Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
3rd Grant- 14 May 2018	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

The outstanding position as at 31 March 2019 is summarized 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	17 May 2016	16 May 2017	14 May 2018
Share Price on date of grant	129.56	201.70	329.05
Outstanding as on 1 April 2017	**7,212,200**	-	-
Granted during the year	-	5,118,977	-
Transfer in	283,280	163,812	-
Transfer out	596,700	301,513	-
Forfeited \ lapsed during the year	126,640	70,405	-
Exercised during the year	-	-	-
Outstanding as on 31 March 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**
of above - vested outstanding options	3,188,555	-	-
of above - unvested outstanding options	3,188,555	4,718,488	3,375,417
Vesting Period	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
Exercise period	4 years from vesting date		
Weighted average remaining contract life	54 months	66 months	78 months
Exercise Price	103.65	161.36	263.24
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.

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Particulars	ESOP 2016		
	1st grant (L-16 and above Grade)	2nd grant (L-16 and above Grade)	3rd grant (L-16 and above Grade)
	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
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	Rs.1.10 per share	Rs.0.75 per share	Rs.2.25 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
	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
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	The following factors have been considered: a) Share price b) Exercise prices c) Historical volatility d) Expected option life 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.			

39. Business combination

a) On 15 June 2018, the Company completed acquisition of 100% equity stake in Acero Junction Holdings, Inc. (Acero) for a cash consideration of Rs. 536 crores (USD 80.85 million) along with its wholly owned subsidiary JSW Steel USA Ohio, Inc. (JSWSUO) (Formerly known as Acero Junction, Inc.). JSWSUO has steelmaking assets consisting of 1.5 MTPA electric arc furnace (EAF), 2.8 MTPA continuous slab caster and a 3.0 MTPA hot strip mill at Mingo Junction, Ohio in the United States of America.

As per Ind AS 103 on Business Combination, purchase consideration has been allocated basis the fair value of the acquired assets and liabilities and the resulting differential has been accounted as goodwill. The financial statements include the results of Acero for the period from 15 June 2018 to 31 March 2019.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

Particulars	USD in million
Assets	
Property Plant and Equipment including intangible assets	185.58
Inventories	17.97
Trade and other Receivables	3.55
Cash and cash equivalents	0.10
Indemnification Assets	2.59
Total (A)	**209.79**
Liabilities	
Trade Payables	34.54
Advance from Customers	91.24
Other current Liabilities	1.61
Long term liabilities	4.38
Deferred Tax Liabilities	10.20
Total (B)	**141.97**
Total identifiable net assets acquired at fair value (C) = (A-B)	**67.82**
Purchase Consideration transferred in cash (D)	**80.85**
Goodwill arising on acquisition (E)	**13.03**
Goodwill arising on acquisition (Rs.in crores)	**90**

The Group has recognised a goodwill of Rs.90 crores basis the purchase price allocation carried out by independent valuation expert.

The indemnification asset is primarily related to guarantee provided by seller in relation to certain liability that may accrue to Company in future.

At the date of the acquisition, the fair value of the trade receivables approximated their gross contractual amount.

The goodwill recognised is primarily attributable to the expected synergies and other benefits from integrating Acero into the Group's existing steel business.

From the date of acquisition, Acero has contributed Rs. 628 crores of revenue and net loss after tax of Rs. 323 crores.

Transaction costs of Rs. 3 crores have been expensed and are included in "Other expenses" in the statement of profit and loss and are a part of operating cash flows in the statement of cash flows.

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b) On 24 July 2018, the Company through its wholly owned subsidiary in Italy, JSW Steel Italy S.r.l, completed acquisition of 100% shares each of Aferpi S.p.A ("Aferpi") and Piombino Logistics S.p.A ("PL") and 69.27% of the shares of GSI Lucchini S.p.A ("GSI") (collectively referred to as "Targets") for a consideration of Rs 489 crores (Euro 60.70 million) towards acquisition of equity shares and Rs. 100 crores (Euro 12.38 million) towards acquisition of loans provided by the erstwhile shareholders of the Targets.

Aferpi 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 logistic infrastructure of Piombino's port area. GSI is a producer of forged steel balls used in grinding mills with predominant application in mining processing.

As per Ind AS 103, purchase consideration has been allocated to the fair value of the acquired assets and liabilities and the resulting differential has been accounted as capital reserve. The financial statements include the results of Targets for the period from the acquisition date to 31 March 2019.

Details of the purchase consideration, net assets acquired and capital reserve are as follows:

Particulars	**Euro in million**
Assets	
Property Plant and Equipment including intangible assets	66.89
Investments	1.19
Inventories	11.30
Trade and other Receivables	39.60
Cash and cash equivalents	7.10
Deferred Tax Assets	17.74
Total (A)	**143.82**
Liabilities	
Long term borrowings	12.38
Trade Payables and other current liabilities	26.98
Long term provisions	1.27
Deferred Tax Liabilities	13.01
Total (B)	**53.64**
Total identifiable net assets acquired at fair value (C) = (A-B)	**90.18**
Non-Controlling Interest accounted at fair value (D)	**7.38**
Purchase Consideration transferred in cash (E)	**60.70**
Capital Reserve arising on acquisition (F)	**22.10**
Capital reserve arising on acquisition (Rs.in crores)	**178**

The Company has recognised a capital reserve of Rs. 178 crores, basis the purchase price allocation carried out by independent valuation expert. Since the Target was not an integrated steel plant, it was dependent on external market for essential raw materials. Accordingly, there were few prospective buyers for these entities. The Company being an integrated steel plant had the facilities to meet these raw material requirements and derive synergies of operation. The Company was, therefore, able to negotiate a reasonable acquisition price with the erstwhile shareholders which is primarily the reason for recognition of capital reserve on acquisition.

The non-controlling interest in GSI recognised at the acquisition date was measured by reference the fair value of the non-controlling interest and amounted to Rs. 59 crores (Euro 7.38 million). This fair value was estimated by applying a market approach and an income approach using an assumed discount rate of 9.7% and other factors like estimated long term growth rate, lack of control and marketability, etc.

At the date of the acquisition, the fair value of the trade receivables approximated their gross contractual amount.

From the date of acquisition, Targets have contributed Rs. 1,028 crores of revenue and net loss after tax Rs. 139 crores.

Transaction costs of Rs. 9 crores have been expensed and are included in "Other expenses" in the statement of profit or loss and are part of operating cash flows in the statement of cash flows.

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 Rs. 82,735 crores and Rs. 7,364 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 2018.

c) Pursuant to the Corporate Insolvency Resolution process for Monnet Ispat & Energy Limited ("MIEL") under the Insolvency Bankruptcy Code, 2016 initiated on 18 July 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 Limited and AION Investments Private II Limited. The consortium completed the acquisition of MIEL through their jointly controlled entity Creixent Special Steels Limited ("CSSL") on 31 August 2018. MIEL has steel plants in the state of Chhattisgarh with Blast furnace and DRI facility of 1.5 MTPA. The Company has an effective shareholding of 23.1% in MIEL and has accounted this acquisition under equity method which resulted in recognizing a capital reserve of Rs. 230 crores.

The impact of the Resolution Plan has been given effect to on the acquisition date and the transaction has been accounted under Ind AS 28. Therefore, the statement of profit and loss for the current year include MIEL w.e.f 31 August 2018 and are not comparable with previous year.

d) The Resolution Plan submitted by the Company for Vardhman Industries Limited (VIL) was approved with some modifications, by the Hon'ble National Company Law Tribunal (NCLT) New Delhi, by its order dated 16 April 2019. The Company filed an appeal challenging the said NCLT Order before National Company Law Appellate Tribunal (NCLAT), in which an interim order was passed on 30 April 2019 suggesting that the Resolution Plan as approved by the Committee of Creditors may be implemented subject to the decision of the appeal. The Company further filed an Appeal before the Hon'ble Supreme Court against the interim order of NCLAT in which the Hon'ble Supreme Court vide an order dated 10 May 2019 has ordered status quo and the matter is posted for hearing before the NCLAT on 28 May 2019.

e) On 23 October 2018, the Company has acquired an additional stake of 60.004% of the share capital of Dolvi Minerals and Metals Private Limited ("DMMPL"), a subsidiary, for a cash consideration of Rs.109 crores. Pursuant to the acquisition of shares of DMMPL, DMMPL along with its wholly owned subsidiary Dolvi Coke Projects Limited, have become wholly owned subsidiaries of the Company.

40. 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

Rs. in crores

Particulars	For the year ended					
	31 March 2019			31 March 2018*		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from operations	69,085	15,672	**84,757**	55,700	17,511	**73,211**

* Restated (refer note 30)

Revenue from operations has been allocated on the basis of location of customers.

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b) Non-current assets

Rs. in crores

Particulars	As at 31 March 2019			As at 31 March 2018		
	Within India	Outside India	Total	Within India	Outside India	Total
(a) Property, plant and equipment	55,051	6,553	61,604	52,558	4,496	57,054
(b) Capital work-in progress	11,363	177	11,540	5,611	18	5,629
(c) Goodwill	28	812	840	28	679	707
(d) Other intangible assets	176	24	200	71	16	87
(e) Intangible assets under development	344	5	349	321	-	321
(f) Investment in joint ventures	424	204	628	190	170	360
(g) Other non-current assets	3,557	368	3,925	2,811	70	2,881
(h) Current tax assets (net)	240	-	240	271	-	271
(i) Financial assets			1,916			1,468
(j) Deferred tax assets (net)			117			48
Total non-current assets			**81,359**			**68,826**

Non-current assets have been allocated on the basis of their physical location.

41. 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 recognized in the Consolidated Statement of Profit and Loss is Rs. 62 crores (previous year: Rs. 59 crores) (included in note 33).

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.

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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 2019 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

Rs. in crores

Particulars	For the year ended 31 March 2019		For the year ended 31 March 20198	
	Funded	Unfunded	Funded	Unfunded
a) Liability recognized in the Balance Sheet				
i) Present value of obligation				
Opening balance	**265**	**5**	**239**	**4**
Service cost	16	@	16	@
Interest cost	21	@	18	@
Actuarial loss / (gain) on obligation	17	2	5	@
Benefits paid	(14)	-	(11)	@
Experience adjustments	3	-	-	-
Liability In	2	-	@	@
Liability transfer	(2)	-	(2)	(1)
Closing balance	**308**	**7**	**265**	**5**
Less:				
ii) Fair value of plan assets				
Opening balance	**95**	-	**80**	-
Expected return on plan assets less loss on investments	7	-	6	-
Actuarial (loss)/gain on plan assets	@	-	@	-
Employers' contribution	5	-	18	-
Benefits paid	(10)	-	(9)	-
Closing balance	**97**	-	**95**	-
Amount recognized in Balance Sheet*	**211**	**7**	**170**	**5**
*includes Rs. 0.10 crores (as at 31 March 2018 Rs. 0.06 crores) being excess of fair value of plan assets over present value of obligation disclosed under other current assets (Note-11)				
b) Expenses during the year				
Service cost	16	@	16	@
Interest cost	21	@	18	@
Expected return on plan assets	(7)	-	(6)	-
Transferred to preoperative expenses	(2)	-	-	-
Component of defined benefit cost recognized in statement of profit & loss (a)	**28**	**@**	**28**	**1**

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Rs. in crores

Particulars	For the year ended 31 March 2019		For the year ended 31 March 20198	
	Funded	Unfunded	Funded	Unfunded
Remeasurement of net defined benefit liability				
- Actuarial (gain)/loss on defined benefit obligation	17	2	5	@
Component of defined benefit cost recognized in other comprehensive income (b)	**17**	**2**	**5**	**@**
Total (a+b)	**45**	**2**	**33**	**1**
c) Actual return on plan assets	**7**	-	**6**	-
d) Break up of plan assets:				
(i) ICICI Prudential Life Insurance Co. Ltd.				
Balanced Fund	3	-	3	-
Debt Fund	@	-	-	-
Short Term Debt Fund	@	-	-	-
Short Term Debt Fund III	3			
Endowment Plan	-	-	-	-
(ii) HDFC Standard Life Insurance Co. Ltd.				
Defensive Managed Fund	2	-	2	-
Secure Managed Fund	22	-	23	-
Stable Managed Fund	@	-	@	-
(iii) SBI Life Insurance Co. Ltd. – Cap Assured Fund	47	-	48	-
(iv) LIC of India – Insurer Managed Fund	18	-	18	-
v) Bajaj Allianz Fund	3	-	2	-

@ - less than Rs. 0.50 crores

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	7.54%-7.83%	7.76%-7.88%	7.51%-7.85%	7.56%-7.88%
Expected return on plan assets	7.54%-7.83%	-	7.51%-7.85%	-
Expected rate of increase in salaries	6.00%	6.00%	6.00%	6.00%
Attrition rate	2.00%	2.00%	2.00%	2.00%

Based on India's standards mortality table with modifications to reflect expected changes in mortality

f) Experience adjustments

Rs. in crores

Particulars	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
Defined benefit obligation	315	270	243	208	183
Plan assets	97	95	80	77	67
Surplus / (deficit)	(218)	(175)	(163)	(131)	(116)
Experience adjustments on plan liabilities – loss/(gain)	19	5	20	6	33
Experience adjustments on plan assets – gain/(loss)	@	@	@	@	1

@ - less than Rs. 0.50 crores

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g) The Group expects to contribute Rs. 84 crores (previous year Rs. 37 crores) to its gratuity plan for the next year.

h) 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.

i) 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.

j) 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.

k) 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:

Rs. in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation	315	270
Plan assets	97	95
Net liability arising from defined benefit obligation	**218**	**175**

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.

Rs. in crores

Particulars	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(22)	26	(20)	24
Future salary growth (1% movement)	26	(23)	24	(21)
Attrition rate (1% movement)	3	(4)	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 period, which is the same as that applied in calculating the defined benefit obligation recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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Category of assets average percentage allocation fund wise

	SBI	HDFC	ICICI	Bajaj Allianz	LIC
Government securities	0.00%	32.65%	36.77%	53.37%	20.00%
Debt	93.23%	63.02%	46.22%	8.07%	Balance invested in approved investments as specified in Schedule I of IRDA guidelines
Equity	6.20%	1.63%	6.99%	18.66%	
Others	0.57%	2.71%	10.02%	19.90%	

Maturity analysis of projected benefit obligation

Rs. in crores

Particulars	Less than a year	Between 1 to 5 years	Over 5 years	Total
As at 31 March 2019				
Projected benefit payable	27	98	550	675
As at 31 March 2018				
Projected benefit payable	22	83	488	593

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analyzed in terms of risk and return profiles.

(ii) **Provident fund**

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. 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 2019 is 8.65%.

Out of the total contribution made for Provident Fund in Defined Contribution Plan, Rs. 20 crores (previous year Rs. 17 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 Rs. 1 crore (Previous year - Nil) is recognised in the Statement of Profit and Loss.

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Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Total plan assets @	505	453
Total plan liabilities @	499	435
Discount rate	7.79%	7.85%
Rate of return on assets	8.55%	8.88%
Guaranteed rate of return	8.65%	8.55%

@ JSW Steel Employees Provident Fund Trust as at 31 March 2019 as per the unaudited financial statements.

42. 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 maximize 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.

Rs. in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Long term borrowings	29,656	31,723
Current maturities of long term debt and finance lease obligations	11,407	5,493
Short term borrowings	6,333	2,177
Total borrowings	**47,396**	**39,393**
Less:		
Cash and cash equivalents	5,581	582
Bank balances other than cash and cash equivalents	606	481
Current investments	82	312
Net debt	**41,127**	**38,018**
Total equity	**34,345**	**27,534**
Gearing ratio	**1.20**	**1.38**

(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 20 and 25.

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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 2019

Rs. in crores

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relations	Total Carrying Value	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**

As at 31 March 2018

Rs. in crores

	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relations	Total Carrying Value	Fair value
Financial assets						
Loans	608	-	-	-	608	608
Other financial assets	823	-	-	-	823	823
Trade receivables	4,704	-	-	-	4,704	4,704
Cash and cash equivalents	582	-	-	-	582	582
Bank balances other than cash and cash equivalents	481	-	-	-	481	481
Derivative assets	-	-	88	63	151	151
Investments	-	758	351	-	1,109	1,109
Total financial assets	**7,198**	**758**	**439**	**63**	**8,458**	**8,458**
Financial liabilities						
Long-term borrowings*	37,216	-	-	-	37,216	37,677
Short-term borrowings	2,177	-	-	-	2,177	2,177
Trade payables	15,944	-	-	-	15,944	15,944
Derivative liabilities	-	-	34	62	96	96
Other financial liabilities	4,041	-	-	-	4,041	3,987
Total financial liabilities	**59,378**	**-**	**34**	**62**	**59,474**	**59,881**

* including current maturities of long-term borrowings

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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 minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is 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. Long term exposures are hedged on a case to case basis.

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 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 (Rs. in crores)
31 March 2019	Assets	20	Buy	190	1,311	4
		63	Sell	653	4,518	200
	Liabilities	154	Buy	1,292	8,944	(320)

As at	Nature	No. of Contracts	Type	US$ Equivalent (millions)	INR Equivalent (crores)	MTM (Rs. in crores)
31 March 2018	Assets	49	Buy	540	3,521	21
		44	Sell	500	3,248	27
	Liabilities	63	Buy	697	4,531	(25)
		34	Sell	379	2,465	(20)

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 (Rs. in crores)
31 March 2019	Assets	3	40	277	1
	Liabilities	1	10	69	@
31 March 2018	Assets	26	480	3,123	21
	Liabilities	3	61	397	(1)

@ - less than Rs.0.50 crores

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 2019

Rs. in crores

Particulars	INR	USD	Euro	JPY	Others	Total
Financial assets						
Investments	1,253	-	13	-	-	1,266
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
Loans	993	1	-	-	-	994
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**

@ - less than Rs. 0.50 crores

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As at 31 March 2018

Rs. in crores

Particulars	INR	USD	Euro	JPY	Others	Total
Financial assets						
Investments	1,109	-	-	-	-	1,109
Trade receivables	4,052	513	139	-	-	4,704
Cash and cash equivalents	568	11	2	-	1	582
Bank balances other than cash and cash equivalents	289	192	-	-	-	481
Loans	607	1	-	-	-	608
Derivative assets	-	151	-	-	-	151
Other financial assets	693	127	-	-	3	823
Total financial assets	**7,318**	**995**	**141**	-	**4**	**8,458**
Financial liabilities						
Borrowings	18,475	15,066	110	249	-	33,900
Trade payables	3,963	11,878	47	54	2	15,944
Derivative liabilities	-	92	4	-	-	96
Other financial liabilities	6,556	2,723	98	143	14	9,534
Total financial liabilities	**28,994**	**29,759**	**259**	**446**	**16**	**59,474**

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 2019		As at 31 March 2018	
	US$ equivalent (million)	INR equivalent (crores)	US$ equivalent (million)	INR equivalent (crores)
Trade receivables	160	1,106	72	467

b) Amounts payable in foreign currency on account of the following:

Particulars	As at 31 March 2019		As at 31 March 2018	
	US$ equivalent (million)	INR equivalent (crores)	US$ equivalent (million)	INR equivalent (crores)
Borrowings	2,661	18,406	2,254	14,614
Acceptances	3	20	12	81
Trade payables	41	280	42	272
Payables for capital projects	368	2,544	176	1,140
Interest accrued but not due on borrowings	42	288	33	217

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.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Impact on Profit / (loss) for the year for a 1% change:

Rs. in crores

Particulars	Increase		Decrease	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
USD /INR	(202)	(208)	202	208
YEN/INR	(9)	(4)	9	4
EURO/INR	(13)	(1)	13	1

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 2019.

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 25 % 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:

Rs. in crores

Particulars	Increase for the year ended		Decrease for the year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Iron ore	(609)	(554)	609	554
Coal/Coke	(1,153)	(1,012)	1,153	1,012

The commodity forward 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 (Rs. in crores)
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)

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 (Rs. in crores)
31 March 2018	Assets	5	Brent Crude	168,750	10	68	6
		4	Iron Ore	126,000	8	51	2
		1	Zinc	1,000	3	21	@
	Liabilities	44	Iron Ore	1,346,000	92	601	(43)

@ - less than Rs. 0.50 crores

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:

Rs. in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Fixed rate borrowings	19,624	17,691
Floating rate borrowings	27,999	21,929
Total borrowings	**47,623**	**39,620**
Total borrowings	47,396	39,393
Add: Upfront fees	227	227
Total gross borrowings	**47,623**	**39,620**

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 2019 would decrease / increase by Rs. 248 crores (for the year ended 31 March 2018: decrease / increase by Rs. 193 crores). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

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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 (Rs. in crores)
31 March 2019	Assets	13	220	20
	Liabilities	15	245	(27)
31 March 2018	Assets	14	237	37
	Liabilities	6	168	(5)

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.

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.

Movements in allowances for bad and doubtful debts

Rs. in crores

Particulars	Amount
As at 1 April 2017	**33**
Movement during the year	63
As at 31 March 2018	**96**
Movement during the year	10
As at 31 March 2019	**106**

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 Rs. 18,444 crores as at 31 March 2019 and, Rs. 8,458 crores as at 31 March 2018, 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 ECL.

The credit quality of the Group's is monitored on an ongoing basis and assessed for impairment where indicators of credit impairment exist. The Group uses simplified approach for impairment of financial assets. If credit risk has not

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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. 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.

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 Company's short, medium and long-term funding and liquidity 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 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 2019

Rs. 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	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**

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Liquidity exposure as at 31 March 2018

Rs. in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Investments	312	-	797	1,109
Trade receivables	4,704	-	-	4,704
Cash and cash equivalents	582	-	-	582
Bank balances other than cash and cash equivalents	481	-	-	481
Loans	230	190	188	608
Derivative assets	151	-	-	151
Other financial assets	530	290	3	823
Total	**6,990**	**480**	**988**	**8,458**
Financial liabilities				
Long term borrowings	-	27,906	3,817	31,723
Short term borrowings	2,177	-	-	2,177
Trade payables (including acceptances)	15,944	-	-	15,944
Derivative liabilities	96	-	-	96
Other financial liabilities	8,615	746	173	9,534
Total	**26,832**	**28,652**	**3,990**	**59,474**

The amount of guarantees given included in Note 44(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 20 and 25).

J. Level wise disclosure of financial instruments

Rs. in crores

Particulars	As at 31 March 2019	As at 31 March 2018	Level	Valuation technique and key inputs
Quoted investments in the equity shares measured at FVTOCI	738	740	I	Quoted bid prices in an active market.
Quoted investments in the equity shares measured at FVTPL	82	312	I	Quoted bid prices in an active market.
Derivative assets	321	151	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	379	96	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

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Rs. in crores

Particulars	As at 31 March 2019	As at 31 March 2018	Level	Valuation technique and key inputs
Non-current investments in unquoted Preference shares measured at FVTPL	51	49	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.

