED FURTHER THAT:**

i. the Securities to be created, offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company; and

ii. the conversion price for FCCBs shall be determined in accordance with the FCCB Scheme and other applicable pricing provisions issued by the MoF and RBI, the relevant date for the purpose of pricing the Securities to be issued pursuant to such issue shall be the date of the meeting in which the Board decides to open such issue after the date of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of underlying Equity Shares and the Equity Shares that may be allotted on conversion of the FCCBs which shall rank pari passu with the then existing Equity Shares of the Company in all respects including such rights as to dividend.

**RESOLVED FURTHER THAT** in the event the Securities are proposed to be issued as GDRs or ADRs, the relevant date for the purpose of pricing the Securities shall be determined in accordance with the DR Scheme and DR Framework, and such other notifications, clarifications, circulars, guidelines, rules and regulations issued by the Appropriate Authorities (in each case including any statutory modifications, amendments or re-enactments thereof).

**RESOLVED FURTHER THAT** the issue of Equity Shares underlying the Securities, to the holders of the Securities shall, inter alia, be subject to the following terms and conditions:

a) The number and/or conversion price in relation to Equity Shares that may be issued and allotted on conversion of Securities that may be issued shall be subject to and appropriately adjusted in accordance with applicable laws/regulations/ guidelines, for corporate actions such as bonus issue, split and consolidation of share capital, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares upon conversion, the entitlement to the Equity Shares shall stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall (subject to applicable law) be offered to the holders of the Securities at the same price at which they are offered to the existing shareholders, and in the event of any merger, amalgamation, takeover or any other reorganisation, the number of Equity Shares, the price and the time period shall be suitably adjusted.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid issue of Securities in an international offering or placement may have all or any term or combination of terms or conditions

in accordance with applicable regulations, prevalent market practices, including but not limited to the terms and conditions relating to payment of interest, premium on redemption at the option of the Company and/or holders of any Securities, terms for issue of Equity Shares upon conversion of the Securities or variation of the conversion price or period of conversion of the Securities into Equity Shares or issue of additional Equity Shares during the period of the Securities.

**RESOLVED FURTHER THAT** the Board may enter into any arrangement with any agency or body for the issue of the Securities, in registered or bearer form with such features and attributes as are prevalent in international markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in international capital markets.

**RESOLVED FURTHER THAT** the limits for the purpose of subsequent issue and listing of the ADR/GDRs, pursuant to transfer by existing shareholders, under the DR Framework, shall be the applicable foreign investment limits under FEMA.

**RESOLVED FURTHER THAT** subject to applicable law, the Securities issued in an international offering or placement shall be deemed to have been made abroad and/or in the international markets and/or at the place of issue of the Securities and shall be governed by the applicable laws thereof.

**RESOLVED FURTHER THAT** subject to applicable laws, the Board be and is hereby authorised to dispose of such Securities as are to be issued and are not subscribed on such terms and conditions as it may in its absolute discretion deem fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to appoint such consultants, lead managers, underwriters, guarantors, depositories, custodians, registrars, trustees, bankers, solicitors, lawyers, merchant bankers and any such agencies and intermediaries as may be involved or concerned in such offerings of Securities and to remunerate all such agencies by way of commission, brokerage, fees or the like, and to enter into or execute agreements/ arrangements/ memorandums of understanding with any such agency or intermediary and also to seek the listing of any or all of such Securities on one or more stock exchanges within or outside India.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable in relation to or ancillary to the offer, issue and allotment of Securities or Equity Shares, as described herein above or for the purpose of giving effect to this resolution including but not limited to, to negotiate, modify, sign, execute, register, deliver including sign any declarations required in connection with the private placement offer letter, information memorandum, draft prospectus, prospectus, the draft offer document, abridged prospectus, offer letter, offer document, offer circular or placement document for issue of the Securities, term sheet, issue agreement, registrar agreement, escrow agreement, underwriting agreement, consortium agreement, trustee agreement, trust deed, subscription agreement, purchase agreement, agency agreement, agreements with the domestic and foreign depositories, security documents, and other necessary agreements, memorandum of understanding, deeds, general undertaking/indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with the regulatory authorities, if any), the utilisation of issue proceeds, entering into of underwriting and marketing arrangements, finalization and approval of the preliminary as well as final offer documents, making application for consent/approval of the Appropriate Authorities, determining the form, manner and timing of the issue, including the Investors to whom the Securities are to be issued and allotted, the number of Securities to be allotted, floor price, face value, premium amount on issue/conversion of Securities, if any, rate of interest, execution of various agreements/ deeds/ documents/ undertakings, creation of mortgage / charge / encumbrance in addition to the existing mortgages, charges and hypothecation by the Company as may be necessary on such of the assets of the Company both present and future, in such manner as the Board may direct, in accordance with Section 180(1)(a) of the Companies Act, 2013, in respect of any of the Securities and to settle any questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of Securities, and utilisation of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members to that end and intent that the Members shall be deemed to have given their approval thereto expressly by virtue of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to constitute or form a committee or delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company."