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 Rs. 2 crores / (Rs. 2 crores)

Reconciliation of Level III fair value measurement:

Rs. in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	67	189
Purchases / (sale) (net)	@	@
Gain / (loss) recognised in the Consolidated statement of Profit and Loss	2	(111)
Gain / (loss) recognised in the Other comprehensive income	-	(11)
Closing balance	69	67

@ - Less than Rs.0.50 crores

Details of financial assets / liabilities measured at amortised but fair value disclosed in category wise

Rs. in crores

Particulars	As at 31 March 2019	As at 31 March 2018	Level	Valuation technique and key inputs
Long term borrowings				Discounted cash flow method - Future cash flows are discounted by using rates which reflect market risks.
Carrying value	41,063	37,216	II	
Fair value	41,816	37,677		
Premium payable on redemption of debentures	463	301	II	Discounted cash flow method - Future cash flows are discounted by using rates which reflect market risks.
Loans – financial assets				Discounted cash flow method - Future cash flows are discounted by using rates which reflect market risks.
Carrying value	994	608	II	
Fair value	994	608		

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43. 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

JSW Structural Metal Decking Limited

JSW MI Steel Service Center Private Limited

JSW Vallabh Tinplate Private Limited

AcciaItalia 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. Kannan Vijayaraghavan (upto 24 July 2018)

Dr. Vijay Kelkar (upto 24 July 2018)

Mr. N. Jayaram - Nominee Director, KSIIDC (upto 24 July 2018)

Mrs. Gunjan Krishna - Nominee Director, KSIIDC (w.e.f. 21 July 2018)

Mr. Hiroyuki Ogawa - Nominee Director, JFE Steel Corporation

Mrs. Punita Kumar Sinha

Mr. Malay Mukerjee

Mr. Haigreve Khaitan

Mr. Seturaman Mahalingam

Mrs. Nirupama Rao (w.e.f. 21 July 2018)

Mr. Harsh Charandas Mariwala (w.e.f. 21 July 2018)

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

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	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 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
	Jindal Industries Private Limited
	JSW Foundation
	Jindal Technologies & Management Services Private Limited
	Epsilon Carbon Private Limited
	JSW Living Private Limited
	JSW International Trade Corp PTE Limited
	Jindal Education Trust

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JSW Paints Private Limited
Toshiba JSW Power System Private Limited
MJSJ Coal Limited
JSW Bengaluru Football Club Private Limited
Utkarsh Advisory Services Private Limited
Epsilon Aerospace Private Limited
Khaitan & Company #
Vinar Systems Private Limited ## (ceased w.e.f. 31 May 2018)
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
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 upto 31 May 2018

5) Post-Employment Benefit Entity

JSW Steel EPF Trust
JSW Steel Group Gratuity Trust
JSW Steel Limited Employee Gratuity Fund

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

B) Transactions with related parties

Rs. in crores

Particulars	Joint ventures		Other related parties #		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Party's Name						
Purchase of Goods / Power & Fuel / Services						
JSW Energy Limited	-	-	2,944	2,269	2,944	2,269
JSW International Tradecorp PTE Limited	-	-	18,418	17,972	18,418	17,972
Others	106	116	2,040	1,816	2,146	1,932
Total	**106**	**116**	**23,402**	**22,057**	**23,508**	**22,173**
Reimbursement of Expenses incurred on our behalf by						
JSW Energy Limited	-	-	3	3	3	3
JSW MI Steel Service Centre Private Limited	1	-	-	-	1	-
Others	-	-	@	@	@	@
Total	**1**	**-**	**3**	**3**	**4**	**3**
Sales of Goods/Power & Fuel						
JSW Vallabh Tin Plate Private Limited	431	332	-	-	431	332
Jindal Saw Limited	-	-	1,198	792	1,198	792
JSW Energy Limited	-	-	525	412	525	412
Jindal Industries Private Limited	-	-	646	458	646	458
Epsilon Carbon Private Limited	-	-	543	319	543	319
Others	523	219	346	321	869	540
Total	**954**	**551**	**3,258**	**2,302**	**4,212**	**2,853**
Other Income/ Interest Income/ Dividend Income						
JSW Energy Limited	-	-	2	6	2	6
JSW Global Business Solutions Limited	-	-	6	7	6	7
JSW Techno Projects Management Limited	-	-	11	13	11	13
India Flysafe Aviation Limited	-	-	21	14	21	14
Monnet Ispat & Energy Limited	7	-	-	-	7	-
Others	4	3	11	9	15	11
Total	**11**	**3**	**51**	**49**	**62**	**51**

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JSW STEEL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

B) Transactions with related parties

Rs. in crores

Particulars	Joint ventures		Other related parties #		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Purchase of Assets						
JSW Severfield Structures Limited	416	136	-	-	416	136
Jindal Steel & Power Limited	-	-	228	25	228	25
JSW Cement Limited	-	-	148	51	148	51
Others	6	-	44	6	50	6
Total	**422**	**136**	**420**	**82**	**842**	**218**
Advance Given/(Received Back)						
India Flysafe Aviation Limited	-	-	(11)	214	(11)	214
Others	@	-	1	4	1	4
Total	**@**	-	**(10)**	**218**	**(10)**	**218**
Lease and Other Deposit Given						
Utkarsh Advisory Services Private Limited	-	-	59	-	59	-
Total	-	-	**59**	-	**59**	-
Lease Deposit Received						
JSW Cement Limited	-	-	11	-	11	-
Others	-	-	@	-	@	-
Total	-	-	**11**	-	**11**	-
Lease and Other Advances refunded						
JSW Infrastructure Limited	-	-	53	48	53	48
Total	-	-	**53**	**48**	**53**	**48**
Loan given Received back						
JSW Projects Limited	-	-	-	300	-	300
JSW Global Business Solutions Private Limited	-	-	11	-	11	-
Total	-	-	**11**	**300**	**11**	**300**
Loan given						
JSW Techno Projects Management Limited	-	-	5	447	5	447

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

B) Transactions with related parties

Rs. in crores

Particulars	Joint ventures		Other related parties #		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
JSW Projects Limited	-	-	300	300	300	300
Monnet Ispat & Energy Limited	125	-	-	-	125	-
Total	**125**	**-**	**305**	**747**	**430**	**747**
Donation/ CSR Expenses						
JSW Foundation	-	-	26	11	26	11
Total	**-**	**-**	**26**	**11**	**26**	**11**
Recovery of Expenses incurred by us on their behalf						
JSW Energy Limited	-	-	19	3	19	3
JSW Cement Limited	-	-	43	17	43	17
JSW Jaigarh Port Limited	-	-	7	5	7	5
JSW Infrastructure Limited	-	-	6	6	6	6
Monnet Ispat & Energy Limited	15	-	-	-	15	-
Others	4	3	19	4	23	7
Total	**19**	**3**	**94**	**35**	**113**	**38**
Investments / Share Application Money given during the year						
JSW Severfield Structures Limited	38	45	-	-	38	45
Creixent Special Steels Limited	370	-	-	-	370	-
Others	@	@	-	-	@	@
Total	**408**	**45**	**-**	**-**	**408**	**45**
Finance lease interest cost						
JSW Projects Limited	-	-	156	177	156	177
JSW Techno Projects Management Limited	-	-	54	25	54	25
Total	**-**	**-**	**210**	**202**	**210**	**202**
Finance lease obligation repayment						
JSW Projects Limited	-	-	204	183	204	183
Others	-	-	8	4	8	4
Total	**-**	**-**	**212**	**187**	**212**	**187**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

B) Transactions with related parties

Rs. in crores

Particulars	Joint ventures		Other related parties #		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
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	-	-	57	40	57	40
JSW Techno Projects Management Limited	-	-	74	52	74	52
Sahyog Holdings Private Limited	-	-	35	25	35	25
Others	-	-	76	53	76	53
Total	**-**	**-**	**242**	**170**	**242**	**170**

@ - less than Rs. 0.50 crores
# - includes relatives of KMP

The group has created provision of Rs. Nil (previous year – Rs. 7 crores) towards doubtful receivable from other related parties

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 Rs. 20 crores (previous year Rs. 17 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 Rs. 5 crores (previous year Rs. 18 crores).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

Compensation to Key Management Personnel

Rs. in crores

Nature of transaction	FY 2018-19	FY 2017-18
Short-term employee benefits	86	95
Post-employment benefits	1	1
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total compensation to key management personnel	**87**	**96**

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 remuneration includes perquisite value of ESOPs in the year it is exercised Rs. Nil (previous year Rs. 32 crores). The Company has recognised an expenses of Rs. 4 crores (previous year Rs. 2 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 Rs. 0.14 crores (FY 2017-18: Rs. 0.09 crores).
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 Rs. 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 2018-19 is Rs. 3 crores (FY 2017-18 is Rs. 4 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 2019, 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.

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JSW STEEL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

C) Amount due to or from related parties

Rs. in crores

Particulars	Joint ventures		Other related parties		Total	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Party's Name						
Trade payables						
JSW Energy Limited	-	-	245	184	245	184
JSW International Trade Corp PTE Limited	-	-	1,398	2,315	1,393	2,315
Others	8	7	303	301	311	308
Total	**8**	**7**	**1,946**	**2,800**	**1,954**	**2,807**
Advance received from Customers						
JSW Jaigarh Port Limited	-	-	@	25	@	25
Others	-	@	-	2	@	2
Total	-	**@**	**@**	**27**	**@**	**27**
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	-
Others	-	-	12	12	12	12
Total	**13**	**13**	**39**	**28**	**52**	**41**
Trade receivables						
JSW Vallabh Tin Plate Private Limited	83	57	-	-	83	57
JSW MI Steel Service Centre Private Limited	42	4	-	-	42	4
Jindal Industries Private Limited	-	-	24	25	24	25
Jindal Saw Limited	-	-	34	25	34	25
Epsilon Carbon Private Limited	-	-	124	74	124	74
Others	22	8	26	29	48	37
Total	**147**	**69**	**208**	**153**	**355**	**222**
Share Application Money Given						
Gourangdih Coal Limited	@	@	-	-	@	@
Others	@	@	-	-	@	@
Total	**@**	**@**	-	-	**@**	**@**

C) Amount due to or from related parties

Rs. in crores

Particulars	Joint ventures		Other related parties		Total	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Capital / Revenue Advance						
JSW Projects Limited	-	-	50	49	50	49
India Flysafe Aviation Limited	-	-	203	214	203	214
Others	67	28	53	103	120	131
Total	**67**	**28**	**306**	**366**	**373**	**394**
Lease and Other Deposits Given						
Utkarsh Advisory Services Private Limited	-	-	59	-	59	-
Total	-	-	**59**	-	**59**	-
Loan and Advances given						
JSW Techno Projects Management Limited	-	-	105	112	105	112
JSW Projects Limited	-	-	300	@	300	@
Monnet Ispat & Energy Limited	125	-	@	-	125	-
Others	@	@	20	7	20	7
Total	**125**	**@**	**425**	**119**	**540**	**119**
Loans/Advances/Deposits Taken						
JSW Infrastructure Limited	-	-	-	51	-	51
Total	-	-	-	**51**	-	**51**
Finance lease obligation						
JSW Projects Limited	-	-	1,280	1,484	1,280	1,484
JSW Techno Projects Management Limited	-	-	164	173	164	173
Total	-	-	**1,444**	**1,657**	**1,444**	**1,657**

@ - less than Rs. 0.50 crores

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 2019, the fair value of plan assets was as Rs. 87 crores (As at 31 March 2018: Rs. 85 crores).

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44. Contingent liabilities:

Rs. in crores

	Particulars	As at 31 March 2019	As at 31 March 2018
(i)	Guarantees	47	10
(ii)	Disputed claims/levies (excluding interest, if any), in respect of:		
	Excise duty	463	432
	Custom duty	741	798
	Income tax	21	26
	Sales tax / Special entry tax	1,334	271
	Service tax	659	656
	Miscellaneous	9	4
	Levies by local authorities	53	54
	Levies relating to Energy / Power Obligations	208	317
	Claim by suppliers and other parties	90	64

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) Miscellaneous cases include Provident fund relating to contractors.

i) Claims by Suppliers and other parties includes Quality Claims issues raised by suppliers and others.

j) 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	2,160	1,799
	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 Rs. 1,043 crores (including paid under protest – Rs. 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 favorable order from the High Court, the Company has not recognised provision for FDF amount of Rs.1,117 crores (including paid under protest – Rs.255 crores) pertaining to the private lease operators & NMDC and treated it as contingent liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(iv) Supreme Court (SC) passed a judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are numerous interpretative issues relating to the Supreme Court (SC) judgement including the effective date of application. The Company continues to assess any further developments in this matter for the implications on financial statements, if any.

45. Commitments

Rs. in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	18,044	12,664
Other commitments		
a) The Group has imported capital goods under the export promotion capital goods scheme to utilize 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	11,742	5,133
b) The Group has given guarantees to Commissioner of Customs in respect of goods imported	127	127

c) The Company entered 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 .

46. Operating lease

a) As lessor:

i. The Group has entered into lease arrangements, for renting the following:

Category of Asset	Area	Period
Land at Vijaynagar	491 acres	8 months to 30 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
Land at Dolvi along with certain buildings	43 acres	3 to 15 years
Building for Vijaynagar Sports Institute	1,96,647 sq. feet	3 years

The agreements are renewable and 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:

Rs. in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Land		
Cost/Deemed cost	65	59
Buildings		
Cost/Deemed cost	102	97
Accumulated depreciation	8	5
Depreciation for the year	4	3

- The group has leased out land and other facilities under non-cancellable operating lease. Total rental income under such lease during the year amounted to Rs. 0.03 crores (previous year: Rs. 0.03 crores).

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Future minimum lease rentals receivable expected under non-cancellable operating lease are as follows:

Rs. in crores

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Not later than one year	@	@
Later than one year but not later than five years	@	@
Later than five years	@	@

@ - Less than Rs.0.50 crores

b) As lessee:

(i) Lease rentals charged to profit and loss for right to use the following assets are:

Rs. in crores

Particulars	**For the year ended**	
	31 March 2019	**31 March 2018**
Office premises, residential flats, plant and equipment etc	72	47

The agreements are executed for a period of 11 to 180 months with a renewable clause and also provide for termination at will by either party giving a prior notice period of 1 to 3 months.

(ii) The agreements for certain plant and equipment is on non-cancellable basis for a period of 10-15 years, which are renewable on expiry of the lease period at mutually acceptable terms.

Rs. in crores

Particulars	**For the year ended**	
	31 March 2019	**31 March 2018**
Plant and equipment	9	9

Future minimum rentals payable under non-cancellable operating leases are as follows:

Rs. in crores

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Not later than one year	10	6
Later than one year but not later than five years	18	13
Later than five years	31	-
Total	**59**	**19**

(iii) One of the subsidiaries has entered into lease agreement with Government of West Bengal for obtaining the lease hold land with lease term of 99 years. The subsidiary doesn't have an option to purchase the leased land at the expiry of leased period. The initial lease term was for 99 years with a further renewable of 99 years on the same terms & conditions and to such other terms & conditions as the State Government may from time to time consider necessary.

47. Finance lease

As lessee:

The Group has evaluated certain arrangements for processing of raw materials based on facts and circumstances existing at the date of transition to Ind AS and have identified them in the nature of lease as the fulfillment of the arrangements depend upon a specific asset and the Group has committed to obtain substantially all the production capacity of the asset. After separating lease payments from the other elements in these arrangements, the Group has recognized plant and equipment and building as asset taken on finance lease (refer note 4). In certain arrangements related to purchase or processing of raw materials, the Company also has an option to purchase the said assets at the end of the lease term.

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The minimum lease payments and the present value of minimum lease payments as at 31 March 2019 in respect of aforesaid plant and equipment acquired under the finance leases are as follows:

Rs. in crores

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Not later than one year	486	419	260	221
Later than one year but not later than five years	1,775	1,875	1,227	1,380
Later than five years	773	322	470	180
Total	**3,034**	**2,616**	**1,957**	**1,781**
Less: future finance charges	1,077	835		
Present value of minimum lease payments	**1,957**	**1,781**		

48. During the previous year, the Group had surrendered one of its iron ore mines in Chile considering its economic viability and accordingly had reassessed the recoverability of the carrying amounts of Property, Plant and Equipment, Goodwill and advances pertaining to the said iron ore mine and recognised an impairment provision of Rs. 264 crores which had been disclosed as an exceptional item in the consolidated financial statements.

The provision of Rs 264 crores includes Rs. 76 crores towards Property, Plant and Equipment, Rs. 166 crores towards Goodwill and Rs. 22 crores towards Advances.

49. In assessing the carrying amounts of Goodwill, PPE, Capital work in progress (CWIP), Leasehold land, Inventories and Advances aggregating to Rs. 5,950 crores relating to certain businesses (listed below), the Company considered various factors as detailed there against, and concluded that they are recoverable.

i. PPE (including CWIP and advances) of Rs. 3,886 crores (Rs. 3,776 crores as at 31 March 2018) 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 16.1 %. In making the projections, reliance has been placed on estimates of future prices of steel, 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

ii. Goodwill, PPE, CWIP and capital advances of Rs. 471 crores (Rs. 443 crores as at 31 March 2018), Rs. 131 crores (Rs. 131 crores as at 31 March 2018) and Rs. 8 crores (Rs. 8 crores as at 31 March 2018) respectively relating to iron ore mines at Chile - Estimate of values of the assets by independent external valuers based on cash flow projections over a period of the lease at a pre-tax discount rate of 18.9 %/ implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore, mineable resources, assumptions relating to operational performance and availability of infrastructure facilities for mines.

iii. Goodwill, PPE, CWIP and Capital advances of Rs. 244 crores (Rs. 229 crores as at 31 March 2018), Rs. 421 crores (Rs. 394 crores as at 31 March 2018), Rs. 2 crores (Rs. Nil crores as at 31 March 2018) and Rs. 5 crores (Rs. Nil crores as at 31 March 2018) 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 18.0 %. In making the said projections, reliance has been placed on estimates of future prices of coal, mineable resources, and assumptions relating to operational performance, and availability of infrastructure facilities for mines.

iv. Integrated Steel Complex at Salboni, Bengal [PPE Rs. 229 crores (Rs. 117 crores as at 31 March 2018), CWIP Rs.15 crores (Rs. 146 crores as at 31 March 2018), leasehold land Rs. 74 crores (Rs. 75 crores as at 31 March 2018) and advances Rs. 148 crores (Rs. 148 crores as at 31 March 2018)] - 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.

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v. Integrated Steel Complex at Ranchi, Jharkhand [PPE Rs. 45 crores (Rs. 45 crores as at 31 March 2018), CWIP Rs. 31 crores (Rs. 31 crores as at 31 March 2018) and Advances Rs. 1 crore (Rs. 1 crore as at 31 March 2018)] - 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.

vi. Goodwill Rs. 24 crores (Rs. 24 crores as at 31 March 2018) and Inventories Rs. 121 crores (Rs. 121 crores as at 31 March 2018) relating to interest in a real estate property – Valuation of the property by an independent expert.

vii. PPE Rs. 87 crores including mining development and projects Rs. 76 crores (Rs. 81 crores including mining development and projects Rs. 79 crores as at 31 March 2018) and goodwill Rs. 7 crores (Rs. 7 crores as at 31 March 2018) 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.

50. Research and development activities

The manufacturing and other expenses include Rs. 37 crores (previous year – Rs. 29 crores) in respect of research and development activities undertaken during the year. Depreciation expenditure includes Rs. 13 crores (previous year – Rs. 12 crores) in respect of research and development activities undertaken during the year.

51. 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 31 March 2019	31 March 2018	Principal activity
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	India	50%	50%	Steel plant
Vijayanagar Minerals Private Limited	India	40%	40%	Supply of iron ore
Gourangdih Coal Limited	India	50%	50%	Coal mining company
AccialItalia S.p.A. (upto 16 April 2018)	Italy	-	35%	Trading in steel products
Geo Steel LLC	Georgia	49%	49%	Manufacturing of TMT rebar
Creixent Special Steels Limited (w.e.f 27 August 2018)	India	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%	-	Manufacturing & marketing of sponge iron, steel & Ferro alloys

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

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 is set out below. The summarized financial information below represents amounts shown in joint ventures financial statements prepared in accordance with Indian GAAP (adjusted by the Group for equity accounting purposes).

a) **Financial information of joint ventures as at 31 March 2019**

Rs. in crores

Particulars	JSW Severfield Structures Limited	JSW MI Steel Service Center	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 amortization	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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

b) Financial information of joint ventures as at 31 March 2018

Rs. in crores

Particulars	JSW Severfield Structures Limited	JSW MI Steel Service Center	JSW Vallabh Tin plate Private Limited	Geo Steel LLC	Accialtalia S.p.A
Current Assets	419	109	109	502	9
Non-current Assets	207	198	187	142	-
Current liabilities	459	40	170	298	9
Non-current liabilities	1	119	64	-	-
The above amount of assets and liabilities include the following:					
Cash and cash equivalents	@	45	@	141	1
Current financial liabilities (excluding trade and other payables and provisions)	74	32	75	44	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	119	63	-	-
Revenue	411	159	551	519	-
Profit / (loss) for the year	11	12	(2)	84	(39)
Other comprehensive income for the year	@	(2)	@	-	-
Total comprehensive income for the year	11	10	(2)	84	(39)
Dividends received from the joint venture during the year	-	-	-	-	-
The above profit / (loss) for the year include the following:					
Depreciation and amortization	15	4	12	15	-
Interest income	3	7	@	5	-
Interest expense	27	3	18	3	-
Income tax expense (income)	@	3	(1)	13	-
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	163	148	62	347	-
Proportion of the Group's ownership interest in the joint venture	50%	50%	50%	49%	35%
Other adjustments	-	-	-	-	-
Carrying amount of the Group's interest in the joint venture	81	74	31	170	-

@- between Rs. (0.50) crores to Rs. 0.50 crores

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a) Aggregate information of joint ventures that are not individually material

Rs. in crores

Particulars	As at 31 March 2019	As at 31 March 2018
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 Rs. (0.50) crores to Rs. 0.50 crores

52. 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 2019	31 March 2018	
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
Aferpi S.p.A. (w.e.f. 24 July 2018)	Italy	100%	-	Produces & distributes special long steel products
Piombino Logistics S.p.A. (w.e.f. 24 July 2018)	Italy	69.27%	-	Manages the logistic infrastructure of piombino's port area
GSI Lucchini S.p.A. (w.e.f 24 July 2018)	Italy	100%	-	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

Name of the subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		Principal activity
		31 March 2019	31 March 2018	
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
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%	-	Investment in steel related and steel allied businesses
JSW Steel (USA) Ohio, Inc. (w.e.f. 15 June 2018)	United States of America	100%	-	Manufacturing of slabs and hot rolled coils.
JSW Steel Processing Centres Limited	India	100%	100%	Steel service center
JSW Bengal Steel Limited	India	98.68%	98.68%	Steel plant
JSW Natural Resources India Limited	India	98.68%	98.68%	Mining related company
JSW Energy (Bengal) Limited	India	98.68%	98.68%	Power plant
JSW Natural Resource Bengal Limited	India	98.68%	98.68%	Mining related company
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
Dolvi Minerals & Metals Private Limited	India	100%	40%	Trading in steel and allied products
Dolvi Coke Private Limited	India	100%	40%	Coke oven plant
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

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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 2019	31 March 2018	
JSW Steel (Salav) Limited	India	100%	100%	Steel plant
JSW Utkal Steel Limited (w.e.f. 16 November 2017)	India	100%	100%	Steel plant
JSW Retail Limited (w.e.f. 20 September 2018)	India	100%	-	Trading in steel and allied products
Hasaud Steel Limited (w.e.f. 13 February 2018)	India	100%	100%	Investment in steel related activities
Milloret Steel Limited (Ceased w.e.f. 27 August 2018)	India	-	100%	Investment in steel related activities
Creixent Special Steels Limited (Ceased w.e.f. 27 August 2018)	India	-	100%	Investment in steel related & allied businesses and trading in steel products

Financial information of non-controlling interest as on 31 March 2019

Rs. 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 Rs. (0.50) crores to Rs. 0.50 crores

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Financial information of non-controlling interest as on 31 March 2018

Rs. in crores

Particulars	JSW Realty & Infrastructure Limited	Santa Fe Mining	JSW Steel (USA), Inc.	Dolvi Minerals & Metals Private Limited
Non-current assets	366	162	3,776	1,883
Current assets	10	20	803	277
Non-current liabilities	299	10	3,478	1,925
Current liabilities	49	363	571	280
Equity attributable to owners of the company	-	(134)	860	(18)
Non-controlling interest	28	(57)	(330)	(27)
Revenue	30	-	1,594	15
Expenses	145	111	1,909	19
Profit/ (loss) for the year	(91)	(111)	706	(78)
Profit / (loss) attributable to owners of the company	-	(78)	635	(31)
Profit / (loss) attributable to the non-controlling interest	(91)	(33)	71	(47)
Profit / (loss) for the year	(91)	(111)	706	(78)
Other comprehensive income attributable to owners of the company	-	-	-	@
Other comprehensive income attributable to the non-controlling interests	-	-	-	@
Other comprehensive income for the year	-	-	-	(1)
Total comprehensive income attributable to the owners of the company	-	(78)	635	(32)
Total comprehensive income attributable to the non-controlling interests	(91)	(33)	71	(47)
Total comprehensive income for the year	(91)	(111)	706	(79)
Net cash inflow / (outflow) from operating activities	39	(17)	(229)	(81)
Net cash inflow / (outflow) from investing activities	(72)	(19)	(24)	(205)
Net cash inflow / (outflow) from financing activities	34	36	241	306
Net cash inflow / (outflow)	1	-	(12)	20

@- between Rs. (0.50) crores to Rs. 0.50 crores

53. Subsequent events

a) The Company has raised US$ 500 million in April 2019 by the allotment of fixed rate senior unsecured notes ("Notes") in accordance with Regulation S of the U.S. Securities Act, 1933 as amended, and applicable Indian regulations. The Notes are listed on Singapore Exchange Securities Trading Limited.

b) On 24 May 2019 the board of directors recommended a final dividend of Rs. 4.10 per equity share be paid to shareholders for financial year 2018-19, which is subject to approval by the shareholders at the Annual General Meeting to be held on 25 July 2019. If approved, the dividend would result in a cash outflow of Rs. 1,195 crores inclusive of dividend distribution tax of Rs. 204 crores.