By Order of the Board,
For **JSW STEEL LIMITED**

Sd/-
**Lancy Varghese**
Company Secretary
Membership No. FCS 9407

Place: Mumbai
Date: May 22, 2020

## NOTES:

1. As one of the measures to contain the spread of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of Annual General Meetings through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the Annual General Meeting of the Company ("AGM") is being held through VC / OAVM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, as this AGM is being held through VC / OAVM, and physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for the AGM and therefore the Proxy Form and Attendance Slip is not annexed to this Notice. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned certified copy (PDF/JPG Format) of their Board or governing body's Resolution/Authorization, authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting, to the Scrutinizer through e-mail at nilesh@ngshah.com. with a copy marked to KFin Technologies Private Limited at ramdas.g@kfintech.com.

4. The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 5 to 10 set out above and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the persons seeking appointment/ re-appointment as Director at the AGM, is annexed hereto.

5. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.jsw.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

   Shareholders who have not registered their e-mail address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily provide their email address and mobile number to the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: https://ris.kfintech.com/email_registration/ for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com.

   Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

6. The Register of Members and Share Transfer Books of the Company will remain closed from July 08, 2020 to July 10, 2020 (both days inclusive) for the purpose of determining entitlement of members for the payment of Dividend for the financial year ended March 31, 2020, if declared at the Meeting.

7. In order to provide protection against fraudulent encashment of dividend warrants, shareholders holding shares in electronic form, Bank account details provided by the Depository Participants (DPs) will be used by the Company for printing on dividend warrants. Shareholders who wish to change such bank accounts may advise their DPs about such change with complete details of Bank Account including MICR Code. Shareholders residing at the regions where NECS / NEFT/ Direct Credit/ RTGS/Swift Facility is available are advised to avail of the option to collect dividend by way of these Electronic Modes.

8. Equity shareholders holding shares in physical form are requested to send their NECS Mandate Form in the format available for download on the Company's website www.jsw.in, duly filled in, under the signature of the Sole/First joint holder, to the Registrars and Share Transfer Agent of the Company - KFin Technologies Private Limited (KFin). In case of Equity Shareholders holding shares in Electronic form, the NECS Mandate Form will have to be sent to the concerned Depository Participants (DPs) directly. For shareholders who have not updated their bank account details, dividend warrants/demand drafts/ cheques will be sent out to their registered addresses once the postal facility is available.

Pursuant to SEBI mandate vide circular dated April 20, 2018, Members holding shares in physical mode whose ledger folios have not been updated with Permanent Account Number (PAN) and Bank account details are required to submit the same to KFin, for updation.

9. Members are requested to note that, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Accordingly, all unclaimed/ unpaid dividends of the erstwhile Jindal Iron & Steel Company Ltd. (now merged with JSW Steel Limited) in respect of financial years 1995-96 to 2003-04 has been transferred to IEPF. The Company's unpaid or unclaimed interim and final dividend for F.Y. 2004-05, final dividend for F.Ys 2005-06 to 2011-12 has also been transferred to the IEPF. Members who have not encashed their final dividend warrants for the F.Y. 2012-13 or thereafter are requested to write to the Company's Registrar and Share Transfer Agent.

10. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, the shares in respect of such unclaimed dividends are also liable to be transferred to the designated Demat account of the Investor Education and Protection Fund (IEPF) Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report and FAQ of investor page on the Company's website https://www.jsw.in/investors/steel/faq

11. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with KFin in case the shares are held by them in physical form.

    Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and the Registrar and Share Transfer Agent of the Company – KFin Technologies Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, in case the shares are held by them in physical form.

12. Members holding share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant share certificates to KFin for consolidating their holdings under one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

13. In terms of the amended Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except in case of transmission or transposition, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialised form with a Depository. In view of the above, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.jsw.in (under 'Investors' section). Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to KFin in case the shares are held by them in physical form.

15. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. To enable the Company to determine the appropriate TDS / withholding tax rate applicability, shareholders are requested to upload the requisite documents with the Registrar and Transfer Agent viz. KFin Technologies Private Limited ("RTA") at https://ris.kfintech.com/form15 not later than July 07, 2020. No communication on the tax determination / deduction shall be entertained thereafter. The shareholders are requested to update their PAN with the Company / KFin (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

16. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at an early date through email on jswsl.investor@jsw.in The same will be replied by the Company suitably.

17. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation

44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members have been provided with the facility to cast their vote electronically through the e-voting services provided by Kfin, on all resolutions set forth in this Notice. The business set out in the Notice can be transacted through such voting.

The instructions for e-voting are as under:

Open web browser by typing the following URL: https://evoting.karvy.com either on a Personal Computer or on a mobile.

i. Enter the login credentials i.e., user id and password mentioned below:

User – ID

- For Members holding shares in Demat Form:-

  a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID

  b) For CDSL :- 16 digits beneficiary ID

- For Members holding shares in Physical Form:-

Event no. followed by Folio Number registered with the Company

**Password:** If you are already registered for e-Voting, then you can use your existing password to login and cast your vote. If you are using Kfin's e-Voting system for the first time, you will need to retrieve the 'initial password' communicated to you by e-mail. Shareholders who have not registered their email addresses can follow the steps provided at serial no xiii below to obtain the User ID and password.

**Captcha:** Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

ii. After entering the details appropriately, click on LOGIN.

iii. In case you are retrieving and using your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

Once you reach the Password change menu you will be required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, e-mail etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

You need to login again with the new credentials.

iv. On successful login, the system will prompt you to select the EVENT i.e., JSW STEEL LIMITED.

v. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/ dissenting to the Resolution, then enter all shares and click "FOR"/" AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option "ABSTAIN" in case you wish to abstain from voting. If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

vi. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.

vii. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote.

viii. During the voting period, shareholders can login any number of times till they have voted on the resolution.

ix. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.

x. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e., July 16, 2020.

xi. The e-voting portal will be open for voting from Monday, July 20, 2020 (9.00 a.m. IST) to Wednesday, July 22, 2020 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on July 16, 2020, may cast their vote electronically. The e-voting module shall be disabled by Kfin for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

xii. A person, whose name is recorded in the register of members as on the cut-off date, i.e. July 16, 2020 only shall be entitled to avail the facility of e-voting.

xiii. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. July 16, 2020, may obtain the User ID and password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may:

a) Send SMS: MYEPWD <space>
E-Voting Event Number+Folio No. or DP ID Client

ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL :

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

b) On the home page of https://evoting.karvy.com, click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

xiv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of https://evoting.karvy.com or contact Mr. S. V. Raju of KFin Technologies Pvt. Ltd. at 040 67161500 or at 1800 345 4001 (toll free). It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

xv. Mr. Nilesh Shah, Practicing Company Secretary, (Membership No. FCS 4554) has been appointed as the Scrutiniser to scrutinise the e-voting process.

18. The Company has appointed M/s KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for the conduct of the AGM.

19. Members will be able to attend the AGM through VC/ OAVM or view the live webcast of AGM by logging on the e-voting website of Kfin at https://emeetings.kfintech.com/ using their secure login credentials.

20. Instructions for the Members for attending the AGM through Video Conference:

a. The Members can join the AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

b. Up to 1000 members will be able to join on a first come first served basis to the AGM.

c. No restrictions on account of First come first served basis entry into AGM will be applicable to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

d. The attendance of the Members (members logins) attending the AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

e. Members may access the video conferencing platform provided by M/s KFin Technologies Private Limited at https://emeetings.kfintech.com/ by using their remote e-voting credentials. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.

f. Members will be required to allow Camera, if any, and hence are encouraged to use Internet with a good speed to avoid any disturbance during the meeting.

g. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

h. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker https://ris.kfintech.com/agmvcspeakerregistration/ from July 20, 2020 (9:00 a.m. IST) to July 21, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Please note that, members questions will be answered only if the shareholder continues to hold shares of the Company as of the cut-off date.

21. Only those Members/ shareholders, who will be present in the AGM through Video Conference OAVM / facility and have not cast their vote through remote e-Voting are eligible to vote in the AGM. However, members who have voted through Remote e-Voting will be eligible to attend the AGM.

The facility for voting through electronic voting system will also be made available at the Meeting ("Insta Poll") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM is the same person mentioned for Remote e-voting.

Information and instructions for Insta Poll:

Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting.

22. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

23. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and submit, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

24. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.jsw.in and also communicated to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed, not later than 48 hours of the conclusion of the AGM.

25. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.

26. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection during the meeting in electronic mode and same may be accessed upon log-in to https://evoting.karvy.com/.

27. The recorded transcript of the forthcoming AGM on July 23, 2020, shall be maintained by the Company and also be made available on the website of the Company www.jsw.in in the Investor Relations Section, at the earliest soon after the conclusion of the Meeting.

28. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

**ANNEXURE TO NOTICE**

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

The statement pursuant to Section 102(1) of the Companies Act, 2013 for Item Nos. 5 to 10 of the accompanying notice is as under:

**Item No. 5.**

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on May 22, 2020, has considered and approved the appointment of M/s. Shome & Banerjee, Cost Accountants, as the Cost Auditor of the Company for the financial year 2020-21 at a remuneration of ₹ 17 lakhs (Rupees Seventeen lakhs only) per annum plus taxes as applicable and reimbursement of actual travel and out of pocket expenses.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company.

The Resolution as at Item No. 5 of the Notice is therefore set out as an Ordinary Resolution for approval and ratification by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 5 of the Notice.

Your Directors recommend the resolution as at Item No.5 for your approval.

**Item No. 6.**

Mr. Malay Mukherjee (DIN 02861065) who was appointed as a Director of the Company in the category of Independent Director, holds office up to the conclusion of the ensuing Annual General Meeting of the Company ("first term" in terms of Section 149(10) of the Companies Act,2013 ("the Act")). The Company has received a Notice in writing under the provisions of Section 160 of the Act, from a Member proposing the candidature of Mr. Malay Mukherjee for the Office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act,2013.

Section 149(10) of the Act, provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) further provides that an independent director may hold office for up to two consecutive terms.

The Board taking into account the recommendation of the Nomination and Remuneration Committee and on the basis of the report of performance evaluation of Independent Directors, has recommended the re-appointment of Mr. Malay Mukherjee as a Director of the Company in the category of Independent Director, for a second term of upto July 27, 2025 or upto the conclusion of the 31st Annual General Meeting of the Company in the calendar year 2025, whichever is earlier.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribes that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. The Company has received a declaration from Mr. Malay Mukherjee that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

Mr. Malay Mukherjee is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

The aforesaid Independent Director is an eminent personality in his field. Your Board considers that his continued association with the Company would be of immense benefit to the Company. In the opinion of the Board, Mr. Malay Mukherjee fulfils the conditions for appointment as an independent Director as specified in the Act and the Listing Regulations. He is also independent of the management.