54. Previous year figures have been re-grouped / re-classified wherever necessary.

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55. Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Joint ventures as per Schedule III of Companies Act, 2013

Rs. 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	62.09	21,324	106.94	8,046	32.00	(16)	107.44	8,030
SUBSIDIARIES								
INDIAN								
JSW Steel Processing Centres Limited	0.23	80	0.35	26	-	@	0.35	26
JSW Bengal Steel – Group	1.19	410	(0.12)	(9)	-	@	(0.12)	(9)
Amba River Coke Limited	6.11	2,097	2.51	189	(14.00)	7	2.62	196
JSW Steel Coated Products Limited	6.85	2,351	1.71	129	(38.00)	19	1.98	148
JSW Steel Salav Limited	1.87	642	0.62	47	-	@	0.63	47
JSW Jharkhand Steel Limited	0.22	77	(0.05)	(4)	-	-	(0.05)	(4)
Peddar Realty Private Limited	0.43	147	0.03	2	-	-	0.03	2
Dolvi Minerals and Metals Private Limited – Group	0.06	22	(0.44)	(33)	-	@	(0.44)	(33)
JSW Realty & Infrastructure Private Limited	0.75	256	0.40	30	-	-	0.40	30
JSW Industrial Gases Private Limited	0.66	226	0.37	28	-	-	0.37	28
JSW Utkal Steel Limited	0.20	69	(0.01)	(1)	-	-	(0.01)	(1)
Hasaud Steel Limited	-	@	-	@	-	-	-	-
JSW Retail Limited	(0.00)	(1)	-	@	-	-	-	-
FOREIGN								
JSW Steel (Netherlands) B.V.	(1.50)	(516)	(0.56)	(42)	-	-	(0.56)	(42)
Periama Holding LLC – Group	12.65	4,344	(3.50)	(263)	-	-	(3.52)	(263)
JSW Panama Holdings Corporation - Group	2.13	733	-	@	-	-	-	-
JSW Steel (UK) Limited	0.39	133	(0.11)	(8)	-	-	(0.11)	(8)

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JSW STEEL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

Rs. 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
JSW Natural Resources Limited - Group	0.33	113	0.01	1	-	-	0.01	1
Arima Holding Limited	-	@	-	@	-	-	-	-
Lakeland Securities Limited	-	@	-	@	-	-	-	-
Erebus Limited	-	@	-	@	-	-	-	-
Nippon Ispat Singapore (PTE) Limited	-	@	-	-	-	-	-	-
JSW Steel Italy S.R.L. – Group	1.77	608	(2.09)	(157)	-	-	(2.10)	(157)
Acero Holdings Junction Inc. – Group	3.06	1,052	(4.16)	(313)	-	-	(4.10)	(313)
NON-CONTROLLING INTEREST IN ALL SUBSIDIARIES	(1.31)	(450)	(1.53)	(115)	52.00	(26)	(1.89)	(141)
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	0.39	133	0.13	10	-	-	0.13	10
Gourangdih Coal Limited	0.01	2	-	@	-	-	-	-
JSW MI Steel Service Center Private Limited	0.23	80	0.08	6	-	-	0.08	6
JSW Vallabh Tinplate Private Limited	0.08	29	(0.03)	(2)	-	-	(0.03)	(2)
Creixent Special Steels Limited - Group	0.52	178	(1.08)	(81)	-	-	(1.08)	(81)
FOREIGN								
Geo Steel LLC	0.59	204	0.51	38	-	-	0.51	38
Foreign currency translation reserve	-	-	-	-	68.00	(34)	(0.45)	(34)
Total	**100.00**	**34,345**	**100.00**	**7,524**	**100.00**	**(50)**	**100.00**	**7,474**

@ - Less than Rs. 0.50 crores

Note: The balances and amounts presented above are net of intercompany eliminations and consolidation adjustments.

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56. Standards issued but not yet effective

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 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 similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group is in the process of evaluating the effect of these amendments on the financial statements.

Amendments to other Ind ASs-

i. Amendments to Ind AS 109, Financial Instruments:

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

ii. Amendments to Ind AS 12, Income Taxes:

The first amendment requires an entity to create a corresponding liability for Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be.

The second amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not.

If there is uncertainty over tax treatment of an item an entity should predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty.

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iii. Amendment to Ind AS 19, Employee Benefits:

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement.

iv. Amendments to Ind AS 28, Investments in Associates and Joint Ventures:

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. According to the amendments, Ind AS 109 should be applied to the financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of the group's net investment in associate or joint venture, to which the equity method is not applied.

The Group is in the process of evaluating the effect of these amendments on the 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: 24 May 2019

For on behalf of Board of Directors

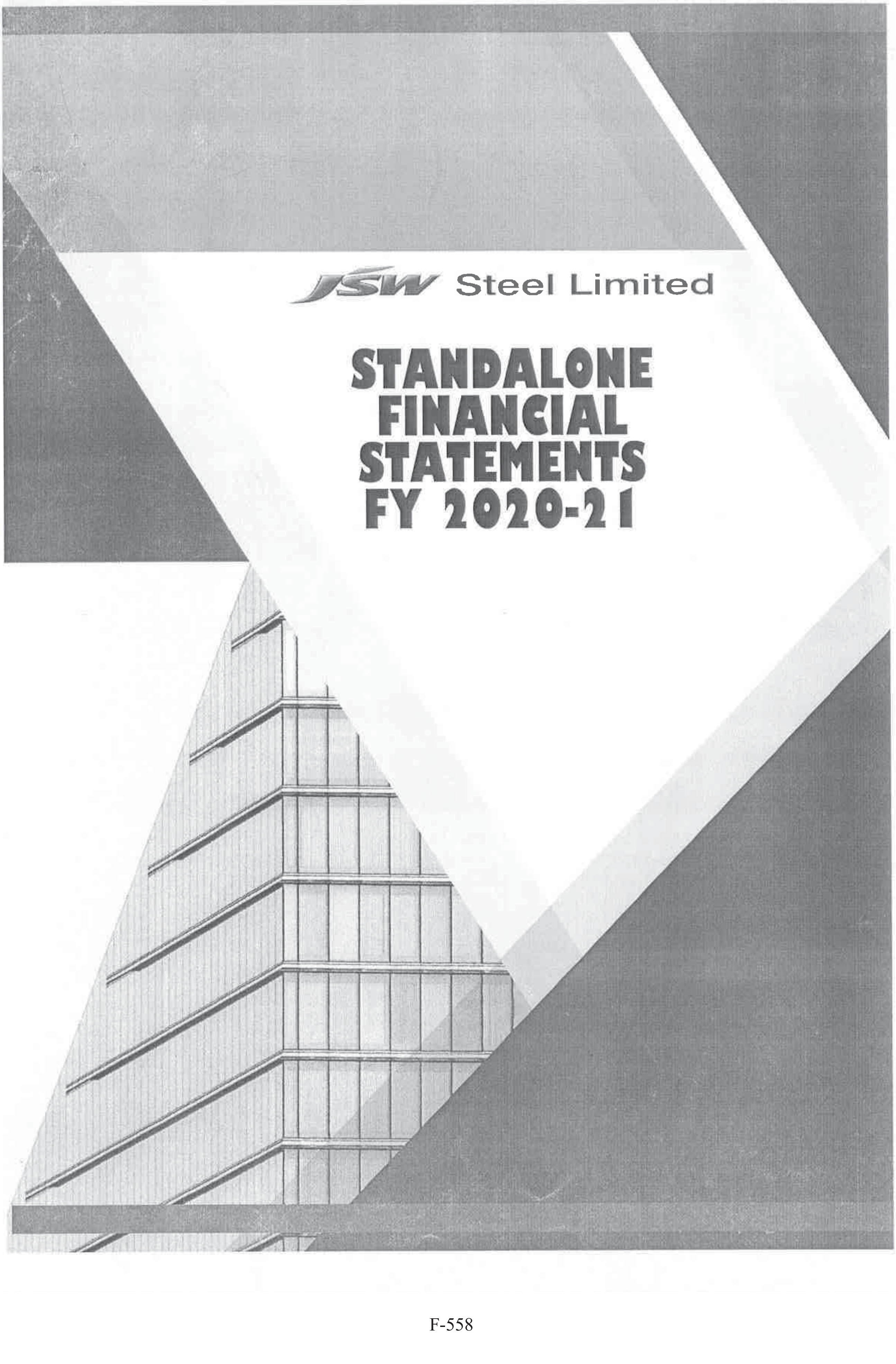
RAJEEV PAI
Chief Financial Officer

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: 24 May 2019



JSW Steel Limited

STANDALONE FINANCIAL STATEMENTS FY 2020-21

S R B C & CO LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of JSW Steel Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of JSW Steel Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, 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 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 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, 2021, 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 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 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 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 financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 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 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 financial statements.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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 Rs 2,056 crores. Further, the Company has also provided loans and/or guarantees to or on behalf of these subsidiaries and the joint venture amounting to Rs 14,133 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. The Company has also recognised impairment allowance of Rs 386 crores during the year ended March 31, 2021 in respect of investments, loans / advances given to certain overseas subsidiaries, as described in note 50 of the standalone Ind AS financial statements. Further, the Company has not recognised interest income of Rs 368 crores during the year from some of its subsidiaries due to uncertainty of recoverability of such income. 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: • Significance of the carrying amount of these balances. • 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. • 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 • We obtained and read management's assessment for impairment. • We performed test of controls over impairment process through inspection of evidence of performance of these controls. • We assessed the impairment model prepared by the management and the assumptions used, with particular attention to the following: - Benchmarking or assessing key assumptions used in the impairment models, including discount rates, risk free rate of return, long term growth rate and other key assumptions against external and internal data; - assessing the cash flow forecasts including possible impact on account of global pandemic through analysis of actual past performance, and comparison to previous forecasts; - testing the mathematical accuracy and performing sensitivity analyses of the models; and - understanding the commercial prospects of the assets/projects and comparison of assumptions with external data sources; • We assessed the competence, capabilities and objectivity of the experts used by 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. • We assessed the compliance of the disclosures made in note 48 of the standalone Ind AS financial statements with the accounting standards.

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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. 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. The amount of incentive recognised during the year amounts to Rs 462 crores and cumulative balance of these receivables amount to Rs 2,510 crores. We considered VAT deferral / refund incentive as a Key audit matter due to: • Significance of amount accrued during the year and carrying amount of these receivables as at March 31, 2021. • Significant judgement involved in assessment of the eligibility of incentive under the new GST regime.	Our audit procedures included the following: • 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. • We read eligibility certificates in respect of VAT deferral / refund incentives available to the Company. • We read the notification issued by the Government of Maharashtra (GoM) and Government of Karnataka (GoK) in respect of eligibility of VAT deferral / refund under the GST regime, guidelines for certification of the eligible incentive amount, modalities for sanction and disbursement of incentives. • We read letter dated October 18, 2019 issued by Director of Industries of Maharashtra for in-principle approval for issuance of eligibility certificate and letter dated March 19, 2021 by the Company for submission of appraisal report to Director of Industries of Maharashtra for availing incentive under PSI 2007 scheme. • We read the legal opinion obtained by the management for assessing the impact of new eligibility conditions and formula for determination of 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. • We involved specialists to assist us in reviewing and evaluating the management's assessment of latest Government Resolution issued by GoM. • We tested the calculation of incentives accrued for the year ended March 31, 2021.

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Key audit matters	How our audit addressed the key audit matter
<u>Capital Expenditure in respect of property, plant and equipment and capital work in progress</u> *(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. 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. We considered Capital expenditure as a Key audit matter due to: • Significance of amount incurred on such items during the year ended March 31, 2021. • Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment. • 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: • We obtained an understanding of the Company's capitalisation policy and assessed for compliance with the relevant accounting standards. • We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalisation of assets. • 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. • In relation to borrowing costs we obtained the supporting calculations, verified the inputs to the calculation and tested the arithmetical accuracy of the model. • We assessed accounting for costs incurred when projects are suspended or delayed for any reasons including the global pandemic. • 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: • the significance of transactions with related parties during the year ended March 31, 2021. • 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: • We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to capturing of related party transactions and management's process pf ensuring all transactions and balances with related parties have been disclosed in the standalone Ind AS financial statements.

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Key audit matters	How our audit addressed the key audit matter
	• 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. • 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. • We assessed management evaluation of compliance with the provisions of Section 177 and Section 188 of the companies Act 2013 and SEBI (LODR) 2015. • We evaluated the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.
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 Rs 3,675 crores in respect of disputed claims/ levies under various tax and legal matters and Rs 3,035 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. Taxation and litigation exposures have been identified as a key audit matter due to: • Significance of these amounts and large number of disputed matters with various authorities. • 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. We focused on this matter because of the potential financial impact on the standalone 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: • 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. • 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. • 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. • We involved tax specialists to assist us in evaluating tax positions taken by management. • We assessed the relevant disclosures made in the standalone Ind AS financial statements for compliance in accordance with the requirements of Ind AS 37.

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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 financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

(f) With respect to the adequacy of the internal financial controls with reference to these standalone 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, 2021 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 financial statements - Refer Note 45 to the standalone 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 Number: 105938
UDIN No: 21105938AAAACT7376

Place of Signature: Mumbai
Date: May 21, 2021

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 and audit procedures performed by us, 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 Rs 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 Rs 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, 2021 (Rs in crores)	
		Gross Block	Net Block
Land located at Maharashtra	12	9	9

(iii) freehold land aggregating to Rs 40 crores acquired pursuant to acquisition of Welspun PCMD business on March 31, 2021 the registration of title deeds is in progress.

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 and audit procedures performed by 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 Companies Act 2013 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.

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(b) According to the information and explanations given to us and audit procedures performed by 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 (Rs in crores) *	Period	Forum
The Central Excise Act, 1944	Excise Duty	97	2012-2015	High Court
		377	2001-2018	Central Excise Service Tax Appellate Tribunal (CESTAT)
		30	1998-2017	Commissioner/Joint Commissioner/Asst. Commissioner
The Custom Act, 1962	Custom Duty	225	2002-2012	High Court
		281	1995-2018	Central Excise Service Tax Appellate Tribunal (CESTAT)
		86	2000-2017	Commissioner (Appeals) / Joint Commissioner
Karnataka VAT, 2003	VAT	2	2006-2008	Joint Commissioner
The Central Sales Tax Act, 1956	CST	29	2011-2012	High Court
		40	2012-2013	Commissioner/Joint Commissioner
Karnataka Tax on Entry of Goods Act, 1979	Entry Tax	1	2016-2017	Commissioner
Maharashtra Value Added Tax, 2002	VAT	153	2011-2017	Commissioner (Appeals)/Joint Commissioner/Asst. Commissioner / Assessing Officer
Chapter V of the Finance Act, 1994	Service Tax	0.09	2006-2012	High Court
		98	1998-2016	Central Excise Service Tax Appellate Tribunal (CESTAT)
		57	2013-2017	Commissioner/Joint Commissioner
Income Tax Act, 1961	Income Tax	14	2014-2015	Commissioner (Appeals)

* 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 Rs 745 crores (net of amount paid under protest) and matters remanded back amounting to Rs 227 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.

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CHARTERED ACCOUNTANTS

ix. In our opinion and according to the information and explanations given by the management and audit procedures performed by us, monies raised by the company by way of debt instruments in the nature of non-convertible debentures, commercial papers 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 and audit procedures performed by us, 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 financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material 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 and audit procedures performed by us, 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 and audit procedures performed by us, 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 and audit procedures performed by us, 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 Number: 105938
UDIN No: 21105938AAAACT7376

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place of Signature: Mumbai
Date: May 21, 2021

Annexure 2 to the Independent Auditor's Report of even date on the standalone 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 with reference to standalone financial statements of JSW Steel Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these standalone 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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.

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Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vikram Mehta
Partner
Membership Number: 105938
UDIN No: 21105938AAAACT7376

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Place of Signature: Mumbai
Date: May 21, 2021

STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED AND AS AT 31 MARCH 2021

STANDALONE BALANCE SHEET AS AT 31 MARCH 2021

Rs. in crores

	Notes	As at 31 March 2021	As at 31 March 2020
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	46,167	46,117
(b) Capital work-in-progress	5	28,914	23,810
(c) Right-of-use assets	6	4,161	4,102
(d) Intangible assets	7	1,614	323
(e) Intangible assets under development	7	128	331
(f) Investments in subsidiaries, associates and joint ventures	8	6,676	4,757
(g) Financial assets			
(i) Investments	9	5,782	1,242
(ii) Loans	10	5,382	8,705
(iii) Derivative assets	17	110	-
(iv) Other financial assets	11	1,971	562
(h) Current tax assets (net)		230	340
(i) Other non-current assets	12	2,394	2,378
Total non-current assets		**103,529**	**92,667**
Current assets			
(a) Inventories	13	10,692	9,623
(b) Financial assets			
(i) Trade receivables	14	3,333	3,166
(ii) Cash and cash equivalents	15	11,121	3,438
(iii) Bank balances other than (ii) above	16	625	7,963
(iv) Loans	10	733	321
(v) Derivative assets	17	86	275
(vi) Other financial assets	11	1,348	2,794
(c) Other current assets	12	1,765	1,795
Total current assets		**29,703**	**29,375**
Total assets		**133,232**	**122,042**

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STANDALONE BALANCE SHEET AS AT 31 MARCH 2021 (Continued)

Rs.in crores

	Notes	As at 31 March 2021	As at 31 March 2020
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	302	301
(b) Other equity	19	46,675	38,061
Total equity		**46,977**	**38,362**
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	39,551	39,247
(ii) Lease liabilities	6	2,413	2,716
(iii) Derivative liabilities	27	57	130
(iv) Other financial liabilities	21	1,173	1,308
(b) Provisions	22	753	322
(c) Deferred tax liabilities(net)	23	3,095	1,315
(d) Other non-current liabilities	24	2,173	3,048
Total non-current liabilities		**49,215**	**48,086**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	1,285	6,813
(ii) Trade payables	26		
(a) Total outstanding, dues of micro and small enterprises		205	56
(b) Total outstanding, dues of creditors other than micro and small enterprises		11,945	13,298
(iii) Derivative liabilities	27	96	189
(iv) Lease liabilities	6	925	773
(v) Other financial liabilities	28	18,550	11,980
(b) Provisions	22	243	64
(c) Other current liabilities	29	3,254	2,302
(d) Current tax liabilities(net)		537	119
Total current liabilities		**37,040**	**35,594**
Total liabilities		**86,255**	**83,680**
Total equity and liabilities		**133,232**	**122,042**

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 : 21 May 2021

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date : 21 May 2021

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

SESHAGIRI RAO M.V.S
Jt.Managing Director & Group CFO
DIN 00029136

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

Rs. in crores

		Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
I	Revenue from operations		70,727	63,546
	Fees for assignment of procurement contract		-	250
	Government grant income – VAT/GST incentive relating to earlier years		-	466
	Total revenue from operations	30	**70,727**	**64,262**
II	Other income	31	669	628
III	**Total income (I + II)**		**71,396**	**64,890**
IV	**Expenses:**			
	Cost of materials consumed		28,743	33,073
	Purchases of stock-in-trade		199	420
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	(872)	(27)
	Mining premium and royalties		6,972	651
	Employee benefits expense	33	1,501	1,496
	Finance costs	34	3,565	4,022
	Depreciation and amortization expense	35	[illegible],781	[illegible],522
	Other expenses	36	14,925	16,132
	Total expenses		**58,814**	**59,289**
V	**Profit before exceptional items and tax (III-IV)**		**12,582**	**5,601**
VI	Exceptional items	53	386	1,309
VII	**Profit before tax (V-VI)**		**12,196**	**4,292**
VIII	**Tax expense/(credit):**	23		
	Current tax		2,162	789
	Deferred tax		1,641	(1,788)
			3,803	**(999)**
IX	**Profit for the year (VII-VIII)**		**8,393**	**5,291**

MUMBAI

JSW Steel Limited

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

Rs. in crores

		Notes	For the year ended 31 March 2021	31 March 2020
X	**Other comprehensive income**			
A	i) Items that will not be reclassified to profit or loss			
	(a) Re-measurements of the defined benefit plans		27	(19)
	(b) Equity instruments through other comprehensive income		385	(255)
	ii) Income tax relating to items that will not be reclassified to profit or loss		(10)	6
	Total (A)		**402**	**(268)**
B	i) Items that will be reclassified to profit or loss			
	(a) The effective portion of gains and loss on hedging instruments		369	(719)
	(b) Changes in Foreign Currency Monetary Item translation difference account (FCMITDA)			87
	ii) Income tax relating to items that will be reclassified to profit or loss		(129)	221
	Total (B)		**240**	**(411)**
	Total Other comprehensive income / (loss) (A+B)		**642**	**(679)**
XI	**Total comprehensive income (IX + X)**		**9,035**	**4,612**
XII	Earnings per equity share of Re. 1 each	38		
	Basic (in Rs.)		34.92	22.03
	Diluted (in Rs.)		34.72	21.89

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 : 21 May 2021

For and on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date : 21 May 2021

SESHAGIRI RAO M.V.S
Jt.Managing Director & Group CFO
DIN 00029136

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

A. Equity share capital

Rs. in crores

Particulars	Amount
As at 31.03.2019	301
Movement during the year	@
As at 31 March 2020	301
Movement during the year	@@
As at 31 March 2021	302

@ = Rs. 0.07 Crores

@@ = Rs. 0.34 Crores

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STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

B. Other equity

Rs. in crores

Particulars	Reserves and surplus							Items of Other Comprehensive Income/(Loss) (OCI)			Total
	Capital reserve	Securities premium reserve	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 01 April 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	-	-	242	-	-	-	(242)	-	-	-	-
Transfer from Debenture redemption reserve	-	-	-	(285)	-	-	285	-	-	-	-
Transfer to general reserve after exercise of options	-	-	-	-	-	(6)	6	-	-	-	-
Closing balance as at 31 March 2020	**4,359**	**5,439**	**774**	**-**	**17,709**	**122**	**9,944**	**148**	**(434)**	**-**	**38,061**
Profit for the year	-	-	-	-	8,393	-	-	-	-	-	8,393
Other comprehensive income for the year, net of income tax	-	-	-	-	17	-	-	385	240	-	642
Dividend including dividend distribution tax	-	-	-	-	(483)	-	-	-	-	-	(483)
Impact of ESOP trust consolidation	-	-	-	-	42	-	-	-	-	-	42
Recognition of share-based payments	-	-	-	-	-	20	-	-	-	-	20
Transfer to general reserve after exercise of options	-	-	-	-	-	(25)	25	-	-	-	-
Closing balance As at 31 March 2021	**4,359**	**5,439**	**774**	**-**	**25,678**	**117**	**9,969**	**533**	**(194)**	**-**	**46,675**

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

Partner
Membership No.:105938
Place: Mumbai
Date : 21 May 2021

MUMBAI

RAJEEV PAI
Chief Financial Officer

Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date : 21 May 2021

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

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

Rs. in crores

	For the year ended			
	31 March 2021		31 March 2020	
Cash flow from operating activities				
Net profit before tax		12,196		4,292
Adjustments for :				
Depreciation and amortisation expenses	3,781		3,522	
Loss on sale of property, plant & equipment (net)	30		29	
Gain on sale of financial investments designated as FVTPL	(6)		(4)	
Interest income	(593)		(528)	
Gain arising of financial instruments designated as FVTPL	(6)		(16)	
Unwinding of interest on financial assets carried at amortised cost	(51)		(45)	
Dividend income	(9)		(31)	
Interest expense	3,410		3,831	
Share based payment expense	20		37	
Export obligation deferred income amortisation	(239)		(140)	
Unrealised exchange gain/(loss)	(415)		566	
Allowance for doubtful debts, loans, advances and others	58		96	
Loss arising from Financial instruments designated as FVTPL	19		17	
Non-cash expenditure	-		14	
Exceptional Items	386		1,309	
		6,385		**8,657**
Operating profit before working capital changes		**18,581**		**12,949**
Adjustments for :				
(Increase) / Decrease in inventories	(1,069)		1,192	
(Increase) / Decrease in trade receivables	(183)		3,514	
(Increase) in other assets	(178)		(1,393)	
(Decrease) in trade payable	(1,203)		(373)	
(Decrease)/ Increase in other liabilities	3,252		(873)	
Increase in provisions	193		80	
		812		**2,147**
Cash flow from operations		**19,393**		**15,096**
Income taxes paid (net of refund received)		(1,660)		(986)
Net cash generated from operating activities (A)		**17,733**		**14,110**
Cash flow from investing activities				
Purchase of property, plant & equipment, intangible assets (including under development and capital advances)		(6,715)		(10,740)
Proceeds from sale of property, plant & equipment		13		41
Investment in subsidiaries and joint ventures including advances, preference shares and optionally fully convertible debentures		(5,785)		(939)
Loans to related parties		(4,277)		(1,623)
Loans repaid by related parties		6,181		1,236
Purchase of current investments		(600)		(762)
Sale of current investments		606		765
Bank deposits not considered as cash and cash equivalents (net)		7,427		(7,524)
Interest received		532		423
Dividend received		9		31
Net cash used in investing activities (B)		**(2,609)**		**(19,092)**

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Rs. in crores

	For the year ended	
	31 March 2021	31 March 2020
Cash flow from financing activities		
Proceeds from sale of treasury shares	39	107
Payment for purchase of treasury shares	-	(101)
Proceeds from non-current borrowings	9,365	18,561
Repayment of non-current borrowings	(6,053)	(10,320)
Proceeds from/Repayment of current borrowings (net)	(5,528)	1,443
Repayment of lease liabilities	(776)	(503)
Interest paid	(4,005)	(4,371)
Dividend paid (including corporate dividend tax)	(483)	(1,190)
Premium paid on redemption of debentures	-	(572)
Net cash used in financing activities (C)	**(7,441)**	**3,054**
Net increase in cash and cash equivalents(A+B+C)	**7,683**	**(1,928)**
Cash and cash equivalents - opening balances	**3,438**	**5,366**
Cash and cash equivalents - closing balances (note 15)	**11,121**	**3,438**

Reconciliations part of cash flows

Rs. in crores

Particulars	1 April 20	Cash flows(net)	Foreign exchange (Gain)/Loss	Changes in fair values	New leases	Other	31 March 21
Borrowings (including Current maturities of long term borrowing included in other financial liabilities note 28)	44,356	3,312	(555)	(692)	-	49#	46,470
Lease liabilities (including Current maturities)	3,489	(776)	-	-	626	-	3,339
Borrowings (Current)	6,813	(5,528)	-	-	-	-	1,285

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STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

Rs. in crores

Particulars	**1 April 19**	**Cash flows(net)**	**Foreign exchange (Gain)/Loss**	**Changes in fair values**	**New leases**	**Other**	**31 March 20**
Borrowings (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

#Other comprises of Upfront Fees Amortization, Interest Cost accrual on deferred sales tax loan and preference shares

Notes:
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 : 21 May 2021

For and on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
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LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date : 21 May 2021

SESHAGIRI RAO M.V.S
Jt.Managing Director & Group CFO
DIN 00029136

S R B C & CO LLP
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

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. The Company has entered into long term lease arrangements of iron ore mines located at Odisha and Karnataka.

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, 2021, 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 21 May, 2021.

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

MUMBAI

of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized 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 realized 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 realized 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.