A Brief resume of Mr. Malay Mukherjee, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, are provided in the statement giving details pursuant to Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting, annexed to this Notice.

A Copy of the draft letter of appointment of Mr. Malay Mukherjee setting out the terms and conditions of his appointment is available for inspection by the members at the registered office of the Company on all working days between 10.30 AM and 12.30 PM (except Sundays and Public Holidays) up to the date of the AGM and is also available on the website of the Company at www.jsw.in.

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Mr. Malay Mukherjee or his relatives (to the extent of their shareholding interest, if any, in the Company), are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Your Directors recommend the resolution as at Item No. 6 for your approval.

**Item No. 7.**

Mr. Haigreve Khaitan (DIN 00005290) who was appointed as a Director of the Company in the category of Independent Director, holds office up to the conclusion of the ensuing Annual General Meeting of the Company ("first term" in terms of Section 149(10) of the Companies Act,2013 ("the Act")). The Company has received a Notice in writing under the provisions of Section 160 of the Act, from a Member proposing the candidature of Mr. Haigreve Khaitan for the Office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act,2013.

Section 149(10) of the Act, provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) further provides that an independent director may hold office for up to two consecutive terms.

The Board taking into account the recommendation of the Nomination and Remuneration Committee and on the basis of the report of performance evaluation of Independent Directors, has recommended the re-appointment of Mr. Haigreve Khaitan as a Director of the Company in the category of Independent Director, for a second term of upto September 29, 2025 or upto the conclusion of the 31st Annual General Meeting of the Company in the calendar year 2025, whichever is earlier.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribes that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. The Company has received a declaration from Mr. Haigreve Khaitan that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

Mr. Haigreve Khaitan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

The aforesaid Independent Director is an eminent personality in his field. Your Board considers that his continued association with the Company would be of immense benefit to the Company. In the opinion of the Board, Mr. Haigreve Khaitan fulfils the conditions for appointment as an independent Director as specified in the Act and the Listing Regulations. He is also independent of the management.

A Brief resume of Mr. Haigreve Khaitan, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, are provided in the statement giving details pursuant to Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting, annexed to this Notice.

A Copy of the draft letter of appointment of Mr. Haigreve Khaitan setting out the terms and conditions of his appointment is available for inspection by the members at the registered office of the Company on all working days between 10.30 AM and 12.30 PM (except Sundays and Public Holidays) up to the date of the AGM and is also available on the website of the Company at www.jsw.in.

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Mr. Haigreve Khaitan or his relatives (to the extent of their shareholding interest, if any, in the Company), are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

Your Directors recommend the resolution as at Item No. 7 for your approval.

**Item No. 8.**

**Past Appointment**

The Members of the Company had in their 23rd Annual General Meeting held on June 29, 2017 approved the re-appointment of Mr. Seshagiri Rao M.V.S. as a Whole-time Director of the Company, designated as 'Jt. Managing Director & Group CFO' for a period of three years commencing from April 6, 2017 upon a remuneration

within an overall ceiling of ₹ 50,00,000/- (Rupees fifty lakhs only) per month. The term of Mr. Seshagiri Rao M.V.S. expired on April 5, 2020.

**Board Approval**

Your Directors have in their meeting held on May 22, 2020, based on the recommendations of the Nomination & Remuneration Committee, re-appointed Mr. Seshagiri Rao M.V.S. as a Whole-time Director of the Company, designated as 'Jt. Managing Director & Group CFO' for a period of three years w.e.f. April 6, 2020, subject to the approval of the members in General meeting.

**INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013**

The following information pursuant to Schedule V of the Companies Act, 2013 is given below:

**I. General Information:**

**i. Nature of Industry:**

The Company is in the business of manufacturing of Steel Products.

**ii. Date or expected date of commencement of commercial production:**

The Company was incorporated on 15th March 1994 and started commercial production in the same year.

**iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable.

**iv. Financial performance based on given indicators – as per audited financial results for the year ended March 31, 2020:**

| Particulars | ₹ in crores |
|---|---|
| Revenue from Operations & Other Income | 64,890.00 |
| Net profit as per Statement of Profit & Loss (After Tax) | 5,291.00 |
| Computation of Net Profit in accordance with section 198 of the Companies Act, 2013 | 5,670.11 |
| Net Worth | 34,315.00 |

**v. Foreign investments or collaborations, if any:**

For details in relation to foreign investment in the Company, refer to the shareholding pattern of the Company available on the website of the Company & that of the St. Exchanges on which the Shares of the Company are listed.

The Company has a strategic collaboration with JFE Steel Corporation, Japan who also hold 15% of the paid-up equity share capital of the Company.

**II. Information about the appointee:**

**i. Background details:**

Mr. Seshagiri Rao, M.V.S aged 62 years, is a member of the Institute of Cost and Management Accountants of India and a Licentiate member of the Institute of Company Secretaries of India. He is also a Certified Associate of the Indian Institute of Bankers and a Diploma holder in Business Finance awarded by the Institute of Chartered Financial Analysts of India. Mr. Rao joined the Company as Chief Financial Officer in 1997. He became Director (Finance) in the year 1999 and has over the years grown with the Company progressively shouldering higher responsibilities.

**ii. Past remuneration during the financial year ended March 31, 2020:** ₹ 560 lakhs (Overall ceiling on remuneration is ₹ 50,00,000/- (Rupees fifty lakhs only) per month as approved by shareholders).