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III. Revenue recognition

A. Sale of Goods

The Company recognizes 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 recognized 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

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.

ii) Trade receivables

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).

iii) 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

iv) 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

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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.

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.

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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.

The Company accounts for sale and lease back transaction, recognising right-of-use assets and lease liability, measured in the same way as other right-of-use assets and lease liability. Gain or loss on the sale transaction is recognised in statement of profit and loss.

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. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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 Rs. 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).

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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 recognized in the financial statements for the year ended 31 March, 2016 prepared under previous GAAP, are capitalized 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 / upto the date of settlement of such monetary item, whichever is earlier, but not beyond 31 March 2020 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.

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.

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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 recognized 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 fulfillment 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 recognizes 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.

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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 38.

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 recognized at cost and deducted from Equity. No gain or loss is recognized 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 recognized in capital reserve. Share options exercised during the reporting year are satisfied with treasury shares.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax 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 recognized 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.

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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 recognized 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 recognized 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.

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Class of assets	Years
Plant and equipment	8 to 40 years
Work-rolls (shown under Plant and equipment)	1 - 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 acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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 & Licenses	3-5 years

Mining assets are amortised using unit of production method over the entire lease term.

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.

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XIII. Mining Assets

Acquisition Costs

The cost of Mining Assets capitalised includes costs associated with acquisition of licenses and rights to explore, stamp duty, registration fees and other such costs.

Bid premium and royalties payable with respect to mining operations is contractual obligation. The said obligations are variable and linked to market prices. The Company has accounted for the same as expenditure on accrual basis as and when related liability arises as per respective agreements/ statute.

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:

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 realized in the form of inventories.

Other production stripping cost incurred are expensed in the statement of profit and loss.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

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 amortisation 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 are reviewed periodically

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.

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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 labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost of iron ore inventory includes cost of mining, bid premium, royalties and other manufacturing overheads. Cost of traded goods include purchase cost and inward freight.

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 recognized 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. However, before a separate provision for an onerous contract is established, the Company recognises any write down that has occurred on assets dedicated to that contract. 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. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

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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.

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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 recognized in the Other Comprehensive Income (OCI). However, the Company recognizes 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 classified as 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 recognized 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 recognized 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 recognized in statement of profit and loss. The net gain or loss recognized 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 recognized 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.

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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.

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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 recognized 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.

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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 recognized 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 recognized 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

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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.

C. Derivative Instruments and Hedge Accounting

a) 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.

b) 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.

c) 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

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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 recognized 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 recognized 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.

When the Company designates only the intrinsic value of the option as the hedging instrument, it account for the changes in the time value in OCI. This amount is be removed from OCI and recognised in P&L, either over the period of the hedge if the hedge is time related, or when the hedged transaction affects P&L if the hedge is transaction related.

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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

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**

Acquisition of business has been accounted for using the acquisition method. The consideration transferred in business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Company to the former owners of the acquiree and consideration paid by the Company in exchange for control of the acquiree.

Acquisition related costs are recognised in the statement of profit and loss

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.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 utilization 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 recognized. The cases which have been determined as remote by the Company are not disclosed.

Contingent assets are neither recognized 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 judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

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v) Provision for site restoration

Provision for site restoration are estimated case-by-case based on available information, taking into account applicable local legal requirements. The estimation is made using existing technology, at current prices, and discounted using an appropriate discount rate where the effect of time value of money is material. Management reviews all assumptions annually and any changes is accounted accordingly.

vi) 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 previous 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. During the year, the Company has re-assessed the impact of the Ordinance and there is no significant change in the measurement arising of the said assessment.

vii) Relating to the global health pandemic from COVID-19

The Company has assessed the possible impact of COVID-19 in assessing the recoverability of carrying amounts of Company's assets such as property, plant & equipment, investments and other assets etc., considering the 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, fair values and 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 continues to monitor any material changes to the 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

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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 73.94% of preference share capital amounting to Rs. 313 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 JSW Ispat Special Products Limited (Formerly known as 'Monnet Ispat and Energy Limited')

The consortium of JSW Steel Limited and AION Investments Private II Limited completed the acquisition of JSW Ispat Special Products Limited ('JSWISPL') 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 Rs. 375 crores through equity and redeemable preference shares in CSSL to acquire joint control in JSWISPL and have an effective shareholding of 23.1% in JSWISPL.

As per the Shareholding agreement, all the relevant activities of CSSL that affect the Company's variable returns from its involvement with CSSL/ JSWISPL 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) Joint control over Bhushan Power and Steel Limited

The Company along with JSW Shipping and Logistics Private Limited ("JSLPL") completed the acquisition of BPSL through their jointly controlled entity Piombino Steel Limited ("PSL") on 26 March 2021. The Company has made an investment of Rs. 5,087 crores through equity and optionally convertible instruments in PSL to acquire joint control in BPSL and holds 49% equity in BPSL.

As per the Shareholding agreement, all the relevant activities of PSL that affect the Company's variable returns from its involvement with PSL/BPSL 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 PSL.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

v) 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 recognized grant income without giving effect to the above restrictions and the cumulative amount receivable towards the same is considered to be good and recoverable.

vi) Commitment under MDPA arrangement

The Mine development and production agreement ('MDPA')signed with respect to four mine blocks in Odisha stipulates that the Company is required to fulfil certain minimum production quantities each year from commencement of mining lease. In the event the Company is unable to fulfil the required minimum production quantities, it would be liable to pay penalty, as prescribed in the MDPA, by appropriating the performance security given by the Company.

While determining the minimum production requirements of one of the mines for initial two years, Government of Odisha has erroneously considered production quantities of erstwhile lessee including quantities of dump rework, (which was not considered in the tender document of the said mine). Accordingly, the Company has requested amendment/correction in the production quantities considered in the MDPA to re-determine the minimum production required in the initial two years which is under consideration by the Government of Odisha.

Based on legal evaluation, the Company believes that MDPA would get rectified and after considering the expected production quantities in the remaining period, there would not be any shortfall in minimum production as required under MDPA. Accordingly, no provision has been recognised in financial statements as at 31 March 2021.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

4. Property, Plant and Equipment

Rs. 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	Tangibles Total
Cost/deemed cost										
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**
Additions	39	-	278	-	1,897	-	10	11	17	2,252
Additions pursuant to business combination (refer note 50)	40	-	95	-	715	-	-	-	-	850
Deductions	-	-	5	-	449	-	-	7	1	462
Other adjustments (refer note c)	-	-	-	-	58	-	-	-	-	58
At 31 March 2021	**1,122**	**-**	**7,766**	**-**	**53,028**	**-**	**135**	**156**	**107**	**62,314**
Accumulated depreciation										
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**
Depreciation	-	-	316	-	2,705	-	12	15	15	3,063
Deductions	-	-	5	-	405	-	-	4	1	415
At 31 March 2021	**-**	**-**	**1,779**	**-**	**14,156**	**-**	**75**	**68**	**69**	**16,147**
Net book value										
At 31 March 2021	**1,122**	**-**	**5,987**	**-**	**38,872**	**-**	**60**	**88**	**38**	**46,167**
At 31 March 2020	1,043	-	5,930	-	38,951	-	62	95	36	46,117

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

Notes:

Rs.in crores

Description		As at 31 March 2021	As at 31 March 2020
a) Freehold land which is yet to be registered in the Company's name*	Acre	147	19
	Deemed cost	49	9
b) Freehold land and buildings which has been/agreed to be hypothecated/mortgaged to lenders of related parties	Deemed cost	267	275
c) Other adjustments comprises:			
Borrowing cost	Rs. in Crores	43	2
Foreign exchange loss / (gain) (including regarded as an adjustment to borrowing costs)	Rs. in Crores	15	296

*includes land acquired pursuant to business combination from Welspun Corp Limited on 31 March 2021 (refer note 50)

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	5 years to 30 years
Land at Dolvi along with certain buildings	178 acres	15 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	10 years
Hospital premises at Vijayanagar	81,500 sq. feet	20 years

*includes 440 acres of land classified as right-of-use assets in note 6.

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 2021	As at 31 March 2020
Land		
Cost/Deemed cost*	130	138
Building		
Cost/Deemed cost	233	233
Accumulated depreciation	31	24
Depreciation for the year	7	6

*includes Rs 16 crores of land classified as right-of-use assets in note 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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

f) Property, plant and equipment includes proportionate share (50%) of assets under joint operation as below

Rs.in crores

Particulars	Buildings (Owned)	Plant and Equipment (Owned)
Cost/deemed cost		
At 1 April 2019	**476**	**7**
Additions	-	-
At 31 March 2020	**476**	**7**
Additions	-	-
At 31 March 2021	**476**	**7**
Accumulated depreciation		
At 1 April 2019	**64**	**2**
Depreciation	16	1
At 31 March 2020	**80**	**3**
Depreciation	16	1
At 31 March 2021	**96**	**4**
Net book value		
At 31 March 2021	**380**	**3**
At 31 March 2020	396	4

5. Capital work in progress includes exchange fluctuation loss (including regarded as an adjustment to borrowing costs) of Rs. 46 crores (previous year Rs. 881 crores) and borrowing cost (net off interest income) of Rs. 720 crores (previous year Rs. 574 crores) capitalised during the year.

6. Right-of-Use assets and Lease liability

Rs. 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**
Additions	-	-	629	629
Deductions	-	-	-	-
Depreciation expense	4	17	549	570
At 31 March 2021	**429**	**88**	**3,644**	**4,161**

Leasehold land aggregating to Rs. 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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

Lease Liabilities

Particulars	Rs. 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**
Additions	625
Interest accrued	351
Lease principal payments	(776)
Lease interest payments	(351)
At 31 March 2021	**3,338**

Breakup of lease liabilities:

Rs. in crores

Particulars	At 31 March 2021	At 31 March 2020
Current	925	773
Non-current	2,413	2,716
Total lease liabilities	**3,338**	**3,489**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 on an undiscounted basis:

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Less than 1 year	1,240	1,105
1-5 years	2,138	2,761
More than 5 years	1,177	883
	4,555	**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 Rs. 452 crores (Rs. 436 crores in 31 March 2020) shown under cost of material consumed/ other expenses.

The Company has recognized Rs. 7 crores as rent expenses during the year which pertains to short term lease/ low value asset which was not recognized as part of right of use asset and also recognised a gain of Rs. 1 crore 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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

7. Intangible assets

Rs. in crores

Particulars	Computer software	License fees	Mining Assets	Total
Cost/deemed Cost				
At 31 March 2019	121	26	123	**270**
Additions	33	-	154	187
At 31 March 2020	**154**	**26**	**277**	**457**
Additions (refer note i)	26	-	1,413	1,439
At 31 March 2021	**180**	**26**	**1,690**	**1,896**
Accumulated amortisation				
At 31 March 2019	**71**	**19**	**8**	**98**
Amortization	17	5	14	36
At 31 March 2020	**88**	**24**	**22**	**134**
Amortization	26	1	121	148
At 31 March 2021	**114**	**25**	**143**	**282**
Net book value				
At 31 March 2021	**66**	**1**	**1,547**	**1,614**
At 31 March 2020	66	2	255	323

(i) The Company acquired mining blocks viz: -Nuagaon, Narayanposhi, Jajang and Ganua in the Auctions held by the Government of Odisha in February 2020. The Company has signed the Mine Development and Production agreement(s) for all the four blocks and executed the lease deed(s) with Government of Odisha after complying with all regulatory aspects. Acquisition cost incurred for these mines such as stamp duty, registration fees and other such costs amounting to Rs. 817 crores have been capitalized as Intangible Assets. Further, the Company had also paid upfront premium payment amounting to Rs. 1,290 crores which was subsequently adjusted against the premium payment due to the Government. The Company had started mining operations at all the above said blocks since 1 July 2020. The Company has also recognised restoration liability and capitalised Rs. 443 crores during the year.

(ii) Intangible assets under development include expenditure incurred on development of mining rights and other related costs for mines which are yet to be made operational.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

8. Investments in subsidiaries, associates and joint ventures

Particulars	Paid up value	As at 31 March 2021 No. of shares	As at 31 March 2021 Rs. in crores	As at 31 March 2020 No. of shares	As at 31 March 2020 Rs. in crores
A Investment in equity instruments					
Unquoted					
Subsidiaries (at cost or deemed cost)					
Amba River Coke Limited (refer note a)	Rs. 10 each	93,18,98,670	932	93,18,98,670	932
JSW Bengal Steel Limited	Rs. 10 each	47,74,05,000	512	45,22,05,000	449
JSW Jharkhand Steel Limited	Rs. 10 each	9,63,96,423	96	9,30,33,853	93
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	Rs. 10 each	80,00,50,000	2,064	80,00,50,000	2,064
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	Rs. 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	Rs. 10 each	9,20,83,826	267	9,20,83,826	267
JSW Utkal Steel Limited	Rs. 10 each	9,34,64,400	97	4,97,49,000	50
Acero Junction Holdings, Inc.	USD 0.001 each	100	536	100	536
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 One Platforms Limited (formerly known as JSW Retail Limited)	Rs. 10 each	10,000	^	10,000	^
Vardhman Industries Limited	Rs. 10 each	45,00,000	5	45,00,000	[illegible]
JSW Vallabh Tinplate Private Limited	Rs. 10 each	3,82,56,827	65	2,50,19,600	[illegible]
Piombino Steel Limited (refer note 49)	Rs. 10 each	-	-	77,95,786	[illegible]
JSW Vijayanagar Metallics Limited	Rs. 10 each	49,71,000	5	10,000	^

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

	Particulars	Paid up value	As at 31 March 2021		As at 31 March 2020	
			No. of shares	Rs. in crores	No. of shares	Rs. in crores
	Joint ventures (at cost or deemed cost)					
	Gourangdih Coal Limited	Rs. 10 each	24,50,000	2	24,50,000	2
	JSW MI Steel Service Centre Private Limited	Rs. 10 each	6,65,00,000	67	6,65,00,000	67
	JSW Severfield Structures Limited	Rs. 10 each	19,79,37,940	198	19,79,37,940	198
	Rohne Coal Company Private Limited	Rs. 10 each	4,90,000	[illegible]	4,90,000	[illegible]
	Creixent Special Steels Limited	Rs. 10 each	48,00,000	25	48,00,000	25
	JSW Ispat Special Products Limited (Formerly known as 'Monnet Ispat and Energy Limited')	Rs. 10 each	399	&&&	399	&&&
	Vijayanagar Minerals Private Limited	Rs. 10 each	4,000	@	4,000	@
	Piombino Steel Limited (refer note b & 49)	Rs. 10 each	98,00,00,000	1,117	-	-
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	^^^
C	**Investments in debentures of subsidiary companies at cost**					
	JSW Steel Coated Products Limited	0.1% compulsorily convertible debentures of Rs 52 each	12,50,00,000	650	-	-
D	**Investment in share warrants of Joint Venture**					
	Piombino Steel Limited (refer note 49)	Share warrants of Rs 0.02 each exercisable within 5 years for 1 equity share against 1 warrant	3,50,00,00,000	7		
	Total			**6,714**		**4,794**
	Less: Aggregate amount of provision for impairment in the value of investments			(38)		(37)
				6,676		**4,757**
	Unquoted					
	Aggregate carrying value			**6,676**		**4,757**

***** Rs. 0.25 Crore $$$ Rs. 0.27 Crore @@ Rs. 0.22 Crore "" Rs. 0.49 Crore ^^^ Rs. 0.01 Crore @ Rs. 40,000 & $1 @@@ Rs. 0.50 Crore ^ Rs. 0.01 Crore**
^^ Rs. 0.19 Crore && Rs. 0.19 Crore $$ Rs. 0.01 Crore &&& Rs. 3,990

Note:

a) 30,43,73,882 shares (as at 31 March 2020 30,43,73,882 shares) are pledged to the Amba River & Coke Limited (ARCL)'s banker.

b) 98,00,00,000 shares (as at 31 March 2020 NIL shares) are pledged to the Piombino Steel Limited's banker.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

9. Investments (non-current)

	Particulars	Paid up value	As at 31 March 2021		As at 31 March 2020	
			No. of shares	Rs. in crores	No. of shares	Rs. in crores
A	**Investment in equity instruments**					
	Quoted-Others (at fair value through OCI)					
	Fully paid up					
	JSW Energy Limited	Rs. 10 each	8,53,63,090	750	8,53,63,090	364
	Unquoted					
	Others (at fair value through OCI)					
	Toshiba JSW Power Systems Private Limited	Rs. 10 each	1,10,00,000	-	1,10,00,000	-
	MJSJ Coal Limited	Rs. 10 each	1,04,61,000	9	1,04,61,000	9
	SICOM Limited	Rs. 10 each	6,00,000	5	6,00,000	5
	Kalyani Mukand Limited	Rs. 1 each	4,80,000	$	4,80,000	$
	Ispat Profiles India Limited	Rs. 1 each	15,00,000	$	15,00,000	$
				764		**378**
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	217
	JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of Rs. 100 each	1,99,15,000	103	1,99,15,000	99
	JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of Rs. 100 each(Series 1)	50,00,000	39	50,00,000	37
	JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of Rs. 100 each(Series 2)	53,00,000	30	53,00,000	29
	JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of Rs. 100 each	2,14,000	**	2,14,000	1
	JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of Rs. 100 each (Series 3)	8,68,000	2	-	-
	Vardhman Industries Limited	10% p.a. Compulsorily convertible Debentures	5,90,00,000	59	5,90,00,000	59
	Joint ventures					
	Rohne Coal Company Private Limited	1% non-cumulative of Rs. 10 each	2,36,42,580	-	2,36,42,580	-
	Rohne Coal Company Private Limited	1% Series-A non-cumulative of Rs. 10 each	71,52,530	$$	71,52,530	3

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

	Rohne Coal Company Private Limited	1% Series-B non-cumulative of Rs. 10 each	19,94,686	2	14,61,[illegible]	2
	Piombino Steel Limited (refer note 49)	6% optionally fully convertible, non-cumulative of Rs. 10 each for a term of 10 years	4,10,00,00,000	4,100	-	-
				4,553		**447**
C	**Investments in preference shares**	**Terms**				
	Unquoted - (at amortised cost)					
	Joint ventures					
	Creixent Special Steels Limited	0.01% redeemable, cumulative of Rs. 10 each	17,19,69,200	232	17,19,69,200	206
	Creixent Special Steels Limited	0.01% redeemable, cumulative of Rs. 10 each	19,83,00,410	233	19,83,00,410	211
	JSW Ispat Special Products Limited (Formerly known as 'Monnet Ispat and Energy Limited')	0.01% compulsorily convertible, non-cumulative of Rs. 10 each	601	@	601	@
				465		**417**
D	**Investments in Government securities (unquoted- Others) (at amortised cost)**					
	National Savings Certificates			^^		^^
	(Pledged with commercial tax department)					
	Total (A+B+C+D)			**5,782**		**1,242**
	Quoted					
	Aggregate book value			**750**		**364**
	Aggregate market value			**750**		**364**
	Unquoted					
	Aggregate carrying value			**5,032**		**878**
	Investment at amortised cost			**465**		**417**
	Investment at fair value through other comprehensive income			**764**		**378**
	Investment at fair value through profit and loss			**4,553**		**447**

^^ Rs. 0.07 crore $ Rs. 1 @ Rs. 6,010 **Rs 0.49 crore $$ Rs 0.05 crore

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

10. Loans (Unsecured)

Rs. in crores

Particulars	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Loans				
to related parties*	6,478	602	9,108	100
to other body corporate	9	-	9	-
Security deposits	510	131	609	221
Less : Allowance for doubtful loans (Considered doubtful)	(1,615)	-	(1,021)	-
Total	**5,382**	**733**	**8,705**	**321**
Note :				
Considered good	5,382	733	8,705	321
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	1,606	-	1,012	-

*Loans are given for business purpose. Refer note 44 for terms of Loan

Movement in Allowance for doubtful loans

	Rs. in crores
As at 01 April 2019	**685**
Provision written back due to repayment of loan	(326)
Additional provision made during the year (refer note 53)	605
Additional provision transferred from guarantee towards incremental loan (refer note a)	57
As at 31 March 2020	**1,021**
Additional provision made during the year (refer note 53)	330
Additional provision transferred from guarantee towards incremental loan (refer note a)	264
As at 31 March 2021	**1,615**

(a) 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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

Details of loans and advances in the nature of loans to related parties:

Rs. in crores

Name of Company	As at 31 March 2021		As at 31 March 2020	
	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding
JSW Steel (Netherlands) B.V	1,128	1,073	1,326	267
JSW Natural Resources Limited	146	142	138	138
Inversiones Eurosh Limitada	807	807	803	803
Periama Holdings, LLC	6,939	1,796	6,134	6,134
JSW Steel UK Limited	16	16	13	13
Arima Holding Limited	#	#	#	#
Lakeland Securities Limited	#	#	#	#
Erebus Limited	#	#	#	#
Acero Junction Holdings, Inc.	2,291	2,256	1,511	1,511
JSW Ispat Special Products Limited (Formerly known as 'Monnet Ispat and Energy Limited')	215	215	215	215
JSW Global Business Solutions Limited	13	10	16	13
JSW Steel Italy Piombino S.p.A. (Formerly known as Acciaierie e Ferriere di Piombino S.p.A.)	92	88	85	85
JSW Steel Coated Products Limited	900	500	-	-
Nippon Ispat Singapore (Pte) Limited	3	3	3	3
Creixent Special Steels Limited	3	3	1	1
Bhushan Power & Steel Limited (Erstwhile Makler Private Limited merged with Bhushan Power & Steel Limited)	134	134	-	-
JSW Realty & Infrastructure Private Limited	60	31	16	16
Sante Fe Mining	2	2	2	2
JSW Steel (USA), Inc	3	3	3	3
JSW Bengal Steel Limited	1	#	1	1
JSW Severfield Structures Limited	#	#	#	#
JSW Jharkhand Steel Limited	#	#	#	#
Gourangdih Coal Limited	#	#	#	#

represents amounts below Rs. 0.50 crore

11. Others financial assets (Unsecured)

Rs. in crores

Particulars	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Export benefits and entitlements	1	140	1	78
Advance towards equity share capital / preference shares	4	-	101	-
Government grant income receivable (refer note 30a)	1,489	1,021	326	2,414
Interest receivable on				
- Loans to related parties	238	761	118	685
- Others	-	8	-	115
Indirect tax balances refund due	-	22	-	22
Others	239	45	16	70
Less: Allowance for doubtful receivables	-	(649)	-	(590)
Total	**1,971**	**1,348**	**562**	**2,794**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

Movement in Allowance for doubtful receivables

	Rs. in crores
At 01 April 2019	-
Additional provision for Interest receivable from related party (refer note 53)	586
Additional provision for export incentives	4
At 31 March 2020	**590**
Provision written back	(1)
Additional provision for Interest receivable from related party (refer note 53)	60
At 31 March 2021	**649**

12. Other assets

Rs. in crores

Particulars	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Capital advances	598	-	843	-
Less : Allowance for doubtful advances	(7)	-	(7)	-
Other Advances				
Advance to suppliers	271	937	271	1,042
Export benefits and entitlements	56	127	56	75
Security deposits	35	25	37	37
Indirect tax balances/recoverable/credits (refer note a)	1,649	509	1,381	449
Prepayments and others	62	182	59	198
Less : Allowance for doubtful advances	(270)	(15)	(262)	(6)
Total	**2,394**	**1,765**	**2,378**	**1,795**
Other Assets constitute:				
Capital advances				
Considered good	591	-	836	-
Considered doubtful, provided	7	-	7	-
Others				
Considered good	1,803	1,765	1,543	1,795
Considered doubtful, provided	270	15	262	6
Advances to suppliers	260	-	252	-
Prepayment and others	7	15	7	6
Indirect tax balances/recoverable/credits	3	-	3	-

a. Maharashtra Electricity Regulation Commission (MERC) has approved levy of additional surcharge of Rs. 1.25/kWh w.e.f. September 1, 2018 to all the consumers sourcing power from Captive power plants. The Company had appealed against the levy in Appellate Tribunal for electricity (APTEL) and the APTEL passed an order in favour of the Company. However, the State Government has filed Special Leave Petition before the Honorable Supreme Court of India (SC),. The SC has vide their order dated 01 July 2019, granted stay against the order of the Appellate authority and the matter is pending before the SC.

The amounts paid in dispute amounting to Rs 482 crores towards the additional surcharge has been disclosed as part of other non-current assets.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

13. Inventories

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials (at cost)	4,372	4,110
Work-in-progress (at cost)	539	414
Semi-finished/ finished goods (at cost or net realisable value)	4,112	3,343
Production consumables and stores and spares (at cost)	1,668	1,734
Others	1	22
Total	**10,692**	**9,623**

Value of inventories above is stated after write down to net realisable value of Rs.113 crores (31 March 2020 – NIL). These were recognised as an expense during the year and included in changes in inventories of finished goods, work-in-progress and stock-in-trade.

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

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	968	1,222
Production consumables and stores and spares	131	190
Total	**1,099**	**1,412**

14. Trade receivables

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	3,316	3,149
Trade Receivables which have significant increase in Credit Risk	160	160
Less: Allowance for doubtful debts	(143)	(143)
Trade Receivables – credit impaired	49	10
Less: Allowance for doubtful debts	(49)	(10)
Total	**3,333**	**3,166**

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 43.6.
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.

S.R.B.C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

15. Cash and cash equivalents

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with Banks		
In current accounts	695	1,613
In term deposit Accounts with maturity less than 3 months at inception	10,425	1,824
Cheques in hand	1	-
Cash on hand	-	1
Total	**11,121**	**3,438**

16. Bank balance other than cash and cash equivalents

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Earmarked balances in current accounts		
- in current accounts	35	35
- in term deposits	-	14
Balances with Banks		
In term deposit accounts		
with maturity more than 3 months but less than 12 months at inception	467	7,790
with maturity more than 12 months at inception	32	122
In margin money	91	2
Total	**625**	**7,963**

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

Rs. in crores

Particulars	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Forward contract	-	84	-	259
Interest rate swap	-	1	-	1
Currency option	110	1	-	15
Total	**110**	**86**	-	**275**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

18. Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	Number of Shares		Amount (Rs. in crores)	
Share Capital				
(a) Authorised :				
Equity shares of the par value of Rs. 1 each	60,150,000,000	60,150,000,000	6,015	6,015
(b) Issued and subscribed				
(i) Outstanding at the beginning of the year, fully paid-up	2,417,220,440	2,417,220,440	242	242
(ii) Less: Treasury shares held under ESOP Trust (refer note below)	(11,454,094)	(14,816,254)	(1)	(2)
(iii) Outstanding at the end of the year, fully paid-up	2,405,766,346	2,402,404,186	241	240
(c) Equity shares forfeited (amount originally paid-up)			61	61
Total			**302**	**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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Shares of Rs. 1 each fully paid-up held under ESOP Trust	Number of shares		Amount (Rs. in crores)	
Equity shares as at 1 April	**14,816,254**	**15,508,976**	**2**	**2**
Changes during the year	(3,362,160)	(692,722)	*	@
Equity shares as at 31 March	**11,454,094**	**14,816,254**	**1**	**2**

@ Rs. (0.07) Crore * Rs. (0.34) Crore

b) RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

The Company has a single class of equity shares having par value of Re. 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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

c) SHAREHOLDERS HOLDING MORE THAN 5% SHARE IN THE COMPANY ARE SET OUT BELOW

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	% of shares	No of shares	% of shares
Equity shares				
JFE Steel International Europe BV	362,583,070	15.00%	36.25,83,070	15.00%
JSW Techno Projects Management Ltd	26,44,54,220	10.94%	25,70,51,220	10.63%
JSW Holdings Limited	18,14,02,230	7.50%	18,14,02,230	7.50%
Vividh Finvest Private Limited	143,370,690	5.93%	14,33,70,690	5.93%

d) SHARES ALLOTED 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

e) The Company has 3,00,00,00,000 authorised preference shares of Rs 10 each amounting to Rs 3,000 crores as on 31 March 2021 (Rs 3,000 crores in 31 March 2020).

19. Other equity

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
General reserve	9,969	9,944
Retained Earnings	25,678	17,709
Other Comprehensive Income		
Equity instruments through other comprehensive income	533	148
Effective portion of cash flow hedges	(194)	(434)
Other Reserves		
Equity settled share based payment reserve	117	122
Capital reserve	4,359	4,359
Capital redemption reserve	774	774
Securities premium reserve	5,439	5,439
Total	**46,675**	**38,061**

(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% 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 profits 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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

(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) **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.

(vi) **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.

(vii) **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.

(viii) **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.

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20. Borrowings (at amortised cost)

Rs. in crores

Particulars	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Bonds (unsecured)	10,291	-	10,554	-
Debentures (secured)	8,670	330	5,000	-
Debentures (unsecured)	-	1,000	-	-
Term loans				
Secured	9,837	2,716	10,743	2,468
Unsecured	9,421	2,550	11,464	2,525
Acceptance for Capital Projects more than 1 year				
Secured	576	66	650	61
Unsecured	596	345	929	115
Deferred government loans	373	3	135	25
	39,764	**7,010**	**39,475**	**5,194**
Unamortised upfront fees on borrowing	(213)	(91)	(228)	(85)
	39,551	**6,919**	**39,247**	**5,109**
Less: Amount clubbed under Other financial liabilities (note 28)	-	(6,919)	-	(5,109)
Total	**39,551**	**-**	**39,247**	**-**

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

As at 31st Mar 2021		As at 31 March 2020		Terms of Repayments	Security
Non-Current	Current	Non-Current	Current		
A.Bonds/Debentures					
Bonds (Unsecured)					
2,941	-	3,016	-	5.375% Repayable on 04.04.2025	
3,675	-	3,769	-	5.95% Repayable on 18.04.2024	
3,675	-	3,769	-	5.25% Repayable on 13.04.2022	-
10,291	-	**10,554**	-		
Debentures(secured)					
1,000	-	1,000	-	8.90% secured NCDs of Rs 10,00,000 each are redeemable in four tranches a. Rs 250 crores on 23.01.2027 b. Rs 250 crores on 23.01.2028 c. Rs 250 crores on 23.01.2029 and d. Rs 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	-	2,000	-	8.79% secured NCDs of Rs 10,00,000 each are redeemable in four tranches a. Rs 500 crores on 18.10.2026 b. Rs 500 crores on 18.10.2027 c. Rs 500 crores on 18.10.2028 and d. Rs 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).
4,000	-	-	-	8.5% secured NCD of Rs. 10,00,000 each redeemable in bullet payment on 12.10.2027, with provision of put/call option on 10.10.2025	First Pari Passu Charge on moveable and immoveable fixed assets of the following: - Salem Works - Cold Rolling Mill #1 & #2 at Vijayanagar Works, Karnataka - Upto 3.8 MTPA Steel Plant" at Vijayanagar Works, Karnataka
670	330	1,000	-	10.34% secured NCDs of Rs. 10,00,000 each are redeemable in three tranches a.Rs. 330 crores on 18.1.2022 b.Rs. 330 crores on 18.1.2023 c.Rs. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

As at 31st Mar 2021		As at 31 March 2020		Terms of Repayments	Security
Non-Current	Current	Non-Current	Current		
1,000	-	1,000	-	10.02% secured NCDs of Rs. 10,00,000 each are redeemable in two tranches a.Rs. 500 crores on 20.05.2023 b. Rs. 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
8,670	**330**	**9,000**	-		
Debentures (Unsecured)					
-	1,000	-	-	Bullet payment on 03.09.2021 with put/call option on 15.06.2021	
-	**1,000**	-	-		
B.Term Loans					
Rupee Term Loans From Banks (Secured)				Weighted average interest cost as on 31 March 2021 is 8.03%	
2,961	156	709	-	12 quarterly installments of Rs 38.96 crores each from 30.06.2021-31.03.2024 04 quarterly installments of Rs 194.8 crores each from 30.06.2024-31.03.2025 08 quarterly installments of Rs 233.77 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) .
187	42	219	31	21 Quarterly installments of Rs. 10.41 Crore each from 30.06.2021 - 30.06.2026 and last installment of Rs. 10.57 crore on 30.09.2026.	First pari passu charge on property, plant and equipments related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka.
354	86	418	86	20 equal quarterly installments of Rs. 21.43 Crore each from 30.06.2021 to 31.3.2026 and last installment of Rs. 11.06 Crore on 30.06.2026	Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019. 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
225	25	-	-	4 quarterly installments of Rs 6.25 crores each from 30.06.2021-31.03.2022 4 quarterly installments of Rs 9.37 crores each from 30.06.2022-31.03.2023 4 quarterly installments of Rs 12.50 crores each from 30.06.2023-31.03.2024 4 quarterly installments of Rs 15.62 crores each from	First charge on 5 MTPA Hot Strip Mill at Vijayanagar Works in Karnataka

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

As at 31st Mar 2021		As at 31 March 2020		Terms of Repayments	Security
Non-Current	Current	Non-Current	Current		
				30.06.2024-31.03.2025 4 quarterly installments of Rs 18.75 crores each from 30.06.2025-31.03.2026	
319	75	393	66	5 quarterly installments of Rs 18.75 crores each from 30.06.2021-30.06.2022 12 quarterly installments of Rs 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).
300	100	400	100	16 quarterly installments of Rs 25 crores each from 30.06.2021-31.03.2025	First pari passu charge on property, plant and equipments related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka.
380	120	470	105	12 quarterly installments of Rs. 30 crores each from 30.06.2021 to 31.03.2024 4 quarterly installments of Rs. 35 crores each from 30.06.2024 to 31.03.2025	Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019. First charge on entire immovable and movable fixed assets located at Salav works (erstwhile JSW Steel Salav Limited), Maharashtra.
300	100	375	100	16 quarterly installments of Rs 25 crores each from 30.06.2021-31.03.2025	First pari passu charge on property, plant and equipments situated at Salem Works, Tamil Nadu.
-	-	563	75	02 Quarterly instalments of Rs 18.75 Crores each from 27.07.2020 - 27.10.2020 16 Quarterly instalments of Rs 37.50 Crores each from 27.01.2021 - 27.10.2024 - repaid in Oct 2020	First pari-passu charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra.
614	192	758	192	4 quarterly instalments of Rs. 48 crores each from 30.06.2021 - 31.03.2022 9 quarterly instalments of Rs. 64 crores each from 30.06.2022 - 30.06.2024 1 quarterly instalment of Rs. 38.35 crores on 30.09.2024.	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.
225	94	319	75	1 quarterly installments of Rs 18.75 crores on 30.06.2021 12 quarterly installments of Rs 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).

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

As at 31st Mar 2021		As at 31 March 2020		Terms of Repayments	Security
Non-Current	Current	Non-Current	Current		
-	-	600	200	16 Quarterly instalment of Rs 50 Crore each from 30.06.2020 - 31.03.2024 - repaid in Oct 2020	First charge on 3.2 mtpa expansion property, plant and equipments situated at Vijayanagar Works Karnataka
750	250	938	93	04 Quarterly instalments of Rs 62.50 Crores each from 30.04.2021 - 31.01.2022 08 Quarterly instalments of Rs 93.75 Crores each from 31.04.2022 - 31.1.2024	First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra.
588	149	700	150	5 quarterly instalments of Rs. 37.5 crores each from 30.06.2021 - 30.06.2022 4 quarterly instalments of Rs. 43.75 crores each from 30.09.2022 - 30.06.2023 2 quarterly instalments of Rs. 187.5 crores each from 30.09.2023 - 31.12.2023	First pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
88	49	125	50	11 Quarterly instalments of Rs 12.5 Crores each from 30.06.2021 - 31.12.2023.	First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra.
150	100	225	100	LTMR+0.30% : 10 quarterly installments of Rs 25 crores each from 01.06.2021-01.09.2023	First charge on 3.2 mtpa expansion property, plant and equipments situated at Vijayanagar Works Karnataka
699	463	1,164	-	1 quarterly instalment on 30.6.2021 of 113.65 crore 3 quarterly installments of Rs 116.40 crores each from 30.09.2021-31.03.2022 4 quarterly installments of Rs 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.
950	350	1,250	200	2 Quarterly instalments of Rs. 50 Crore each from 30.06.2021 - 30.09.2021 4 Quarterly installments of Rs. 125 Crore each from 31.12.2021 - 30.09.2022 2 Quarterly installments of Rs. 350 Crore each from 31.12.2022- 31.03.2023.	First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra.
262	163	388	150	2 quarterly instalments of Rs. 37.5 crores each from 30.06.2021 - 30.09.2021 4 quarterly instalments of Rs. 43.75 crores each from 31.12.2021 - 30.09.2022	First pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

As at 31st Mar 2021		As at 31 March 2020		Terms of Repayments	Security
Non-Current	Current	Non-Current	Current		
				2 quarterly instalments of Rs. 87.5 crores each from 31.12.2022 - 31.03.2023.	
62	63	109	63	08 quarterly installments of Rs 15.625 crores each from 30.06.2021-31.03.2023	First pari passu charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) .
-	45	90	160	1 quarterly instalments of Rs. 45 crores on 30.06.2021	First charge on 3.2 mtpa expansion property, plant and equipments (other than assets specifically carved out) situated at Vijayanagar Works Karnataka
-	-	-	375	2 quarterly installments of Rs 37.50 crores each from 30.06.2020-30.09.2020 2 quarterly installments of Rs 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
9,414	**2,622**	**10,213**	**2,371**		
Foreign Currency Term Loans From Banks (Secured)				Weighted average interest cost as on 31 March 2021 is 3.66%	
423	94	530	97	20 equal quarterly installments of Rs. 23.62 Crores each from 30.06.2021 to 31.03.2026. 1 installment of Rs. 44.95 Crores on 30.06.2026.	Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019. 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
423	**94**	**530**	**97**		
Total Term Loan-Secured					
9,837	**2,716**	**10,743**	**2,468**		
Rupee Term Loans From Banks (Unsecured)				Weighted average interest cost as on 31 March 2021 is 7.41%	
300	-	-	-	3 quarterly instalments of Rs. 100 crores each from 28.06.2023 to 28.12.2023	
-	75	30	120	2 quarterly instalments of Rs. 25 crores each from 20.06.2021 to 20.09.2021	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

As at 31st Mar 2021		As at 31 March 2020		Terms of Repayments	Security
Non-Current	Current	Non-Current	Current		
				01 quarterly instalment of Rs. 25 crores on 20.11.2021	
-	750	750	-	1 instalment of Rs. 250 crores on 05.04.2021 and 1 installment of Rs. 500 crore on 05.09.2021	
-	-	-	250	1 instalment of Rs. 250 crores each on 20.05.2020	
300	**825**	**780**	**370**		
Foreign Currency Term Loans From Banks (Unsecured)				Weighted average interest cost as on 31 March 2021 is 2.63%	
290	34	286	15	19 equal semi-annual installment of Rs 17.06 crores from 31.08.2021 to 31.08.2030	
199	25	176	20	18 equal semi-annual installment of Rs 12.44 crores from 31.08.2021 to 28.02.2030	
170	21	142	16	18 equal semi-annual installment of Rs 10.63 crores from 30.06.2021 to 31.12.2029	
342	46	294	34	17 equal semi-annual installment of Rs 22.83 crores from 30.06.2021 to 30.06.2029	
151	22	181	23	15 equal semi-annual installments of Rs 6.21 crores from 25.06.2021 to 25.06.2028 and 1 installment of Rs. 2.56 crores on 25.12.2028 15 equal semi-annual installment of Rs 5.07 crores from 25.06.2021 to 25.06.2028 and 1 installment of Rs. 1.76 crores on 25.12.2028	
301	50	364	52	14 equal semi-annual installments of Rs 12.92 crores from 27.09.2021 to 25.03.2028 and 1 installment of Rs. 0.23 crore on 25.09.2028. 14 equal semi-annual installment of Rs 11.95 crores from 27.09.2021 to 25.03.2028 and 1 installment of Rs. 2.57 crores on 25.09.2028.	
209	37	116	37	13 equal semi-annual installments of Rs 18.17 crores from 08.08.2021 to 08.08.2027 and 1 installment of Rs. 9.38 crores on 06.02.2028	
47	9	54	9	12 semi annual installments of Rs.4.70 crores each from 31.07.2021 to 31.01.2027	

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

As at 31st Mar 2021		As at 31 March 2020		Terms of Repayments	Security
Non-Current	Current	Non-Current	Current		
149	32	186	33	11 equal semi-annual installments of Rs 16.01 crores from 25.06.2021 to 25.06.2026 and 1 installment of Rs. 5.14 crores on 25.12.2026	
69	21	91	21	6 half yearly instalments of Rs. 3.32 crores each from 31.07.2021 to 31.01.2024. 7 half yearly instalments of Rs. 1.34 crores each from 30.04.2021 to 30.04.2024 10 semi annual installments of Rs.2.12 crores each from 25.06.2021 to 25.03.2026 10 semi annual installments of Rs.2.21 crores each from 25.06.2021 to 25.3.2026. 11 semi annual installments of Rs.1.56 crores each from 25.06.2021 to 25.06.2026.	
1,838	-	1,885	-	2 annual installments of Rs. 612.48 crores from 19.03.2024 to 19.03.2025 and 1 installment of Rs. 612.66 crores on 19.03.2026	
54	13	69	14	10 semi annual installments of Rs 4.60 crores each from 23.07.2021 to 23.01.2026 10 semi annual installments of Rs.2.15 crores each from 06.08.2021 to 07.02.2026	
875	-	786	-	1 installment of Rs. 269.57 crores on 28.12.2023 2 annual installments of Rs. 269.49 crores from 28.12.2024 to 28.12.2025 for USD Loans 1 installment of Rs. 22.12 crores on 22.01.2024 and 2 annual installments of Rs. 22.11 crores from 22.01.2025 to 22.01.2026 for JPY loans	
551	-	565	-	4 equal installment of Rs 137.82 crores from 19.10.2022 to 19.10.2025	
919	-	942	-	4 annual installments of Rs. 229.70 crores from 16.07.2022 to 16.07.2025	
294	-	302	-	4 annual installments of Rs. 73.50 crores from 12.07.2022 to 12.07.2025	

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

As at 31st Mar 2021		As at 31 March 2020		Terms of Repayments	Security
Non-Current	Current	Non-Current	Current		
30	108	141	111	Repayable Rs.98 crores on 13.8.2021 7 equal semi annual instalments of Rs.5.02 crores each from 27.09.2021 to 25.09.2024 and 1 semi annual instalment of Rs. 4.49 crores on 25.03.2025	
108	37	150	39	7 equal semi annual instalments of Rs. 6.03 crores each from 09.07.2021 to 09.07.2024 and 1 semi annual instalment of Rs. 5.31 crores on 09.01.2025 7 equal semi annual instalments of Rs. 12.68 crores each from 09.07.2021 to 09.07.2024 and 1 semi annual instalment of Rs. 9.19 crores on 09.01.2025	
1,158	386	1,583	-	4 annual installments of Rs. 385.90 crores from 12.10.2021 to 12.10.2024	
735	-	754	-	Repayable on 05.04.2024	
141	90	300	218	5 half yearly instalments of Rs. 39.07 crores each from 30.04.2021 to 30.04.2023 6 half yearly instalments of Rs. 5.95 crores each from 18.09.2021 to 18.03.2024.	
28	14	43	14	6 half yearly instalments of Rs. 7.04 crores each from 30.09.2021 to 31.03.2024	
28	14	43	14	6 half yearly instalments of Rs. 7 crores each from 26.08.2021 to 28.02.2024	
157	81	246	84	6 half yearly instalments of Rs. 17.15 crores each from 19.07.2021 to 19.01.2024. 5 half yearly instalments of Rs. 23.42 crores each from 19.07.2021 to 19.07.2023 and 1 half yearly instalment of Rs. 17.79 crores on 19.01.2024.	
21	10	30	10	6 equal semi annual installments of Rs.5.15 crores each from 15.06.2021 to 15.12.2023.	
257	405	678	-	Repayable in three tranches a.Rs.367.52. crores on 21.2.2022 b.Rs.36.75 crores on 06.03.2022 c.Rs.257.27 crores on 03.07.2022	

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

As at 31st Mar 2021		As at 31 March 2020		Terms of Repayments	Security
Non-Current	Current	Non-Current	Current		
-	270	277	260	Repayable of Rs.270 crores on 27.4.2021	
-	-	-	1,131	3 Repayable of Rs. 365.27 crores on 21.3.2021	
9,121	**1,725**	**10,684**	**2,155**		
Total Term Loan-Unsecured					
9,421	**2,550**	**11,464**	**2,525**		
C. Acceptance for Capital Projects more than 1 year					
Acceptance – Secured					
567	56	633	-	Repayment of 10 cases 2021-22 - Rs 55.53 crores on various dates. Repayment of 78 cases 2022-23 - Rs 566.97 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.
-	10	8	61	Repayment of 04 cases in 2021-22 - Rs 10.45 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)
9	-	9	-	Repayment of Rs 9.45 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.
576	**66**	**650**	**61**		
Acceptance – Unsecured					
132	147	268	101	Repayment of 39 cases in 2021-22 - Rs 147.44 crores on various dates Repayment of 24 cases in 2022-23 - Rs 132.43 crores on various dates	
464	198	661	14	Repayment of 59 cases in 2021-22 - Rs 197.97 crores on various dates Repayment of 121 cases in 2022-23 - Rs 461.74 crores on various dates Repayment of 02 cases in 2023-24 - Rs 2.28 crores on various dates	
596	**345**	**929**	**115**		

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

As at 31st Mar 2021		As at 31 March 2020		Terms of Repayments	Security
Non-Current	Current	Non-Current	Current		
D. Deferred Payment Liabilities					
Deferred Sales Tax Loan (Unsecured)					
373	-	134	-	Interest free loan Payable after 14 years by 31.3.2032 – 31.3.2035	
-	3	1	25	Interest free loan and payable in 42 varying monthly instalments starting from 12.4.2018 to 12.9.2021.	
373	3	135	25		
E. Unamortised Upfront Fees on Borrowing					
(213)	(91)	(228)	(85)		
Total Amount in Rs. Crores					
39,551	6,919	39,247	5,109		

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

21. Other financial liabilities (Non-current, at amortised cost)

Rs. in crores

Particulars	As at 31 March 2021		As at 31 March 2020	
	Non -current	Current	Non -current	Current
Rent and other deposits	33	53	32	52
Retention money for capital projects	535	1,192	403	1,072
Allowance for financial guarantees	605	-	873	-
	1,173	**1,245**	**1,308**	**1,124**
Less: Amount clubbed under Other financial liabilities (note 28)	-	(1,245)	-	(1,124)
Total	**1,173**	**-**	**1,308**	**-**

Movements in allowances for financial guarantees

Rs. in crores

Particulars	Amount
As at 01 April 2019	**516**
Additional provision created during the year	376
Release of financial guarantees	(57)
Exchange fluctuations	38
As at 31 March 2020	**873**
Release of financial guarantees (refer note 10)	(264)
Exchange fluctuations	(4)
As at 31 March 2021	**605**

22. Provisions

Rs. in crores

Particulars	As at 31 March 2021		As at 31 March 2020	
	Non -current	Current	Non -current	Current
Provision for employee benefits				
Provision for compensated absences (refer note 41)	139	36	120	18
Provision for gratuity (refer note 41)	167	38	172	39
Provision for long service award	13	2	12	2
Provision for PF (refer note 41)	-	-	-	5
Other provisions				
Restoration liabilities (refer note a)	434	41	18	-
Provision for onerous contracts (refer note b)	-	126	-	-
Total	**753**	**243**	**322**	**64**

a) Movement of restoration liabilities provision during the year

Rs. in crores

	As at 31 March 2021	As at 31 March 2020
Opening Balance	18	8
Additions during the year	455	9
Unwinding of discount and changes in the discount rate	2	1
Closing Balance	**475**	**18**

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.

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b) **Movement of onerous contract provision during the year**

Rs. in crores

	As at 31 March 2021	As at 31 March 2020
Opening Balance	-	-
Additions during the year	126	-
Utilisation/ reversal of provision during the year	-	-
Closing Balance	**126**	-

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 2020-21 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

Rs. in crores

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax :		
Current tax (MAT) (including earlier years reversal/ adjustments)	2,162	789
	2,162	**789**
Deferred tax :		
Deferred tax	244	81
MAT credit entitlement	1,488	198
(Restoration)/reversal of MAT credit entitlement relating to earlier years on finalisation of income tax returns	172	22
Reversal of DTL on measurement due to change in tax rate (Refer note below)	-	(2,150)
Deferred tax provision/(reversal) for earlier years on finalisation of income tax returns	(263)	61
Total deferred tax	**1,641**	**(1,788)**
Total tax expense	**3,803**	**(999)**

S.R.B.C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

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:

Rs. in crores

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	12,196	4,292
Enacted tax rate in India	34.94%	34.94%
Expected income tax expense at statutory tax rate	4,261	1,500
Reversal of DTL on measurement due to change in tax rate (Refer note below)	-	(2,150)
Expenses not deductible in determining taxable profit	194	226
Income exempt from taxation/taxable separately	(5)	(103)
Tax holiday and allowances	(516)	(382)
Tax provision/(reversal) for earlier years on finalisation of income tax returns	(137)	(67)
Others	6	(23)
Tax expense for the year	**3,803**	**(999)**
Effective income tax rate	**31.18%**	**(23.28)%**

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 previous 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 had resulted in reversal of deferred tax liabilities amounting to Rs.2150 crores in FY 2019-20. During the year, the Company has re-assessed the impact of the Ordinance and there is no significant change.

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).

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

B. Deferred tax liabilities (net)

Significant components of deferred tax assets/(liabilities) recognised in the financial statements are as follows:

Rs. in crores

Deferred tax balance in relation to	As at 31-Mar-20	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31-Mar-21
Property, plant and equipment	(8,210)	(343)	-	(8,553)
Cash flow hedges	235	-	(129)	106
Provisions for employee benefit / loans and advances and guarantees	1,146	329	(10)	1,465
Lease liabilities	1,219	(52)	-	1,167
Others	99	85	-	184
MAT credit entitlement	4,196	(1,660)	-	2,536
Total	**(1,315)**	**(1,641)**	**(139)**	**(3,095)**

Rs. in crores

Deferred tax balance in relation to	As at 31-Mar-19	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31-Mar-20
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)**

Deferred tax asset on long term capital losses of Rs. 203 crores and Rs. 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 Rs. 665 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)

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customer	2,033	3,044
Others	140	4
Total	**2,173**	**3,048**

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. In March 2018, 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 Rs. 1,010 crores (31 March 2020 Rs. 1,010 crores) has been included in note 29.

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25. Borrowings (current, at amortised cost)

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Working capital loans from banks (secured)		
Rupee loan	785	2,930
Rupee loans from banks (unsecured)	500	-
Commercial papers (unsecured)	-	3,883
Total	**1,285**	**6,813**

Borrowing have been drawn at following rate of interest

Particulars	Rates of interest
Rupee term loan from banks	7.30% p.a. to 9.40% p.a.
Commercial Papers (CP)	5.25% p.a. to 8.05% p.a.