**iii. Recognition or awards:** In the year 2010, Mr. Rao was awarded the Best CFO Award by CNBC and in the year 2018 he was conferred the CFO of the Year Award by Financial Express.

**iv. Job Profile and his suitability:**

Mr. Rao has played an active role in the growth strategies of the Company. Prior to joining the Company, he has worked with various reputed organisations like VST Industries, Andhra Bank, ESSAR Steel Ltd. and Nicholas Piramal India Limited in various capacities. He possesses rich experience spanning over four decades in the areas of corporate finance and banking. In his present capacity as Jt. Managing Director & Group CFO, Mr. Rao is responsible for the overall operations of the Company including strategy formulations related to business development, expansion of existing businesses, joint ventures, mergers and acquisitions and cost management.

In view of his rich and vast experience and distinguished career, the re-appointment of Mr. Seshagiri Rao M.V.S. as a Whole-time Director of the Company, designated as 'Jt. Managing Director & Group CFO', would be in the best interest of the Company.

**v. Remuneration proposed:**

Remuneration not exceeding an overall ceiling of ₹ 50,00,000/- (Rupees fifty lakhs only) per month, inclusive of perquisites and allowances, as may be agreed to between the Board and Mr. Rao.

The remuneration of Mr. Rao is to be so fixed by the Board of Directors from time to time, such that the salary and the aggregate value of all perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; bonus; performance incentive; medical reimbursement; club fees and leave travel concession for self and family; medical insurance; contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; Gratuity as per rules of the Company (which shall not exceed one half month's salary for each completed year of service); Earned leave with full pay or encashment as per rules of the Company; Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Rao shall not, except as set out below, exceed the overall ceiling on remuneration approved by the members in General Meeting.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

a) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);

b) Contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;

c) Gratuity as per rules of the Company (which shall not exceed one half month's salary for each completed year of service); and

d) Earned leave with full pay or encashment as per rules of the Company.

For the purposes of calculating the above ceiling, perquisites shall be evaluated as per the provisions of the Income-tax Act, 1961, wherever applicable. In the absence of any such provision, perquisites shall be evaluated at actual cost.

Mr. Seshagiri Rao is also entitled to Stock Options granted under the JSWSL Employees Stock Ownership Plan - 2016 and those which may be granted under any other Employees Stock Ownership Plans of the Company in future. The number of Stock Options granted under the JSWSL Employees Stock Ownership Plan - 2016 and outstanding as on March 31, 2020, are 4,08,489 of which 2,56,664 (62.83%) have vested and are unexercised and the balance 1,51,825 (37.17 %) would vest during his tenure of appointment. The number of Stock Options to be granted during his period of appointment, under any other Employees Stock Ownership Plans of the Company in future, would depend on the plan, grade, and performance rating of Mr. Rao. The perquisite value, depending on the market price of equity shares of the Company and the actual number of options that may be granted, computed in terms of the Income-tax Act, 1961 and the rules and regulations framed thereunder, upon exercise of options granted under the JSWSL Employees Stock Ownership Plan - 2016 and those which may be granted under any other Employees Stock Ownership Plans of the Company in future, to Mr. Seshagiri Rao M.V.S, during his tenure as a Wholetime Director of the Company, shall not be included in the aforesaid overall ceiling on remuneration (including salary and perquisites) of ₹ 50,00,000/- per month.

Where in any financial year during the currency of the tenure of Mr. Rao as a Whole-time Director, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Rao, the above remuneration, for a period not exceeding 3 (three) years from the date of appointment or such other period as may be statutorily permitted, by way of salary, perquisites and other allowances and benefits as specified above, subject to receipt of requisite approvals, if any, even if the same be in excess of the limits specified in Part-II of Section II of Schedule V to the Companies Act, 2013 or any amendments thereto.

The Jt. Managing Director & Group CFO shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings. The Board of Directors may, at its discretion pay to the Jt. Managing Director & Group CFO lower remuneration than the maximum remuneration herein above stipulated and revise the same from time to time within the maximum limit stipulated by this resolution. The proposed remuneration is within the limits prescribed under Section I of Part II of Schedule V of the Companies Act, 2013. The terms of remuneration of the Jt. Managing Director & Group CFO has the approval of the Nomination and Remuneration Committee.

**vi. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Mr. Seshagiri Rao, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

**vii. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Besides the remuneration proposed to be paid to him, Mr. Rao does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

**III. Other Information:**

**(i) Reasons of loss or inadequate profits:**

Not applicable, as the Company has posted a net profit after tax of ₹ 5,291 crores during the year ended March 31, 2020.

**(ii) Steps taken or proposed to be taken for improvement and**

**(iii) Expected increase in productivity and profits in measurable terms:**

Not applicable as the Company has adequate profits.

**IV. Disclosures:**

The information and Disclosures of the remuneration package of the Jt. Managing Director and Group CFO have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading "Remuneration paid/payable to Whole-time Directors for the year ended March 31, 2020".

Mr. Rao satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of section 164 of the Act.

Brief resume of Mr. Rao, nature of his expertise, name of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships among directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 besides above, are provided in the Corporate Governance Report forming part of the Annual Report.

**Termination of Office**

The office of the Whole-time Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

**Inspection of Agreement**

A copy of the draft agreement to be executed with Mr. Seshagiri Rao M.V.S. is available for inspection by the Members of the Company at the Company's Registered Office on all working days between 10.30 AM and date of the AGM and is also available on the website of the Company at www.jsw.in.