Working capital loans from banks of Rs. 785 crores (31 March 2020 Rs. 2,930 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

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Total outstanding, dues of micro and small enterprises	205	56

Disclosure pertaining to micro, small and medium enterprises (as per information available with the Company):

Rs. in crores

Description	As at 31 March 2021	As at 31 March 2020
Principal amount outstanding as at end of year (refer note i)	243	56
Principal amount overdue more than 45 days	18	-
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	443	*
Interest due and payable for the year of delay	7	*
Interest accrued and remaining unpaid as at end of year	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

*under legal evaluation #less than Rs 0.50 crore

i. It includes vendors classified as part of other financial liabilities in note 28 relating to payable for capital projects amounting to Rs. 38 crores in 31 March 2021 (Nil 31 March 2020).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
(b) Total outstanding, dues of creditors other than micro and small enterprises		
Acceptances	7,137	8,056
Other than acceptances	4,808	5,242
Total	**11,945**	**13,298**

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

Rs. in crores

Particulars	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Forward Contract	-	60	-	125
Commodity Contract	-	1	-	61
Interest Rate Swap	57	28	130	-
Currency Option	-	7	-	3
Total	**57**	**96**	**130**	**189**

28. Other financial liabilities (Current, at amortised cost)

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings (refer note 20)	6,919	5,109
Current dues of other long-term liabilities (refer note 21)	1,245	1,124
Payables for capital projects		
Acceptances	3,905	2,511
Other than Acceptances	894	2,002
Interest accrued but not due on borrowings	685	633
Payables to employees	271	218
Unclaimed matured debentures and accrued interest thereon	*	*
Unclaimed dividends	32	32
Unclaimed amount of sale proceeds of fractional shares	3	3
Payable for bid premium and royalty	2,944	-
Payable to Welspun pursuant to business combination (refer note 50)	811	-
Others	841	348
Total	**18,550**	**11,980**

*less than 0.50 crore

Acceptances above includes 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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

29. Other current liabilities

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customers	2,072	1,487
Statutory liabilities	763	342
Export obligation deferred income	419	473
Total	**3,254**	**2,302**

Advance from customers includes Rs. 1,010 crores (31 March 2020 Rs. 1,010 crores) relating to current portion of 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 fulfillment of export obligation.

30. Revenue from operations

Rs. in crores

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products			
Domestic turnover		54,732	52,326
Export turnover		14,726	9,989
	A	**69,458**	**62,315**
Other operating revenues			
Government grant income			
Grant income recognised under PSI 2007 scheme (refer note a)		220	87
Deferred Income GST government/ Sales Tax Loan		242	496
Export obligation deferred income amortization		239	140
Export benefits and entitlements income		370	297
Unclaimed liabilities written back		62	144
Miscellaneous income*		136	67
	B	**1,269**	**1,231**
	A+B	**70,727**	**63,546**
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		**70,727**	**64,262**

*includes income from scrap sales, CST incentive etc.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

Product-wise turnover

Particulars	For the year ended 31-Mar-21		For the year ended 31-Mar-20	
	Tonnes	Rs. in crores	Tonnes	Rs. in crores
MS slabs	75,020	238	2,28,336	756
Hot rolled coils/steel plates/sheets	9,044,252	38,601	86,52,886	32,995
Galvanized coils/sheets	493,366	2,741	4,28,848	2,129
Cold rolled coils/sheets	1,461,853	7,495	18,42,608	8,328
Steel billets & blooms	654,608	2,236	4,02,306	1,553
Long rolled products	3,148,095	13,935	35,20,862	14,011
Iron ores	4,672,224	2,188	-	-
Others	-	2,024	-	2,543
Total		**69,458**		**62,315**

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).

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. The Company has submitted the required documentation with the State Government for issuance of the Eligibility Certificate and expects to receive the same basis the modalities declared by the Government. Accordingly, the Company has recognised grant income amounting to Rs 220 crores for the year ended 31 March 2021. The cumulative amount receivable towards the same is Rs 772 crores as at 31st March 2021.

Accordingly, during the previous year Company had recognised grant income amounting to Rs. 466 crores in relation to earlier years.

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 previous year, the Company received an amount of Rs. 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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

c) Ind AS 115 Revenue from Contracts with Customers

The Company recognizes 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 and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 40):

Rs. in crores

Particulars	For the year ended	
	31 March 2021	31 March 2020
Revenue from contracts with customer - Sale of products (including shipping services)	69,458	62,315
Other operating revenue	1,269	1,947
Total revenue from operations	**70,727**	**64,262**
India	56,001	54,273
Outside India	14,726	9,989
Total revenue from operations	**70,727**	**64,262**
Timing of revenue recognition		
At a point in time	70,727	64,262
Total revenue from operations	**70,727**	**64,262**

Contract Balances

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Receivables (refer note 14)	3,333	3,166
Contract liabilities		
Advance from customers (refer note 24 and 29)	4,105	4,531

The credit period on sales of goods ranges from 7 to 90 days with or without security.

As at 31 March 2021 Rs 192 crores (previous Rs. 153 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 recognized from amounts included in the contract liabilities at the beginning of the year Rs. 1,487 crores (previous year Rs.990 crores) and performance obligations satisfied in previous years Rs. NIL (previous year Rs. NIL).

Out of the total contract liabilities outstanding as on 31 March 2021, Rs 2,072 crores (previous Rs. 1,487 crores) will be recognized by 31 March 2022 and remaining thereafter.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

Refund liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Arising from volume rebates and discount (included in Other Financial Liabilities- note 28)	783	305

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

Rs. in crores

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest Income earned on financial assets that are not designated as FVTPL		
Loans to related parties	237	180
Bank deposits	290	305
Other Interest income	67	44
Gain on sale of current investments designated as FVTPL	6	4
Fair value gain arising from financial instruments designated as FVTPL	6	16
Unwinding of interest on financial assets carried at amortised cost	51	45
Guarantees/Standby letter of credit commission	3	3
Dividend income from subsidiaries, associates and joint ventures	9	31
Others	-	*
Total	**669**	**628**

*Rs 0.40 crore

32. Changes in inventories of finished goods and work-in-progress

Rs. in crores

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Opening stock			
Semi finished /finished goods		3,365	3,274
Work-in-progress		414	478
	A	**3,779**	**3,752**
Closing stock			
Semi finished /finished goods		4,112	3,365
Work-in-progress		539	414
	B	**4,651**	**3,779**
	(A-B)	**(872)**	**(27)**

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

33. Employee benefits expense

Rs. in crores

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages (net)	1,326	1,282
Contribution to provident and other funds (refer note 41)	92	110
Expenses on employees stock ownership plan	20	30
Staff welfare expenses	63	74
Total	**1,501**	**1,496**

The Company in the previous year launched a one-time scheme ('Samruddhi') 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 Rs. 11 crores. (Rs 6 crores in 31 March 2020).

34. Finance costs

Rs. in crores

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest:		
Bonds and Debentures	1,036	727
Others	1,978	2,593
Dividend on redeemable preference shares	-	12
Interest on lease liabilities	351	472
Unwinding of interest on financial liabilities carried at amortised cost	45	27
Exchange differences regarded as an adjustment to borrowing costs	7	89
Other borrowing costs	95	98
Interest on Income Tax	53	4
Total	**3,565**	**4,022**

35. Depreciation and amortization expense

Rs. in crores

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment	3,063	2,999
Amortization of intangible assets	148	36
Depreciation of Right to use assets	570	487
Total	**3,781**	**3,522**

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

36. Other expenses

Rs. in crores

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Stores and spares consumed	2,606	3,098
Power and fuel	5,210	5,533
Rent	7	3
Repairs and maintenance		
Plant and machinery	979	1,010
Buildings	50	35
Others	12	18
Insurance	142	97
Rates and taxes	60	142
Carriage and freight	3,621	3,354
Jobwork and processing charges	545	604
Commission on sales	28	28
Net loss/ (gain) on foreign currency transactions and translation #	(41)	679
Donations and contributions	-	56
CSR Expenditure (refer note b)	165	140
Fair value Loss arising from Financial instruments designated as FVTPL	19	17
Mining and development cost	251	-
Allowance for financial guarantee	-	376
Allowances for doubtful debts, loans and advances (net)		
Allowances for doubtful debts, loans and advances	55	93
Reversal for allowance for doubtful loans	-	(326)
Loss on sale of property, plant and equipment (net)	30	29
Miscellaneous expenses	1,186	1,146
Total	**14,925**	**16,132**

including hedging cost of Rs. 279 crores (previous year Rs. 307 crores)

Note :

a) Auditors remuneration (excluding tax) included in miscellaneous expenses

Rs. in crores

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit fees (including limited reviews)*	7	6
Tax audit fees	#	1
Fees for capital market transactions and other certifications	3	3
Other services	#	#
Out of pocket expenses	#	#
Total	**10**	**10**

*includes Rs 0.33 crore (31 March 2020 Rs. 0.53 crore) pertaining to previous year
#represents amounts below Rs. 0.5 crore

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

b) Corporate Social Responsibility (CSR)

The Company has incurred an amount of Rs. 165 crores (31 March 2020 Rs. 140 crore) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 and is included in other expenses

Rs. in crores

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	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	165		139	
(b) Amount spent on				
(i) Construction / acquisition of assets	-	-	*	-
(ii) On purposes other than (i) above (for CSR projects)	67	98	121	19

*represents Rs 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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Manufacturing and other expenditure	27	30
Depreciation expense	17	14
Capital expenditure (including capital work in progress)	10	24

38. Earnings per share (EPS)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders (Rs. in crores) (A)	8,393	5,291
Weighted average number of equity shares for basic EPS (B)	**2,40,38,12,821**	**2,40,21,45,868**
Effect of dilution		
Weighted average number of treasury shares held through ESOP trust	1,34,07,619	1,50,74,572
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 Rs.) (A/B)	34.92	22.03
Diluted EPS (Amount in Rs.) (A/C)	34.72	21.89

For details regarding treasury shares held through ESOP trust (refer note 18(a))

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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 authorized 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 previous 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.

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The outstanding position as at 31 March 2021 is summarised below:

Particulars	ESOP 2016		
	1st Grant	2nd Grant	3rd Grant
Date of grant -original grant -supplementary grant	 17 May 2016 5 December 2019	 16 May 2017 5 December 2019	 14 May 2018 5 December 2019
Share Price on date of grant -original grant -supplementary grant	 129.56 259.80	 201.70 259.80	 329.05 259.80
Average fair value on date of grant -original grant -supplementary grant	 67.48 91.07	 104.04 92.55	 167.15 98.63
Outstanding as on 1 April 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
Transfer in	12,360	8,394	6,108
Transfer Out	29,100	23,247	16,284
Forfeited during the period	64,225	46,219	67,460
Lapsed during the period	-	-	-
Exercised during the period	21,95,900	6,61,064	9,303
Outstanding as on 31 March 2021	28,99,580	35,61,177	28,26,980
of above - vested outstanding options	28,99,580	35,61,177	14,13,490
of above - unvested outstanding options	-	-	14,13,490
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 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	4 years from vesting date	4 years from vesting date
Weighted average remaining contract life – original grant	30 months	42 months	54 months

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

Particulars	ESOP 2016		
	1st Grant	2nd Grant	3rd Grant
- Supplementary grant	45 months	47 months	54 months
Exercise price -Original grants -Supplementary grants	103.65 207.84	161.36 207.84	263.24 207.84
Weighted average share price for shares exercised during the year	291.79	291.79	291.79
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 year vesting and 39.62 % with 4 years vesting	The volatility used for valuation is 33.76 % 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
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 year 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 +	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 +	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 +

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Particulars	ESOP 2016		
	1st Grant	2nd Grant	3rd Grant
	Contractual Option Term)/2	Contractual Option Term)/2	Contractual Option Term)/2
Expected dividends -Original grants -Supplementary grants	 Rs. 1.10 per share Rs 4.10 per share	 Re. 0.75 per share Rs 4.10 per share	 Rs. 2.25 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 3 years vesting) & 7.92%(for 4 years vesting)
Supplementary grants	The rate used for calculation is 5.67% (for 1 years vesting)	The rate used for calculation is 5.67% (for 1 years vesting) & 5.76% (for 1.32years 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: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (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

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

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**

Rs. in crores

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Domestic	56,001	54,273
Export	14,726	9,989
Total	**70,727**	**64,262**

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

Rs. in crores

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
JSW Steel Coated Products Limited (net of GST and cess)	8,464	7,314

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 recognized in statement of profit and loss of Rs. 46 crores (31 March 2020: Rs. 57 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

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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.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2021 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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

(i) Gratuity

Rs. in crores

	For the year ended 31 March 2021	For the year ended 31 March 2020
	Funded	**Funded**
a) Liability recognised in the balance sheet		
i) Present value of obligation		
Opening balance	**286**	**243**
Service cost	19	16
Interest cost	20	18
Actuarial loss on obligation	(27)	19
Benefits paid	(21)	(10)
Liability in	2	#
Liability transfer	#	-
Closing balance	**279**	**286**
Less:		
ii) Fair value of plan assets		
Opening balance	75	77
Interest Income	6	5
Actuarial (loss)/gain on plan assets	#	#
Employers' contribution	7	-
Benefits paid	(14)	(7)
Closing balance	**74**	**75**
Amount recognised in balance sheet(refer note 22)	**205**	**211**
b) Expenses recognized in statement of profit and loss		
Service cost	19	16
Interest cost	20	18
Expected return on plan assets	(6)	(5)
Component of defined benefit cost recognized in statement of profit and loss	**33**	**29**
Remeasurement of net defined benefit liability		
-Actuarial (gain)/loss on defined benefit obligation	(27)	19
-Return on plan assets (excluding interest income)	#	#
Component of defined benefit cost recognised in other comprehensive income	**(27)**	**19**
Transferred to preoperative expenses	(1)	#
Total	**5**	**48**
c) Actual return on plan assets	**5**	**5**
d) Break up of plan assets:		
(i) ICICI Prudential Life Insurance Co. Limited (ICICI)		
Balanced fund	3	3
Debt fund	3	3
Short term debt fund	#	#
Group Short Term Debt Fund III	-	-
(ii) HDFC Standard Life Insurance Co. Limited (HDFC)		
Defensive managed fund	7	#
Secure managed fund	8	7

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	For the year ended 31 March 2021	For the year ended 31 March 2020
Stable managed fund	-	-
(iii) SBI Life Insurance Co. Limited – Cap assured fund (SBI)	37	44
(iv) LIC of India – Insurer managed fund (LIC)	16	17
Total	**74**	**75**

represents amounts below Rs. 0.5 crores

During the year, entire unfunded liabilities have been funded

e) Principal actuarial assumptions :

Particulars	Valuation as at 31 March 2021	Valuation as at 31 March 2020
	Funded	Funded
Discount rate	6.80%	6.84%
Expected rate(s) of salary increase	5.10%	6%
Expected return on plan assets	6.80%	6.84%
Attrition rate	3.70%	2%
Mortality rate during employment	Indian assured lives mortality (2006-2008)	

f) Experience adjustments:

Rs. in crores

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Defined benefit obligation	279	286	243	196	175
Plan assets	74	75	77	65	53
Surplus / (deficit)	(205)	(211)	(166)	(131)	(122)
Experience adjustments on plan liabilities – Loss/(gain)	(27)	19	15	3	17
Experience adjustments on plan assets – Gain/(loss)	#	#	#	#	#

represents amounts below Rs. 0.50 crore

g) The Company expects to contribute Rs. 38 crores (previous year Rs. 39 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 8 years (31 March 2020: 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.

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The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plan is as follows:

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Defined benefit obligation	279	286
Plan assets	74	75
-net liability/(asset) arising from defined benefit obligation	**205**	**211**

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.

Rs. in crores

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(18)	20	(23)	26
Future salary growth (1% movement)	20	(18)	26	(23)
Attrition rate (1% movement)	2	(3)	2	(2)

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 2021	**50.22%**	**20.14%**	**8.69%**	**20.95%**
As on 31 March 2020	58.69%	9.83%	8.39%	23.09%
Category of assets average percentage allocation fund wise as on 31 March 2021				
Particulars	**SBI**	**HDFC**	**ICICI**	**LIC**
Government securities	-	47.74%	35.97%	20%
Debt	87.70%	37.31%	38.73%	Balance invested in approved investments as specified in schedule 1 of IRDA guidelines
Equity	6.87%	10.38%	7.36%	
Others	5.43%	4.57%	17.94%	

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

Maturity analysis of projected benefit obligation

Rs. in crores

Particulars	Less than a year	Between 1 to 5 years	Over 5 years	Total
As at 31 March 2021				
Projected benefit payable	40	91	363	494
As at 31 March 2020				
Projected benefit payable	23	81	487	591

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 was managed by the Company through JSW Steel Employees Provident Fund Trust, in line with the Provident Fund and Miscellaneous Provisions Act, 1952 till 31 December 2020. The Company made 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 funds of the Trust had been invested under various securities in accordance with the rules prescribed by the Government of India.

Out of the total contribution made for Provident Fund in Defined Contribution Plan, Rs. 16 crores (previous year Rs. 27 crores) is made to the JSW Steel Employees Provident Fund Trust till 31 December 2020.

Actuarial assumptions made in 31 March 2020 to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	As at 31 March 2020
Total plan assets @	588
Total plan liabilities @	593
Discount rate	6.84%
Rate of return on assets	8.49%
Guaranteed rate of return	8.50%

The Company has discontinued operations of the JSW Steel Employees Provident Fund Trust from 1 January 2021 and accordingly, the Trust have transferred to EPFO, Bellary the fund of Rs. 619 crores in compliance with its obligations as at 31.12.2020. Over and above the said obligations, the Trust has transferred additional fund of Rs. 20 crores to EPFO, Bellary, which is distributed to respective members

The Company does not have any further obligations with respect to JSW Steel Employees Provident Fund Trust

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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

b. Long Service Award

The Company has a policy to recognize 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 maximize 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.

Particulars	As at 31 March 2021	As at 31 March 2020
Long term borrowings	39,551	39,247
Current maturities of long term debt	6,919	5,109
Short term borrowings	1,285	6,813
Less: Cash and cash equivalent	(11,121)	(3,438)
Less: Bank balances other than cash and cash equivalents	(625)	(7,963)
Net debt	**36,009**	**39,768**
Total equity	**46,977**	**38,362**
Gearing ratio	**0.77**	**1.04**

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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

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 2021

Rs. 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	465	764	4,553	-	5,782	5,793
Trade receivables	3,333	-	-	-	3,333	3,333
Cash and cash equivalents	11,121	-	-	-	11,121	11,121
Bank balances other than cash and cash equivalents	625	-	-	-	625	625
Loans	6,115	-	-	-	6,115	6,115
Derivative Assets	-	-	11	185	196	196
Other financial assets	3,319	-	-	-	3,319	3,319
Total	**24,978**	**764**	**4,564**	**185**	**30,491**	**30,502**
Financial liabilities						
Long term Borrowings #	46,470	-	-	-	46,470	46,610
Lease Liabilities	3,338		-	-	3,338	3,523
Short term Borrowings	1,285	-	-	-	1,285	1,285
Trade payables	12,150	-	-	-	12,150	12,150
Derivative liabilities	-	-	14	139	153	153
Other financial liabilities	12,804	-	-	-	12,804	12,804
Total	**76,047**	**-**	**14**	**139**	**76,200**	**76,525**

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

As at 31 March 2020

Rs. 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**	**77,424**

including current maturities of long term debt

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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.

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020	Level	Valuation techniques and key inputs
Quoted investments in equity shares measured at FVTOCI	750	364	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	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 optionally fully convertible debentures measured at FVTPL	4,100	-	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	394	388	3	Discounted cash flow - Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks
Derivative Assets	196	275	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	153	319		

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 Rs. 5 crores (Rs. 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.

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Reconciliation of Level 3 fair value measurement

Rs. in crores

Particulars	Amount
Balance as at 1 April 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**
Additions made during the period	2
Allowance for loss	(2)
Gain recognised in the statement of profit and loss	6
Balance as at 31 March 2021	**408**

Details of Financial assets/ liabilities measured at amortized cost but fair value disclosed in category wise

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020	Level	Valuation techniques and key inputs
Loans				
Carrying value	6,115	9,026	2	Discounted cash flow on observable Future cash flows are based on terms of loans discounted at a rate that reflects market risks
Fair value	6,115	9,026		
Investments				
Carrying value	465	417	2	Discounted cash flow on observable Future cash flows are based on terms of investments discounted at a rate that reflects market risks
Fair value	476	425		
Long Term Borrowings				
Carrying value	46,470	44,356	2	Discounted cash flow on observable Future cash flows are based on terms of borrowings discounted at a rate that reflects market risks
Fair value	46,610	45,039		

There have been no transfers between Level 1 and Level 2 during the period

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

The Asset and Liability position of various outstanding derivative financial instruments is given below:

Particulars	Underlying	Nature of Risk being Hedged	31-Mar-21 Asset	31-Mar-21 Liability	31-Mar-21 Net Fair Value	31-Mar-20 Asset	31-Mar-20 Liability	31-Mar-20 Net Fair Value
Cash Flow Hedges								
Designated & Effective Hedges								
Forwards Currency Contracts	Highly probable Forecast Sales	Exchange rate movement risk	30	(5)	25	-	(49)	(49)
Interest rate Swap	Long-term Foreign currency borrowings	Interest rate Risk	1	(85)	(84)	-	(130)	(130)
Commodity Contract		Price Risk	-	-	-	-	(61)	(61)
Options contract	Long-term Foreign currency borrowings	Exchange rate movement risk	110	-	110		-	-
Designated & Ineffective hedges			-	-	-			
Forwards Currency Contracts	Highly probable Forecast Sales	Exchange rate movement risk	22	(2)	20	-	(33)	(33)
Fair Value Hedges								
Forwards Currency Contracts	Highly probable Forecast Sales	Exchange rate movement risk	-	-	-	213	(3)	210
Forwards Currency Contracts	Trade payables & Acceptance	Exchange rate movement risk	14	(39)	(25)			
Forwards Currency Contracts	Long-term Foreign currency borrowings	Exchange rate movement risk	8	(8)	-			
Non-Designated Hedges								
Forwards Currency Contracts	Trade payables & Acceptance	Exchange rate movement risk	-	(1)	(1)	16	(0)	16
Forwards Currency Contracts	Long-term Foreign currency borrowings	Exchange rate movement risk	-	(1)	(1)	-	(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	-	(6)	(6)	15	(3)	12
Forwards Currency Contracts	Long-term Foreign currency borrowings	Exchange rate movement risk	-	(1)	(1)	-	-	-
			185	**(148)**	**37**	**245**	**(317)**	**(72)**
Receivable/ payable from cancelled/ settled derivative contracts			11	(5)	6	30	(2)	28
Total			**196**	**(153)**	**43**	**275**	**(319)**	**(44)**

Details of non-derivative financial instruments designated as hedging instruments outstanding as at:

Cash Flow hedges	31 March 2021 USD	31 March 2021 Fair Value Rs in Crs	31 March 2020 USD	31 March 2020 Fair Value Rs in Crs
Long term borrowings	625	(221)	638	(333)
Acceptances	191	(25)	328	(118)
	816	**(246)**	**966**	**(451)**

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Movement in cash flow hedge

Particulars	As at 31 March 2021	As at 31 March 2020
Opening Balance	**668**	**(50)**
FX recongnised in other comprehensive Income	(271)	544
Hedge ineffectiveness recognised in P&L	54	116
Amount Reclassified to P&L during the year	(151)	58
Closing balance	**300**	**668**

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 minimize 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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

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 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 2021

Rs.in crores

Particulars	USD	EURO	INR	JPY	Other	Total
Financial assets						
Non-current investments	-	217	5,565	-	-	5,782
Loans	4,475	88	1,536	-	16	6,115
Trade receivables	632	199	2,502	-	-	3,333
Cash and cash equivalents	-	-	11,121	-	-	11,121
Bank balances other than cash and cash equivalents	-	-	625	-	-	625
Derivative assets	196	-	-	-	-	196
Other financial assets	263	-	3,056	-	-	3,319
Total financial assets	**5,566**	**504**	**24,405**	**-**	**16**	**30,491**
Financial liabilities						
Long term borrowings	19,613	835	18,693	410	-	39,551
Lease liabilities	-	-	3,338	-	-	3,338
Short term borrowings	-	-	1,285	-	-	1,285
Trade payables	7,665	66	4,402	13	4	12,150
Derivative liabilities	148	3	-	2	-	153
Other financial liabilities	4,955	2,341	12,185	214	28	19,723
Total financial liabilities	**32,381**	**3,245**	**39,903**	**639**	**32**	**76,200**

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JSW STEEL LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

Currency exposure as at 31 March 2020

Rs.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**

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.