**Disclosure of Interest/Concern**

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Mr. Rao or his relatives (to the extent of their shareholding interest, if any, in the Company), are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No.8.

**Board Recommendation**

Your Directors recommend the resolution as at Item No. 8 for your approval.

**Item Nos.9. & 10.**

Your Company is in the midst of its growth journey, which it embarked in May 2018 for expanding its steelmaking capacity to 24 mtpa besides a number of cost reduction and efficiency improvement projects with investments of ₹ 48,715 Crore. Many of these projects are in advanced stage of implementation and are scheduled to be commissioned during the course of the current financial year. The Company, in addition to pursuing organic growth, continues to evaluate and pursue various M&A opportunities in India & Overseas, to achieve its long-term vision.

The Company has been consistently exploring opportunities to diversify its source of funding and access different pools of liquidity, as and when opportunity arises. Access to diverse source of funding helps in optimising capital structure/ finance cost. Company thus believes it is prudent to be in the state of readiness to tap the international market/ capital markets as and when market situation permits to augment its long-term funding resources to fuel its growth by way of Foreign Currency Convertible Bonds / Global Depository Receipts / American Depository Receipts/ Warrants and/or other Instruments convertible into equity shares optionally or otherwise OR by issue of specified securities to Qualified Institutional Buyers (QIBs).

The proceeds of the issue may be used for long-term funding to meet its planned capital expenditure or for refinancing of its debt or to reduce interest costs or for strengthening its liquidity profile and for general corporate purposes, in line with the applicable regulations.

Therefore, it is in the interest of the Company to raise long term resources inter alia with convertible option so as to optimise capital structure for future growth.

The Board of Directors of the Company ("Board") have approved the proposals in relation to capital raising at their meeting held on May 22, 2020. As the issuance will result in an issuance of equity shares by the Company to investors who may or may not be Members of the Company, consent of the Members is being sought pursuant to Sections 42 and 62 and other applicable provisions, if any, of the Companies Act, 2013 ("Companies Act"), and any other law for the time being in force and as may be applicable. by way of special resolution.

Necessary disclosures have been made and will be made to the Stock Exchanges, as may be required under the listing agreements entered into with the Stock Exchanges, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

**I. Item 9:**

The enabling resolution passed by the members at the Twenty Fifth Annual General meeting of the Company held on July 25, 2019 authorising the issuance of Specified Securities by way of a Qualified Institutions Placement is valid only for a period of one year from the date of the Annual General Meeting. It is therefore proposed that the Board of Directors (or any committee thereof) be authorised by way of a fresh enabling resolution as at Item No. 9 of this Notice, to raise additional long term resources depending upon market conditions by way of issuance of:

i. Non-Convertible Debentures with warrants ("NCD with Warrants") which are convertible into or exchangeable with equity shares of the Company of face value of ₹ 1 each (the "Equity Shares" and together with NCD with Warrants, the "Specified Securities") at a later date for an amount not exceeding ₹ 7,000 crores (Rupees seven thousand crores only), inclusive of such premium as may be decided by the Board; and/or

ii. Equity Shares and/or convertible securities (other than warrants) for an amount not exceeding ₹ 7,000 crores (Rupees seven thousand crores only), inclusive of such premium as may be decided by the Board;

to Qualified Institutional Buyers (as defined in the SEBI ICDR Regulations) ("QIBs") by way of a Qualified Institutions Placement ("QIP"), whether or not they are members of the Company, as provided under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations").

The price at which the Specified Securities will be issued will be determined by the Board of Directors of the Company in accordance with applicable law and in consultation with the experts/investment bankers/ advisors and securities may be offered, issued and allotted to investors who may not be Members of the Company, at the discretion of the Board in accordance with applicable law, however the basis of pricing of Specified Securities issued under Chapter VI of the SEBI ICDR Regulations shall be the pricing formula as prescribed under the SEBI ICDR Regulations, as amended from time to time.

The allotment of Specified Securities referred to in the resolution proposed under item no.9 of this Notice, would be completed within a period of 365 days from the date of approval by the members accorded by way of a special resolution approving the QIP or such other time as may be permitted under the SEBI ICDR Regulations.

**II. Item 10:**

The Company had also obtained the approval of members at the 23rd Annual General Meeting held on June 29, 2017 for raising of resources in the form of Foreign Currency Convertible Bonds ("FCCBs")/ Global Depository Receipts ("GDR") / American Depository Receipts ("ADR") / Warrants (collectively, the "Securities") or other instruments convertible into equity shares. The enabling resolution has not been acted upon and accordingly a fresh approval is being sought from shareholders at the ensuing Annual General Meeting under item no.10 of this Notice to raise additional long term resources depending upon market conditions, by way of FCCBs/ GDR/ ADR/ Warrants and/or other instruments convertible into equity shares optionally or otherwise for an aggregate sum of up to USD 1 billion or its equivalent in any other currency(ies), inclusive of premium.

As the pricing of the offer cannot be decided except at a later stage, it is not possible to state upfront the price of Securities to be issued. However, the same would be in accordance with the provisions of the SEBI ICDR Regulations, the SEBI Listing Regulations, the Foreign Exchange Management Act, 1999, the Companies Act, 2013, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014, Framework for issue of Depository Receipts issued by the Securities and Exchange Board of India by it circulars dated October 10, 2019 and November 28, 2019, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, the Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations, 2019, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 or any other guidelines/ regulations/ consents, each as amended, as may be applicable or required.