Rs.in crores

	Increase (strengthening of INR)		Decrease (weakening of INR)	
Particulars	**31 March 2021**	**31 March 2020**	**31 March 2021**	**31 March 2020**
Receivable				
USD/INR	(57)	(70)	57	70
Payable				
USD/INR	227	274	(227)	(274)

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

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 (Rs. in crores)
31 March 2021	Assets	84	Buy	352	2,585	18
		54	Sell	461	3,390	52
	Liabilities	111	Buy	513	3,772	(46)
		16	Sell	201	1,480	(7)
31 March 2020	Assets	125	Buy	886	6,683	229
		-	Sell	-	-	-
	Liabilities	10	Buy	118	886	(4)
		27	Sell	398	3,003	(119)

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 (Rs. in crores)
31 March 2021	Assets	14	545	4,006	110
	Liabilities	16	307	2,257	(7)
31 March 2020	Assets	20	317	2,390	15
	Liabilities	1	15	113	(3)

Unhedged currency risk position:

I) Amounts receivable in foreign currency

	As at 31 March 2021		As at 31 March 2020	
	US$ equivalent (Millions)	INR Equivalent (crores)	US$ equivalent (Millions)	INR Equivalent (crores)
Trade receivables	113	831	38	284
Balances with banks	-	-	-	-
- in Fixed deposit account	-	-	-	-
- in Current account	-	-	-	-
Advances/Loans to subsidiaries	659	4,842	894	6,736

II) Amounts payable in foreign currency

	As at 31 March 2021		As at 31 March 2020	
	US$ equivalent (Millions)	INR Equivalent (crores)	US$ equivalent (Millions)	INR Equivalent (crores)
Loans payable	2,462	18,096	3,352	25,266
Trade payables and acceptances	95	702	-	-
Payable for capital projects	557	4,098	332	2,502
Interest accrued but not due on borrowings	33	239	59	446
Other provisions	82	603	116	871

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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 2021.

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.

Rs. in crores

Commodity	Increase for the year ended		Decrease for the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Iron ore lumps/fines	601	514	(601)	(514)
Coal/Coke	701	920	(701)	(920)

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 Natural Gases - BTMU	US$ Equivalent of notional value (Millions)	INR equivalent (Crores)	MTM of Commodity contract (Rs. in crores)
31-Mar-21	Assets	-	-	-	-	-	-
	Liabilities	-	-	-	-	-	-
31-Mar-20	Assets	-	-	-	-	-	-
	Liabilities	20	Liquified Natural Gas	9,702,000	37	281	(56)

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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:

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Fixed rate borrowings	25,621	20,459
Floating rate borrowings	21,153	24,209
Total gross borrowings	**46,774**	**44,668**
Less: Upfront fees	(304)	(312)
Total borrowings (refer note 20)	**46,470**	**44,356**

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 2021 would decrease / increase by Rs. 212 crores (for the year ended 31 March 2020: decrease / increase by Rs. 242 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 (Rs. in crores)
31 March 2021	Assets	2	50	1
	Liabilities	22	335	(85)
31 March 2020	Assets	3	60	1
	Liabilities	22	335	(130)

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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.

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. 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 2021 is considered adequate.

Movements in allowances for bad and doubtful debts

Rs. in crores

Particulars	Amount
As at 1 April 2019	**82**
Additional Allowance	71
As at 31 March 2020	**153**
Additional Allowance	40
Reversal during the year	(1)
As at 31 March 2021	**192**

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 Rs. 30,491 crores as at 31 March 2021 and Rs. 28,466 crores as at 31 March 2020, 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').

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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 acceptances in line with supplier's financing arrangements which might invoke liquidity risk as a result of liabilities being concentrated with few financial institutions instead of a diverse group of suppliers. 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 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.

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Liquidity exposure as at 31 March 2021

Rs. in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non-current investments	-	94	5,688	5,782
Loans	733	5,098	284	6,115
Trade receivables	3,333	-	-	3,333
Cash and cash equivalents	11,121	-	-	11,121
Bank balances other than cash and cash equivalents	625	-	-	625
Derivative assets	86	110	-	196
Other financial assets	1,348	1,971	-	3,319
Total financial assets	**17,246**	**7,273**	**5,972**	**30,491**
Financial liabilities				
Long term borrowings	-	31,345	8,206	39,551
Lease liabilities	925	1,561	852	3,338
Short term borrowings	1,285	-	-	1,285
Trade payables	12,150	-	-	12,150
Derivative liabilities	96	57	-	153
Other financial liabilities	18,550	1,165	8	19,723
Total financial liabilities	**33,006**	**34,128**	**9,066**	**76,200**
Interest payout liability	1,935	4,170	697	6,802

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Liquidity exposure as at 31 March 2020

Rs. in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non-current investments	-	67	1,175	1,242
Current investments	-	-	-	-
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**	**33,753**	**9,649**	**76,510**
Interest payout liability	2,240	6,326	1,236	9,802

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).

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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 Carvao Limitada
	Nippon Ispat Singapore (PTE) Limited
	Erebus Limited
	Arima Holdings Limited
	Lakeland Securities Limited
	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 Industrial Gases Private Limited
	JSW Realty & Infrastructure Private Limited
	JSW Steel Italy S.r.l.
	JSW Utkal Steel Limited
	Hasaud Steel Limited
	Acero Junction Holdings, Inc.
	JSW Steel USA Ohio, Inc.
	JSW Steel Italy Piombino S.p.A.
	Piombino Logistics S.p.A.- A JSW Enterprise

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A	Name of related parties
	GSI Lucchini S.p.A.
	JSW One Platforms Limited (formerly known as JSW Retail Limited)
	Makler Private Limited (w.e.f. 06.06.2019,upto 25.03.2021)
	Piombino Steel Limited (w.e.f. 06.06.2019,upto 26.03.2021)
	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)
	Asian Color Coated Ispat Limited (w.e.f. 27.10.2020)
	JSW Retail and Distribution Limited (w.e.f. 15.03.2021)
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 Center Private Limited
	JSW Vallabh Tinplate Private Limited (ceased w.e.f. 31.12.2019)
	Creixent Special Steels Limited
	JSW Ispat Special Products Limited (formerly known as Monnet Ispat & Energy Limited)
	Piombino Steel Limited (w.e.f. 27.03.2021)
	Bhushan Power & Steel Limited (w.e.f. 27.03.2021)
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. Gangaram Baderiya - Nominee Director, KSIIDC (upto 23.10.2020)
	Mr. M.S.Srikar - Nominee Director, KSIIDC (w.e.f. 23.10.2020)
	Mr. Hiroyuki Ogawa - Nominee Director, JFE Steel Corporation
	Dr. (Mrs.) Punita Kumar Sinha
	Mr. Malay Mukherjee
	Mr. Haigreve Khaitan
	Mr. Seturaman Mahalingam
	Mrs. Nirupama Rao
	Mr. Harsh Charandas Mariwala
4	**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

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A	Name of related parties
	Mrs. Sarika Jhunjhnuwala
	Mrs. Saroj Bhartia
	Mrs. Sangita Jindal
	Mrs. Tarini Jindal Handa
	Mrs. Tanvi Shete
	Mr. Parth Jindal
	Mrs. Shanti Acharya
	Mrs. Esther Varghese
5	**Other Related Parties**
	JSW Energy Limited
	JSW Energy (Barmer) Limited
	JSW Power Trading Company Limited
	JSW Hydro Energy Limited
	JSW Energy (Kutehr) Limited
	JSW Solar Limited
	Jindal Stainless Limited
	Jindal Stainless (Hisar) Limited
	Jindal Stainless Steelway Limited
	JSL Lifestyle Limited
	Jindal Saw Limited
	JITF Urban Infrastructure Limited
	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
	BMM Ispat Limited (w.e.f. 27.10.2020)
	JSW IP Holdings Private Limited
	JSoft Solutions Limited (merged with Everbest Consultancy Services Private 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
	Inspire Institute of Sports

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A	**Name of related parties**
	Jindal Technologies & Management Services Private Limited
	Epsilon Carbon Private Limited
	JSW Living Private Limited
	JSW International Tradecorp 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)
	Neotrex Steel Wires Private Limited
	Neotrex Steel Private Limited
	JSW Minerals Trading Private Limited
	Khaitan & Company
	Eurokids International Private Limited
	J Sagar Associates
	Shiva Cement Limited
	Tehkhand Waste to Electricity Projects Limited
	Encorp Powertrans Private Limited
	Nourish Organic Foods Private Limited
	Brahmani River Pellets Limited
	Danta Enterprises Private Limited
	Glebe Trading Private Limited
	JSW Holdings Limited
	JSW Investments Private Limited
	JSW Logistics Infrastructure Private Limited
	JTPM Metal Traders Private Limited
	Sahyog Holdings Private Limited
	Virtuous Tradecorp Private Limited
	S K Jindal and Sons HUF
	P R Jindal HUF
6	**Post-Employment Benefit Entity**
	JSW Steel EPF Trust (ceased w.e.f. 31.12.2020)
	JSW Steel Group Gratuity Trust
	JSW Steel Limited Employee Gratuity Fund

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B. Transactions with related parties for year ended

Rs. in crores

Particulars	Subsidiaries		Joint ventures		Other related parties		Total	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Purchase of goods/power & fuel/services/branding expenses								
Amba River Coke Limited	3,587	3,655	-	-	-	-	3,587	3,655
JSW Energy Limited	-	-	-	-	1,607	2,174	1,607	2,174
JSW International Tradecorp Pte. Limited	-	-	-	-	10,803	13,348	10,803	13,348
Others	413	296	206	84	2,129	1,746	2,748	2,126
Total	4,000	3,951	206	84	14,539	17,268	18,745	21,303
Reimbursement of expenses incurred on our behalf by								
JSW One Platforms Limited	11	13	-	-	-	-	11	13
JSW Steel Coated Products Limited	1	5	-	-	-	-	1	5
Amba River Coke Limited	10	5	-	-	-	-	10	5
JSW Energy Limited	-	-	-	-	1	3	1	3
JSW Cement Limited	-	-	-	-	4	-	4	-
Others	*	1	-	-	1	1	1	2
Total	22	24	-	-	6	4	28	28
Sales of goods/power & fuel/services/assets								
JSW Steel Coated Products Limited	10,017	8,635	-	-	-	-	10,017	8,635
Asian Color Coated Ispat Limited	1,775	-	-	-	-	-	1,775	-
Others	1,649	1,778	1,176	792	3,123	2,532	5,948	5,102
Total	13,441	10,413	1,176	792	3,123	2,532	17,740	13,737
Other income/interest income/dividend income								
Amba River Coke Limited	34	48	-	-	-	-	34	48
Acero Junction Holdings, Inc.	117	95	-	-	-	-	117	95
Others@	37	36	33	20	59	52	129	108
Total	188	179	33	20	59	52	280	251
Purchase of assets								
JSW Severfield Structures Limited	-	-	228	762	-	-	228	762
Jindal Steel & Power Limited	-	-	-	-	87	238	87	238
Jindal Saw Limited	-	-	-	-	55	71	55	71
JSW Cement Limited	-	-	-	-	157	228	157	228
Others	14	84	*	16	4	50	18	150
Total	14	84	228	778	303	587	545	1,449

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

B. Transactions with related parties for year ended

Rs. in crores

Particulars	Subsidiaries		Joint ventures		Other related parties		Total	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Capital/revenue advances given								
Amba River Coke Limited	238	400	-	-	-	-	238	400
JSW Energy Limited	-	-	-	-	81	-	81	-
Jindal Steel & Power Limited	-	-	-	-	-	200	-	200
JSW Dharamatar Port Private Limited	-	-	-	-	-	200	-	200
Others	-	13	-	-	-	-	-	13
Total	238	413	-	-	81	400	319	813
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	-	-	-	-	71	116	71	116
India Flysafe Aviation Limited	-	-	-	-	(10)	(10)	(10)	(10)
Total	-	-	-	-	61	106	61	106
Donation/ CSR expenses								
JSW Foundation	-	-	-	-	73	72	73	72
Total	-	-	-	-	73	72	73	72
Recovery of expenses incurred by us on their behalf								
JSW Steel Coated Products Limited	88	91	-	-	-	-	88	91
JSW Cement Limited	-	-	-	-	70	45	70	45
JSW International Tradecorp Pte. Limited	-	-			68	119	68	119
Others@	10	21	6	5	53	46	69	72
Total	98	112	6	5	191	210	295	327
Investments/share application money given								
JSW Steel Coated Products Limited	650	750	-	-	-	-	650	750
Piombino Steel Limited	5,079	8	137	-	-	-	5,216	8
Others	20	181	*	1	-	-	20	182
Total	5,749	939	137	1	-	-	5,886	940

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

B. Transactions with related parties for year ended

Rs. in crores

Particulars	Subsidiaries		Joint ventures		Other related parties		Total	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Investments /share application money refunded								
Rohne Coal Company Private Limited	-	-	-	*	-	-	-	*
Total	-	-	-	*	-	-	-	*
Sale of investment								
JSW Steel Coated Products Limited	-	*	-	-	-	-	-	*
Total	-	*	-	-	-	-	-	*
Interest expenses								
JSW Steel Coated Products Limited	**37**	18	-	-	-	-	**37**	18
Amba River Coke Limited	**1**	-	-	-	-	-	**1**	-
Total	**38**	18	-	-	-	-	**38**	18
Guarantees and collaterals provided by the company on behalf								
Periama Holdings, LLC	**6,890**	-	-	-	-	-	**6,890**	-
JSW Steel (Netherlands) B.V.	-	1,037	-	-	-	-	-	1,037
Acero Junction Holdings, Inc.	**150**	569	-	-	-	-	**150**	569
JSW Steel Italy Piombino S.p.A.	**22**	472	-	-	-	-	**22**	472
Makler Private Limited	**10,800**	-	-	-	-	-	**10,800**	-
Others	-	97	-	-	-	-	-	97
Total	**17,862**	2,175	-	-	-	-	**17,862**	2,175
Guarantees and collaterals released								
Periama Holdings, LLC	**2,978**	-	-	-	-	-	**2,978**	-
Others	**327**	-	-	-	-	-	**327**	-
Total	**3,305**	-	-	-	-	-	**3,305**	-
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	**309**	377	-	-	-	-	**309**	377
Inversiones Eurosh Limitada	**4**	814	-	-	-	-	**4**	814

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

B. Transactions with related parties for year ended

Rs. in crores

Particulars	Subsidiaries		Joint ventures		Other related parties		Total	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
JSW Steel (Netherlands) B.V	77	-	-	-	-	-	77	-
Others	*	-	-	-	-	-	*	-
Total	390	1,191	-	-	-	-	390	1,191
Adjustment of receivable/(payable)								
JSW Steel Coated Products Limited	1,079	605	-	-	-	-	1,079	605
Total	1,079	605	-	-	-	-	1,079	605
Lease interest cost								
Amba River Coke Limited	101	206	-	-	-	-	101	206
JSW Projects Limited	-	-	-	-	105	132	105	132
JSW Techno Projects Management Limited	-	-	-	-	95	84	95	84
Others	15	18	-	-	19	17	34	35
Total	116	224	-	-	219	233	335	457
Lease liabilities repayments								
Amba River Coke Limited	424	190	-	-	-	-	424	190
JSW Projects Limited	-	-	-	-	255	228	255	228
Others	29	27	-	-	28	26	57	53
Total	453	217	-	-	283	254	736	471
Loans given								
JSW Steel (Netherlands) B.V.	866	83	-	-	-	-	866	83
Periama Holdings, LLC	1,547	723	-	-	-	-	1,547	723
Acero Junction Holdings, Inc.	780	596	-	-	-	-	780	596
JSW Steel Coated Products Limited	900	-	-	-	-	-	900	-
Others@	182	130	2	90	-	-	184	220
Total	4,275	1,532	2	90	-	-	4,277	1,622
Dividend paid								
JSW Holdings Limited	-	-	-	-	36	73	36	73
JSW Techno Projects Management Limited	-	-	-	-	51	101	51	101
Sahyog Holdings Private Limited	-	-	-	-	22	46	22	46
Others^	-	-	-	-	51	98	51	98
Total	-	-	-	-	160	318	160	318

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

B. Transactions with related parties for year ended

Rs. in crores

Particulars	Subsidiaries		Joint ventures		Other related parties		Total	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Loans given received back								
JSW Steel (Netherlands) B.V.	**52**	1,193	-	-	*	*	**52**	1,193
Periama Holdings, LLC	**5,725**	6	*	-	*	-	**5,725**	6
Others	**401**	35	-	-	**3**	2	**404**	37
Total	**6,178**	1,234	*	-	**3**	2	**6,181**	1,236

*Less than 0.50 crores, @ includes transactions with Makler Private Limited which was merged with Bhushan Power & Steel Limited on March 26, 2021, ^ Includes relatives of key management personnel

Notes:

1. The transactions are inclusive of taxes wherever applicable.
2. The transactions are disclosed under various relationships (i.e. subsidiary, joint ventures and other related parties) based on the status of related parties on the date of transactions.
3. 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 Rs. 16 crores (FY 2019-20: Rs. 22 crores).
4. 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 contributed Rs. 7 crores (FY 2019-20: Rs. NIL).
5. In view of the uncertainty involved in collectability, revenue as interest income of Rs. 368 crores (FY 2019-20: Rs. 531 crores) have not been recognised on loan provided to certain overseas subsidiaries.
6. During FY 2019-20, JSW Steel Limited has transferred environment clearance certificate issued for its slag grinding & mixing unit to JSW Cement Limited for no consideration.

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Compensation to key management personnel:

Rs. in crores

Nature of Transaction	FY 2020-21	FY 2019-20
Short-term employee benefits	88	56
Post-employment benefits	1	1
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total Compensation to key management personnel	**89**	57

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 Rs. 2 crores (previous year Rs. 3 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 Rs. 0.09 crores (FY 2019-20: Rs. 0.18 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 (in case of Nominee Director, the commission is paid to the respective institution to which the Nominee Director represents) 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 Rs. 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 2020-21 is Rs. 3 crores (FY 2019-20 is Rs. 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 March 31, 2021, 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 balance as on March 31, 2021 was Rs. 6,719 crores (As on March 31, 2020: Rs. 8,979 crores). These loans are unsecured and carry an interest rate ranging from LIBOR + 350-615 basis points and repayable within a period of three years.

Guarantees to subsidiaries/joint venture:
Guarantees provided to the lenders of the subsidiaries/joint venture 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

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

C. Amount due to/ from related parties

Rs. in crores

Particulars	Subsidiaries		Joint ventures		Other related parties		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Party's Name								
Trade payables								
JSW Energy Limited	-	-	-	-	-	306	-	306
JSW International Tradecorp Pte. Limited	-	-	-	-	1,060	1,321	1,060	1,321
Others	74	50	33	115	379	378	486	543
Total	74	50	33	115	1,439	2,005	1,546	2,170
Advance received from customers								
JSW Steel Coated Products Limited	354	147	-	-	-	-	354	147
Others	*	*	1	3	24	2	25	5
Total	354	147	1	3	24	2	379	152
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	17	30	30
Total	13	13	13	13	39	39	65	65
Trade receivables								
Peddar Realty Private Limited	97	110	-	-	-	-	97	110
JSW Vallabh Tinplate Private Limited	46	53	-	-	-	-	46	53
Asian Color Coated Ispat Limited	56	-	-	-	-	-	56	-
JSW MI Steel Service Center Private Limited	-	-	48	44	-	-	48	44
Epsilon Carbon Private Limited	-	-	-	-	92	101	92	101
JSW Energy Limited	-	-	-	-	147	-	147	-
Others	7	-	31	-	8	43	46	43
Total	206	163	79	44	247	144	532	351
Share application money given								
JSW Bengal Steel Limited	-	63	-	-	-	-	-	63
JSW Utkal Steel Limited	2	38	-	-	-	-	2	38
JSW One Platforms Limited	1	-	-	-	-	-	1	-
Gourangdih Coal Limited	-	-	1	1	-	-	1	1
Others	-	*	-	-	-	-	-	*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

C. Amount due to/ from related parties

Rs. in crores

Particulars	Subsidiaries		Joint ventures		Other related parties		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Total	3	101	1	1	-	-	4	102
Capital/revenue advances (including other receivables)								
Amba River Coke Limited	**248**	21	-	-	-	-	**248**	21
JSW Projects Limited	-	-	-	-	**49**	49	**49**	49
JSW Dharamatar Port Private Limited	-	-	-	-	**200**	200	**200**	200
Others@	**18**	16	**30**	42	**9**	16	**57**	74
Total	**266**	37	**30**	42	**258**	265	**554**	344
Loan and advances given								
Inversiones Eurosh Limitada	**807**	803	-	-	-	-	**807**	803
Periama Holdings, LLC	**1,796**	6,134	-	-	-	-	**1,796**	6,134
JSW Steel (Netherlands) B.V.	**1,073**	267	-	-	-	-	**1,073**	267
Acero Junction Holdings, Inc.	**2,254**	1,509	-	-	-	-	**2,254**	1,509
Others	**789**	266	**352**	216	**10**	13	**1,151**	495
Total	**6,719**	8,979	**352**	216	**10**	13	**7,081**	9,208
Interest receivable								
Inversiones Eurosh Limitada	**209**	209	-	-	-	-	**209**	209
Periama Holdings, LLC	**431**	431	-	-	-	-	**431**	431
Acero Junction Holdings, Inc.	**230**	116	-	-	-	-	**230**	116
Others	**49**	36	**51**	21	**30**	11	**130**	68
Total	**919**	792	**51**	21	**30**	11	**1,000**	824
Allowances for loans & advances given/interest receivable								
JSW Steel (Netherlands) B.V.	**546**	207	-	-	-	-	**546**	207
Periama Holdings, LLC	**686**	377	-	-	-	-	**686**	377
Inversiones Eurosh Limitada	**1,017**	1,011	-	-	-	-	**1,017**	1,011
Others	**4**	4	-	-	-	-	**4**	4
Total	**2,253**	1,599	-	-	-	-	**2,253**	1,599
Security & other deposits given								
JSW Shipping & Logistics Private Limited	-	-	-	-	**247**	175	**247**	175
India Flysafe Aviation Limited	-	-	-	-	**183**	193	**183**	193

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

C. Amount due to/ from related parties

Rs. in crores

Particulars	Subsidiaries		Joint ventures		Other related parties		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Total	-	-	-	-	**430**	368	**430**	368
Lease liabilities/ finance lease obligations								
Amba River Coke Limited	**940**	1,364	-	-	-	-	**940**	1,364
JSW Projects Limited	-	-	-	-	**797**	1,052	**797**	1,052
JSW Techno Projects Management Limited	-	-	-	-	**997**	550	**997**	550
Others	**155**	185	-	-	**313**	184	**468**	369
Total	**1,095**	1,549	-	-	**2,107**	1,786	**3,202**	3,335
Guarantees and collaterals provided by the company on behalf								
JSW Steel (Netherlands) B.V.	**1,757**	1,757	-	-	-	-	**1,757**	1,757
Periama Holdings, LLC	**6,891**	2,940	-	-	-	-	**6,891**	2,940
JSW Steel (USA), Inc.	**976**	1,122	-	-	-	-	**976**	1,122
Acero Junction Holdings, Inc.	**1,845**	1,312	-	-	-	-	**1,845**	1,312
JSW Steel Italy Piombino S.p.A.	**1,020**	1,137	-	-	-	-	**1,020**	1,137
Bhushan Power & Steel Limited	-	-	**10,800**	-	-	-	**10,800**	-
Others	**152**	152	-	-	-	-	**152**	152
Less : Loss allowance against aforesaid	**(605)**	(873)	-	-	-	-	**(605)**	(873)
Total	**12,036**	7,547	**10,800**	-	**-**	-	**22,836**	7,547

*Less than Rs. 0.50 crores, @ includes balances receivable from Makler Private Limited in FY 2019-20 which was merged with Bhushan Power & Steel Limited on March 26, 2021

Notes:

1. The closing balance of guarantees and collaterals provided by the Company on behalf of subsidiaries/joint venture represent the gross amount. Please refer note 46 for net exposure of the Company related to financial guarantees. The differential amount represents loans not drawn or repayments made to the lenders.
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). As on March 31, 2021, the fair value of plan assets was as Rs. 74 crores. (As at March 31, 2020: Rs. 75 crores)

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

45. Contingent liabilities:

(i) Disputed claims/levies (excluding interest, if any) in respect of:

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Excise Duty	463	481
Custom Duty	469	467
Income Tax	32	32
Sales Tax / VAT / Special Entry tax	1,526	1,433
Service Tax	631	685
Levies by local authorities – Statutory	73	53
Levies relating to Energy / Power Obligations	408	277
Claims by suppliers and other parties	73	46
Total	**3,675**	**3,474**

a) Excise duty cases includes disputes pertaining to availment of CENVAT credit, valuation methodologies, classification of gases under different chapter heading.

b) Custom 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, 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.

The Company had filed a Petition before the Maharashtra Electricity Regulatory Commission (MERC) under the Electricity Act, 2003 (Act) seeking exemption from the requirement to meet Renewable Purchase Obligations (RPO) targets on the strength of its cogeneration plants at Dolvi. The MERC rejected the petition on various grounds and the Company has filed an appeal before the APTEL challenging the MERC order along with application seeking interim stay of the directions contained in the order on the grounds that it is not covered by the definition of "obligated entities" under RPO regulations. APTEL has passed an interim order directing that no-coercive action be taken against the Company in relation to this dispute. The next hearing is scheduled on 7th July 2021. Based on merits of the case, the Company has not recognised provision for RPO obligation and treated it as a contingent liability.

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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

(ii) Forest Development Tax/Fee:

Rs. in crores

Particulars	As at 31 March 2021	As at March 2020
Claims related to Forest Development Tax/Fee	3,035	[illegible]
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 Rs. 1,043 crores (including paid under protest – Rs. 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 favorable order from the High Court, the Company has not recognised provision for FDF amount of Rs. 1,992 crores (including paid under protest - Rs.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. Guarantees given have a markup over and above the loan amount whereas it is recognised only to the extent of outstanding loans.