The issue/ allotment/ conversion of the Specified Securities or Securities, as applicable, would be subject to the applicable regulatory approvals, if any. The issuance and allotment of Specified Securities or Securities including equity shares to be allotted on conversion to foreign/ non-resident investors would be subject to the applicable foreign investment cap.

The resolutions proposed under item nos. 9 and 10 are enabling approvals and the exact combination of instrument(s), exact price, proportion and timing of the issue of the Specified Securities or Securities, as the case may be, in one or more tranches and/or issuances and the detailed terms and conditions of such tranche(s)/ issuances will be decided by the Board in consultation with lead managers, advisors and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors after meeting the specific requirements in a manner that the aggregate amount of proceeds in one or more issuances or tranches shall not exceed overall limit as set out in the respective resolutions or its equivalent in Indian rupees or in other currency(ies). The proposals therefore seek to confer upon the Board the absolute discretion and adequate flexibility to determine the terms of issue(s) and to take all steps which are incidental and ancillary.

The end use of the issue proceeds in each case will be in compliance with applicable laws and regulations.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested financially or otherwise in the resolutions set out at Item Nos.9 & 10 of this Notice.

Your Directors recommend the resolution as at Item Nos. 9 & 10 for your approval.

By Order of the Board,
For **JSW STEEL LIMITED**
Sd/-

**Lancy Varghese**
Company Secretary
Membership No. FCS 9407

Place: Mumbai
Date: May 22, 2020

## DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTH COMING ANNUAL GENERAL MEETING

**[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2]**

| Name of the Director | Dr. Vinod Nowal | Mr. Malay Mukherjee | Mr. Haigreve Khaitan | Mr. Seshagiri Rao MVS |
|---|---|---|---|---|
| **Date of Birth** | 11.06.1955 | 26-01-1948 | 13-07-1970 | 15-01-1958 |
| **Date of first Appointment on the Board** | 30.04.2007 | 29.07.2015 | 30.09.2015 | 06.04.1999 |
| **Qualification** | Master's degree in Business Administration and Doctorate in Inventory Management. Acquired Advanced Management Program (AMP) – a comprehensive executive leadership programme from the prestigious Harvard Business School, Boston, USA. | Master's Degree in mining from the USSR State Commission in Moscow and a Bachelor of Science degree from the Indian Institute of Technology in Kharagpur, India. | LLB | AICWA, LCS, CAIIB, Diploma in Business Finance. |
| **Experience/ Expertise in specific functional areas/ Brief resume of the Director** | Dr. Vinod Nowal, Deputy Managing Director, JSW Steel Ltd. was appointed as Director (Commercial) in April 2007 and re-designated as Director & Chief Executive Officer in April 2009. He was subsequently re-designated as the Deputy Managing Director of JSW Steel Ltd. in May 2013. He has been associated with the Group since 1984 and has previously served in various positions. He currently serves as the President of Karnataka Iron and Steel Manufacturers' Association.<br><br>He has also previously served as the President of the Bangalore Chamber of Industry and Commerce, Bangalore, President of Tarapur Industrial Manufacturers Associations, Tarapur, Chairman of Manufacturing Task Force Southern Region at ASSOCHAM, member of Manufacturing Task Force constituted by Government of Karnataka, member of a committee under Chief Minister of Karnataka for Employment in the Manufacturing Sector, member of Governing Body of M.S. Ramaiah Institute of Technology, Bangalore, Advisory Member on the Board of T John College, Bangalore and member of Advisory Committee of the Center of Excellence in Steel Technology (COEST) at IIT Bombay. | Mr. Malay Mukherjee has over 40 years of experience in a range of technical, commercial, and managerial roles in the mining and steel industry. Between October 2009 to 2011, Mr. Mukherjee served as the CEO of the Essar Steel Global, a large integrated steel company in India. Prior to joining Essar Steel, Mr. Mukherjee was a member of the Board of Directors at Arcelor Mittal between 2008 and 2009.<br><br>Between 2006 and 2008, Mr. Malay Mukherjee served as the Senior Executive Vice President at Arcelor Mittal and a Member of the Group Management Board. He was in charge of mines and operations in Africa, Asia, southern Europe (Bosnia, Macedonia), CIS, Ukraine, Kazakhstan, and also responsible for Stainless Steel, Pipes and Tubes and Technology. He also served as the COO for Mittal Steel Company between 2004 and 2006. Prior to that, he served as President and Chief Operating Officer of Ispat International between 2002 and 2004. He joined Ispat International (now part of Arcelor Mittal) in 1993 serving as the Executive Director for Mexico until 1995, the Managing Director (Mexico) between 1995 and 1996 and the Managing Director Ispat Kazakhstan between 1996 and 1999. He later went on to serve as the CEO of Ispat Europe (Luxembourg) between 1999 and 2000 followed by serving as the COO of Ispat International (London). | Mr. Haigreve Khaitan has rich experience in all aspects of Mergers & Acquisitions-due diligence, structuring, documentation involving listed companies, cross border transactions, medium and small businesses etc., in restructuring – such as advice and documentation involving creditors restructuring, sick companies, demergers spin-offs, sale of assets etc and in Foreign Investment, Joint Ventures and Foreign Collaborations.<br><br>He advises a range of large Indian Conglomerates and multinational clients in various business sectors including infrastructure, power, telecom, automobiles, steel, software and information technology, retail etc. | Mr. Seshagiri Rao M.V.S. is the Joint Managing Director & Group CFO, JSW Steel Ltd, responsible for the overall operations of the Company including Strategy formulations related to business development, expansion of existing businesses, joint ventures, mergers and acquisitions and Cost management. He possesses rich experience spanning over four decades in Steel Sector and in the areas of Corporate Finance and Banking. He joined JSW Group in 1997 as Chief Financial Officer and has played active role in growth strategies of JSW Group since then. He has been actively involved in all strategic decision making within the group and has over the years grown with JSW Steel progressively shouldering higher responsibilities. Prior to joining JSW Steel he has worked with various reputed organizations in various capacities.<br><br>He is a member of the Institute of Cost and Works Accountants of India and a licentiate member of the Institute of Company Secretaries of India. He is also a Certified Associate of the Indian Institute of Bankers and a diploma holder in Business Finance awarded by the Institute of Chartered Financial Analysts of India. |

| Name of the Director | Dr. Vinod Nowal | Mr. Malay Mukherjee | Mr. Haigreve Khaitan | Mr. Seshagiri Rao MVS |
|---|---|---|---|---|
| **Details of remuneration sought to be paid and remuneration last drawn.** | Nil as a Director | Sitting Fees and Commission not exceeding 1% of the net profits in the aggregate for all of the Non-Executive Directors. | Sitting Fees and Commission not exceeding 1% of the net profits in the aggregate for all of the Non-Executive Directors. | The total remuneration including all allowances / perquisites but excluding Provision for use of the Company's car for official duties and telephone at residence, Company's contribution to Provident Fund and Superannuation or Annuity fund, to the extent these either singly or together are not taxable under the Income-tax Act and Gratuity at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of his tenure shall at any time not exceed ₹ 50,00,000/- per month. |
| **Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company.** | Not inter-se related to any other Director or Key Managerial Personnel. The Company does not have a Manager. | Not inter-se related to any other Director or Key Managerial Personnel. The Company does not have a Manager. | Not inter-se related to any other Director or Key Managerial Personnel. The Company does not have a Manager. | Not inter-se related to any other Director or Key Managerial Personnel. The Company does not have a Manager. |
| **Number of meetings of the Board of Directors attended during the F.Y. 2019-20.** | 5/5 | 5/5 | 5/5 | 5/5 |
| **Other Directorships held as on 31.03.2020** | Jindal Steel & Alloys Limited<br>Jindal Coated Steel Private Limited | Va Tech Wabag Limite | CEAT Limited<br>Mahindra & Mahindra Limited<br>Inox Leisure Limited<br>Torrent Pharmaceuticals Limited<br>Borosil Renewables Limited<br>Tech Mahindra Limited<br>Aditya Birla Sun Life Insurance Company Ltd. | Monnet Ispat & Energy Limited<br>Creixent Special Steels Limited |
| **Chairman/ Membership of Committees in other Indian Public Limited Companies as on 31.03.2020* (C = Chairman; M = Member)** | Nil | Va Tech Wabag Limited<br>• Audit Committee (M) | Inox Leisure Limited<br>• Audit Committee (C)<br><br>Torrent Pharmaceuticals Limited<br>• Audit Committee (M)<br>• Securities Transfer and Stakeholders Relationship Committee (C)<br><br>Tech Mahindra Limited<br>• Stakeholders Relationship Committee (M)<br><br>Mahindra & Mahindra Limited<br>• Stakeholders Relationship Committee (C)<br><br>Aditya Birla Sun Life Insurance Company Ltd<br>• Audit Committee (C) | Nil |
| **Shareholding in the Company** | 1,20,560 equity shares | Nil | Nil | 2,23,200 equity shares |

*only two Committees namely, Audit Committee, Stakeholders Relationship Committee have been considered.

# NOTES


JSW

**About JSW Steel Ltd:** JSW Steel Ltd. is the flagship company of the diversified US$ 12 billion JSW Group which has a leading presence in sectors such as steel, energy, infrastructure, cement, sports among others. From a single manufacturing unit in the early 1980s, JSW Steel Ltd, today, is one of the leading integrated steel companies in India with an installed capacity of 18 MTPA, and has plans to scale it up in India. JSW Steel's manufacturing facility at Vijayanagar, Karnataka is the largest single location steel-producing facility in India with a capacity of 12 MTPA.

The Company has been at the forefront of state-of-the-art, cutting-edge technology, research and innovation while laying the foundation for long-term growth. Strategic collaborations with global technology leaders to offer high-value special steel products for various applications across construction, infrastructure, automobile, appliances and other sectors. JSW Steel Ltd. has been widely recognised for its business and operational excellence. Key honours & awards include World Steel Association's Steel Sustainability Champion (2019), Deming Prize for Total Quality Management at Vijayanagar (2018) and Salem (2019), DJSI RobecoSAM Sustainability Industry Mover Award (2018) among others. JSW Steel is the only Indian company ranked among the top 10 steel-producers in the world by World Steel Association for the last 10 consecutive years.

/Concept, content and design at AICL (hello@aicl.in)

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