Refer below for details of exposure towards financial guarantees issued

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Guarantees (refer note a)	20,318	5,278
Standby letter of credit facility	14	503
Less: Loss allowance against aforesaid	(605)	(873)
Total	**19,727**	**4,908**

a. The Company has issued a corporate guarantee dated 24th March 2021 in favour of trustee for the benefit of the Lenders for the financial assistance availed by Makler Private Limited for a sum of Rs 10,800 crores to part finance the cost of implementation of the Resolution Plan of Bhushan Power and Steel Limited. JSW Shipping & Logistics Private Limited, has provided a counter corporate guarantee in favour of the Company to the extent of the 51% of the guaranteed obligations in line with their shareholding in Piombino Steel Limited. (refer note 49).

47. Commitments

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6,438	11,789

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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) In March 2018, 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 $443 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

Rs. in crores

Particulars	As at 31 March 2021	As at 31 March 2020
Export promotion capital goods scheme	19,126	15,225

(d) The Company has given guarantees aggregating Rs. 127 crores (previous year Rs. 127 crores) on behalf of subsidiaries to Commissioner of Customs in respect of goods imported.

(e) In The MDPA signed with respect to four mine blocks in Odisha stipulates that the Company is required to fulfil certain minimum production quantities each year from commencement of mining lease. In the event the Company is unable to fulfil the required minimum production quantities, it would be liable to pay penalty, as prescribed in the MDPA, by appropriating the performance security given by the Company.

While determining the minimum production requirements of one of the mines for initial two years, Government of Odisha has erroneously considered production quantities of erstwhile lessee including quantities of dump rework, (which was not considered in the tender document of the said mine). Accordingly, the Company has requested amendment/correction in the production quantities considered in the MDPA to re-determine the minimum production required in the initial two years which is under consideration by the Government of Odisha.

Based on legal evaluation, the Company believes that MDPA would get rectified and after considering the expected production quantities in the remaining period, there would not be any shortfall in minimum production as required under MDPA. Accordingly, no provision has been recognised in financial statements as at 31 March 2021.

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.

MUMBAI

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

(a) Investment, Loans and Financials guarantees as per table below:

As at 31 March 2021	JSW Steel (Netherlands) B.V ("NBV")	Periama Holdings, LLC ("PHL")	Acero Junction Holdings, Inc. ("Acero")	JSW Steel Italy Piombino S.p.A. ("JSIP")	GSI Lucchini S.p.A. ("GSI")
Investments	221	-	536	*	*
Loans (including interest accrued)	533	1,540	2,484	93	-
Financial Guarantees	719	5,847	1,428	915	18

As at 31 March 2020	JSW Steel (Netherlands) B.V ("NBV")	Periama Holdings, LLC ("PHL")	Acero Junction Holdings, Inc. ("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

*represents Rs. 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: Rs. 508 crores as at 31 March 2021 Rs. 446 crores as at 31 March 2020 and share application money of Nil as at 31 March 2021; Rs 62 crores as at 31 March 2020) - 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: Rs. 96 crores as at 31 March 2021; Rs. 93 crores as at 31 March 2020 and share application money of Nil as at 31 March 2021; Rs 1 crore as at 31 March 2020) - 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: Rs. 24 crores as at 31 March 2021; Rs. 24 crores as at 31 March 2020, and receivable of Rs. 96 crores as at 31 March 2021; Rs. 110 crores as at 31 March 2020) -Valuation by an independent valuer of the residential complex in which PRPL holds interest.

(e) Investment of Rs. 4 crores (Rs. 4 crores as at 31 March 2020) and loan of Rs. 167 crores (Rs. 163 crores as at 31 March 2020) 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) Preference shares of JSW Realty & Infrastructure Private Limited, a subsidiary (carrying amount: Rs. 175 crores as at 31 March 2021; Rs. 166 crores as at 31 March 2020 and loans of Rs. 31 crores as at 31 March 2021; Rs. 16 crores as at 31 March 2020) - 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.

MUMBAI

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

(g) Equity and Preference shares of, Creixent Special Steels Limited, a joint venture, (carrying amount: Rs. 490 crores as at 31 March 2021; Rs. 442 crores as at 31 March 2020) and loans and interest receivable (including of JSW Ispat Special Products Limited) of Rs.262 crores (previous year Rs.236 crores) – Valuation of property plant & equipment by an independent expert.

49. Pursuant to the Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016, the Resolution Plan submitted by the Company for Bhushan Power and Steel Limited ('BPSL') was approved by the Hon'ble National Company Law Tribunal (NCLT) vide order dated 5 September 2019 and subsequently an appeal preferred by the Company has been allowed by the Hon'ble National Company Law Appellate Tribunal ('NCLAT') vide its order dated 17 February 2020. The erstwhile promoters of BPSL, certain operational creditors and the Directorate of Enforcement ('ED') preferred an appeal before the Hon'ble Supreme Court against the NCLAT Order which are pending for adjudication.

On 26 March 2021 the Company has completed the acquisition of BPSL by implementing the resolution plan approved under IBC Code basis an agreement entered with erstwhile committee of creditors that provides an option/right to the Company to unwind the transaction in case of unfavorable ruling on certain specified matters by Hon'ble Supreme Court.

On Implementation of Resolution Plan, the Company has also entered an arrangement with JSW Shipping & Logistics Private Limited ('JSLPL') through which the Company and JSLPL holds equity of Piombino Steel Limited ('PSL') in the ratio of 49% and 51% respectively giving joint control of PSL to the Company and JSLPL.

The Company has invested Rs. 980 crores, Rs. 4,100 crores and Rs. 7 crores in equity shares, Optionally Fully Convertible Debentures (OFCD) and share warrants respectively. PSL has received additional equity contribution from JSLPL amounting to Rs. 1,027 crores (including share warrants) and raised further debt. PSL has invested Rs. 8,550 crores in Makler Private Limited ('Makler') and Makler has raised further debt and paid Rs. 19,350 crores to the financial creditors of BPSL in accordance with approved Resolution Plan. Pursuant to merger of Makler with BPSL in accordance with Resolution Plan, BPSL has become wholly owned subsidiary of PSL. Post this transaction, Piombino Steel Limited has become joint venture of the Company in the current year.

BPSL operates a 2.5 MTPA integrated steel plant located at Jharsuguda, Odisha and also have downstream manufacturing facilities at Kolkata, West Bengal and Chandigarh, Punjab.

50. The Company entered into an assignment agreement on 31 March 2021 with Laptev Finance Private Limited (Laptev), a JSW Group company whereby Laptev assigned to the Company all rights and obligations of Laptev under the Business Transfer Agreement with Welspun Corp Limited (Welspun). In accordance with the Business Transfer Agreement, the Company acquired from Welspun, the business of manufacturing of high-grade steel plates and coils (PCMD Business) as a going concern on slump sale, for a consideration of Rs. 848.50 crores subject to closing adjustments towards net working capital. As a part of the transaction, the Company also purchased a parcel of land pertaining to PCMD Business from Welspun Steel Limited for Rs. 1.50 crores.

The facility has a manufacturing capacity of 1.2 MTPA of steel plates or coils

As per Ind AS 103, purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of the acquired assets and liabilities which resulted in Nil goodwill/ capital reserve as at 31 March 2021. The acquisition does not have material impact on the financial result for the quarter and year ended 31 March 2021.

MUMBAI

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

The fair value of the identifiable assets and liabilities of the PCMD business as at the date of acquisition and purchase consideration is as below:

Particulars	Provisional Fair Value recognised on acquisition
Assets	
Property Plant and Equipment (excluding intangible assets and CWIP)	850
Inventories	75
Trade Receivables	4
Other Current Assets	5
Total (A)	**934**
Liabilities	
Trade Payables (Acceptances)	121
Other current liabilities and provision	2
Total (B)	**123**
Total identifiable net assets acquired at fair value (C) = (A-B)	**811**
Purchase Consideration transferred in cash (D)	811
Goodwill/ (bargain purchase) arising on acquisition (I)	**Nil**

There is no impact in the Statement of profit and loss account of the Company for the year as the transaction was completed on 31st March 2021.

51. The Company has completed acquisition of 1,32,37,227 equity shares representing 26.45% of the issued and paid-up share capital of JSW Vallabh Tinplate Private Limited (JSW VTPL) and as a result JSW VTPL has become wholly owned subsidiary of the Company.

52. Previous year figures have been re-grouped /re-classified wherever necessary.

53. Exceptional Items:

Particulars	Inversiones Eurosh Limitada	JSW Netherlands B.V. (NBV)	Periama Holdings LLC ("PHL")	Total
31-Mar-2021				
Allowance on doubtful loans	-	70	256	326
Allowance on doubtful interest receivables	-	7	53	60
	-	**77**	**309**	**386**
31-Mar-2020				
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**

Exceptional items for the year ended 31 March 2021 represents impairment provision of Rs. 386 crores on loans and interest receivables from an overseas subsidiary in USA and Netherlands 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.

Exceptional items for the year ended 31 March 2020 represents impairment provision of:
(a) Rs. 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) Rs. 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) Rs. 80 crores towards identified items of property, plant and equipment of the Company.

54. The President has given his assent to the Code on Social Security, 2020 ("Code") in September 2020. On 13 November 2020 the Ministry of Labour and Employment released draft rules for the Code. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact once the subject rules are notified and will give appropriate impact to its financial statements in the period in which the Code becomes effective.

55. Events occurring after balance sheet:

On 21 May 2021 the board of directors recommended a final dividend of Rs. 6.50 per equity share be paid to shareholders for financial year 2020-21, which is subject to approval by the shareholders at the Annual General Meeting to be held on 21 July 2021. If approved, the dividend would result in a cash outflow of Rs. 1,571 crores.

56. Standards issued but not yet effective

There are no standards that have been issued but not yet effective.

57. Additional information

A) C.I.F. value of imports:

Rs. in crores

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Capital goods	1,734	4,382
Raw materials (including power and fuel)	12,975	15,444
Stores & spare parts	564	872

B) Expenditure in foreign currency:

Rs. in crores

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest and finance charges	1,013	1,370
Ocean freight	565	490
Technical know-how	72	27
Commission on sales	14	18
Legal & professional fees	37	28
Others	40	48

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

C) Earnings in foreign currency:

Rs. in crores

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
F.O.B. value of exports	14,205	9,580
Interest Income	122	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 : 21 May 2021

For and on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date : 21 May 2021

SESHAGIRI RAO M.V.S
Jt.Managing Director & Group CFO
DIN 00029136


JSW Steel Limited
STANDALONE
FINANCIAL
STATEMENTS
FY 2019-20

S R B C & CO LLP
Chartered Accountants

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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.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Recoverability of investments in and loans / advances given to certain subsidiaries and joint ventures and financial guarantees given on behalf of certain subsidiaries</u> (as described in note 48 of the standalone Ind AS financial statements)</td></tr>
<tr><td>
The Company has investments in certain subsidiaries and joint ventures with a carrying value of Rs 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 Rs 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.

The Company has also recognised impairment allowance of Rs 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.

Further the Company has not recognized interest income of Rs 533 crores during the year from some of its subsidiaries due to uncertainty of recoverability of such income.

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:

Significance of the carrying amount of these balances.
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.
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.

</td><td>
Our audit procedures included the following:

We obtained and read management's assessment for identification of indicators of impairment.
We performed test of controls over impairment process through inspection of evidence of performance of these controls.
We assessed the impairment model prepared by the management and the assumptions used, with particular attention to the following:

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;
Assessing the cash flow forecasts including possible impact on account of global pandemic through analysis of actual past performance, and comparison to previous forecasts;
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;
understanding the commercial prospects of the assets/projects, and comparison of assumptions with external data sources;

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.
We assessed compliance of the disclosures made in note 48 of the standalone Ind AS financial statements with accounting standards.

</td></tr>
</table>

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Chartered Accountants

Key audit matters	How our audit addressed the key audit matter
<u>Recoverability of VAT deferral / refunds under the GST regime</u> (as described in note 32 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. 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. 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. The State Government of Karnataka vide its circular dated 26 February 2019, has issued guidelines for certification of the eligible incentive amount. The amount of incentive recognized during the year amounts to Rs 1,049 crores and cumulative balance of these receivables amount to Rs 2,740 crores. We considered VAT deferral / refund incentive as a Key audit matter due to: • Significance of amount accrued during the year and carrying amount of these receivables as at March 31, 2020	Our audit procedures included the following: • 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. • We read eligibility certificates in respect of VAT deferral / refunds incentives available to Company. • We read the notification issued by the Government of Maharashtra and Government of Karnataka stating eligibility of VAT deferral / refund under the GST regime. • 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. • 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. • We read letter dated October 18, 2019 issued by Directorate of Industries of Maharashtra for in principle approval for issuance of eligibility certificate for availing incentive under PSI 2007 scheme. • 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. • We involved specialists to assist us in reviewing and evaluating the management's

Key audit matters	How our audit addressed the key audit matter
• Significant judgement involved in assessment of the eligibility of incentive under the new GST regime.	assessment of latest Government Resolution issued by GoM. • We 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 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. 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. We considered Capital expenditure as a Key audit matter due to: • Significance of amount incurred on such items during the year ended March 31, 2020. • Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment. • 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: • We obtained an understanding of the Company's capitalisation policy and assessed for compliance with the relevant accounting standards; • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalisation of assets; • 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. • In relation to borrowing costs we obtained the supporting calculations, verified the inputs to the calculation and tested the arithmetical accuracy of the model. • We assessed accounting for costs incurred when projects are suspended or delayed for any reasons including the global pandemic • We obtained understanding on management assessment relating to progress of projects and their intention to bring the asset to its intended use.

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Key audit matters	How our audit addressed the key audit matter
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: • the significance of transactions with related parties during the year ended March 31, 2020 • 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: • 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. • 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. • 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. • We assessed management evaluation of compliance with the provisions of Section 177 and Section 188 of the Companies Act 2013 and SEBI (LODR) 2015. • We evaluated the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.
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 Rs 3,474 crores in respect of disputed claims/ levies under various tax and legal matters and Rs 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.	Our audit procedures included the following: • 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.

Key audit matters	How our audit addressed the key audit matter
Taxation and litigation exposures have been identified as a key audit matter due to: • Significance of these amounts and large number of disputed matters with various authorities. • 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. 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.	• 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. • 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. • We involved tax specialists to assist us in evaluating tax positions taken by management. • 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;

S R B C & CO LLP
Chartered Accountants

(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 Number: 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 Rs 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 Rs 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 (Rs 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 (Rs 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 Rs 625 crores (net of amount paid under protest) and matters remanded back amounting to Rs 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.

S R B C & CO LLP Mumbai

S R B C & CO LLP
Chartered Accountants

(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 Number: 105938
UDIN No: 20105938AAAAB71529

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 Subsection 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 Number: 105938
UDIN No. 20105938AAAABZ1929

Place of Signature: Mumbai
Date: May 22, 2020

BALANCE SHEET AS AT 31 MARCH 2020

Rs. in crores

	Notes	As at 31 March 2020	As at 31 March 2019*
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	45,117	51,605
(b) Capital work-in-progress	5	23,810	10,099
(c) Right of use assets	6	4,107	-
(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	8,305	2,675
(iii) Other financial assets	11	564	48
(h) Current tax assets (net)		140	217
(i) Other non-current assets	12	2,770	3,475
Total non-current assets		92,467	79,027
Current assets			
(a) Inventories	13	9,633	10,815
(b) Financial assets			
(i) Trade receivables	14	3,166	6,770
(ii) Cash and cash equivalents	15	3,438	5,356
(iii) Bank balances other than (ii) above	16	7,063	447
(iv) Loans	10	321	136
(v) Derivative Assets	17	275	129
(vi) Other financial assets	11	2,794	2,044
(c) Other current assets	12	1,756	1,593
Total current assets		29,575	28,398
Total assets		122,042	107,425

BALANCE SHEET AS AT 31 MARCH 2020 (Continued)

Rs. in crores

	Notes	As at 31 March 2020	As at 31 March 2019*
B 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	35,247	27,666
(ii) Lease liabilities	6	2,715	-
(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	3,315	3,331
(d) Other non-current liabilities	24	5,048	4,083
Total non-current liabilities		48,086	36,345
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	6,333	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	392
(iv) Other financial liabilities	28	11,580	15,471
(v) Lease liabilities	6	773	-
(b) Provisions	22	64	53
(c) Other current liabilities	29	2,302	1,539
(d) Current tax liabilities (net)		119	191
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 the Board of Directors

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date : 22 May 2020

SESHAGIRI RAO M.V.S
Jt. Managing Director & Group CFO
DIN 00029136

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

Rs. 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		456	-
	Total Revenue from operations	30	64,252	77,187
II	Other income	31	588	405
III	Total Income (I + II)		64,840	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	(77)	(180)
	Employee benefits expense	33	1,496	1,435
	Finance costs	34	4,022	3,799
	Depreciation and amortisation expense	35	3,522	3,411
	Other expenses	36	16,783	17,742
	Total expenses		59,239	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):	21		
	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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

		Notes	For the year ended 31 March 2020	For the year ended 31 March 2019*
			₹ in crores	
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 Re 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

For and on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

per **VIKRAM MEHTA**
Partner
Membership No.: 105938
Place: Mumbai
Date : 22 May 2020

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date : 22 May 2020

SESHAGIRI RAO M.V.S
Jt. Managing Director & Group CFO
DIN 00029136

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

				Rs. in crores
		For the year ended		
		31 March 2020		31 March 2019*
Cash flow from operating activities				
Profit before tax		4,291		11,707
Adjustments for :				
Depreciation and amortisation expenses	3,577		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	(518)		(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	(34)		(124)	
Interest expense	3,833		3,517	
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	1,308			
		8,657		6,791
Operating profit before working capital changes		12,948		18,498
Adjustments for :				
Decrease/ (Increase) in inventories	1,192		(458)	
Decrease/ (Increase) in trade receivables	3,556		(2,061)	
(Increase) in other assets	(3,393)		(772)	
(Decrease) in trade payable	(373)		(744)	
(Decrease)/ Increase in other liabilities	(873)		3,577	
Increase in provisions	80		59	
		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)		(982)
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)		(285)

	For the year ended	
	31 March 2020	31 March 2019*
Loans to related parties	(1,623)	(5,317)
Loans repaid by related parties	1,236	977
Interest received	423	169
Dividend received	31	124
Net cash used in investing activities (B)	**(13,882)**	**(11,432)**
Cash flow from financing activities		
Proceeds from sale of treasury shares	197	-
Payment for purchase of treasury shares	(301)	(153)
Proceeds from non-current borrowings	18,551	5,827
Repayment of non-current borrowings	(15,320)	(4,333)
Proceeds from/(Repayment) of current borrowings (net)	1,443	1,195
Repayment of lease liabilities/ finance lease obligation	(503)	(306)
Interest paid	(4,371)	(3,538)
Dividend paid (including corporate dividend tax)	(1,190)	(507)
Premium paid on redemption of debentures	[illegible]	-
Net cash generated in financing activities (C)	**3,054**	**735**
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

Rs. in crores

Particulars	1 April 19	Cash flows(net)	Foreign exchange (Gain)/Loss	Changes in fair values	New leases	Other	31 March 20
Borrowings other than finance lease obligation (including Current maturities of long term borrowing included in other financial liabilities note 24)	[illegible]	[illegible]	1,976	(213)	-	(918)	[illegible]
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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

Rs. in crores

Particulars	1 April 18	Cash flows(net)	Foreign exchange (Gain)/Loss	Changes in fair values	New leases	Other	31 March 19
Borrowings other than finance lease obligation (including Current maturities of long term borrowing included in other financial liabilities note 25)	31,095	2,494	787	(70)		374	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

Notes:

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 the Board of Directors

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date : 22 May 2020

SESHAGIRI RAO M V S
Jt.Managing Director & Group CFO
DIN 00029136

Steel Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

A. Equity share capital

Rs. 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

JSW Steel Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

B. Other equity

Rs. 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	[illegible]	
Opening balance as at 1 April 2018*	[illegible]	5,415	648	[illegible]	[illegible]	41	[illegible]	835	13	(24)	[illegible]
Profit for the year	-	-	-	-	[illegible]	-					[illegible]
Other comprehensive income for the year, net of income tax	-	-			[illegible]			4	20	(14)	[illegible]
Dividends including dividend distribution tax					[illegible]	-					[illegible]
Impact of [illegible] (net of tax)	-	-			[illegible]	-		-			[illegible]
Recognition of share based payments	-	-		-	-	50					50
Transfer to Capital redemption reserve		-	[illegible]	-		-	[illegible]				
Transfer to Debenture redemption reserve				144	[illegible]			-		-	-
Transfer to retained earnings on [illegible] (refer note [illegible])	-	-			[illegible]		-	[illegible]			
Capital reserve on merger	[illegible]	-			[illegible]			-	-	-	[illegible]
Closing balance as at 31 March 2019*	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit for the year	-	-		-	[illegible]			-			[illegible]
Other comprehensive income for the year, net of income tax				-	[illegible]			[illegible]	[illegible]	56	[illegible]
Dividends including dividend distribution tax				-	[illegible]	-		-		-	[illegible]
Impact of [illegible]	-			-	[illegible]			-			[illegible]
Recognition of share based payments				-	-	27					[illegible]
Transfer to Capital redemption reserve	-	-	[illegible]				[illegible]				
Transfer to general reserve on [illegible] of options					-	[illegible]	[illegible]				
Transfer from Debenture redemption reserve	-	-		[illegible]		-	[illegible]				
Closing balance as at 31 March 2020	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]

*restated pursuant to merger (refer note [illegible])

As per our report of even date
For [illegible]
Chartered Accountants
Firm Reg. No. [illegible]

[illegible]
Partner
Membership No. [illegible]
Place: Mumbai
Date: [illegible] May 2020

[illegible]
Chief Financial Officer

[illegible]
Company Secretary
ICSI Membership No. [illegible]
Place: Mumbai
Date: [illegible] May 2020

For and on behalf of the Board of Directors

[illegible]
Chairman & Managing Director
DIN [illegible]

[illegible]
Jt. Managing Director & Group CFO
DIN [illegible]

Page [illegible]

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In Addition, for financial reporting purposes, fair value measurements are categorized 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 realized 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 realized 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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 recognized 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.

9. 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.

<u>Company as lessor</u>

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.

<u>Company as lessee</u>

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:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Class of assets	Years
Lease hold 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 Rs. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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) (i)).
- 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 / upto the date of settlement of such monetary items, 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.

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 interest 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 recognized 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 fulfillment 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 38.

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 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 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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 recognized 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 - 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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.

<u>Useful lives of intangible assets</u>

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

<u>Exploration and evaluation</u>

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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, defence 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 labor 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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.

<u>Onerous contracts</u>

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 is 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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 as 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 recognized in the Other Comprehensive Income (OCI). However, the Company recognizes 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 classified as 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 recognized in the OCI. There is no recycling of the

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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 recognized 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 recognized in statement of profit and loss. The net gain or loss recognized 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 recognized 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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 period. 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 period, to the net carrying amount on initial recognition.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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'.

<u>Financial liabilities at FVTPL:</u>

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 recognized 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(c) 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 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 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.

XXX 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.

XXXI Cash and cash equivalents:

Cash and cash equivalents 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 equivalents 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.

XXXII 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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 harmonise 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.

5. 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) <u>Useful lives of property, plant and equipment</u>

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.

i) Impairment of investments in subsidiaries, joint ventures and associates

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate of 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.

j) 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 crystallising 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.

k) 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 judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

l) 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

vi) <u>Relating to the global health pandemic from COVID-19:</u>

On 11 March 2020, the World Health Organisation characterized 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.

II) Critical accounting judgements

i) <u>Control over JSW Realty & Infrastructure Private Limited (RIPL):</u>
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 73.29% of preference share capital amounting to Rs. 304 crore issued by RIPL and significant portion of RIPL's activities.

ii) <u>Determining the lease term of contracts with renewal and termination options – Company as lessee</u>
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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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).

ii) <u>Joint control over Monnet Ispat and Energy Limited</u>

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 Rs. 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.

iii) <u>Incentives under the State Industrial Policy</u>

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 / GST 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

C) New and amended accounting standards:

<u>Ind AS 116 – Leases</u>

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 01 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 expedient 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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 Rs. 5,030 crores and a lease liability of Rs. 4,453 crores on the date of initial application, including right-of-use asset amounting to Rs. 4,122 crores and lease liability amounting to Rs. 3,990 crores recognised as finance lease asset and obligation respectively under erstwhile lease standard as at 31 March 2019.

JSW Steel Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

4. **Property, Plant and Equipment**

Rs. 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	138	60	58,740
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	7,163	190	49,087	5,255	119	144	70	63,521
Transfer Out to Right of use	-	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	6,621	905	40	36	27	8,565
Depreciation	-	5	307	12	2,709	333	13	15	11	3,405
Deductions	-	-	-	-	231	-	1	5	-	239
At 31 March 2019*	-	19	1,147	94	9,297	1,238	52	46	38	11,931
Transfer Out to Right of use	-	19	-	94	8	1,238	-	-	-	1,359
Depreciation			318	-	2,636	-	12	16	17	2,999
Impairment#	-	-	5	-	77	-	-	-	-	82
Deductions	-	-	-	-	146	-	1	5	-	152
At 31 March 2020	-	-	1,465	-	11,856	-	63	57	55	13,496
Net book value										
At 31 March 2020	1,043	-	5,933	-	38,951	-	62	95	36	46,117
At 31 March 2019	1,033	437	6,016	96	39,790	4,017	67	98	32	51,590

*restated pursuant to merger (refer note 52)

includes exceptional item (refer note 51)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Notes:

Rs 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	Rs. In Crores	7	25
Foreign exchange loss / (gain) (including regarded as an adjustment to borrowing costs)	Rs. In Crores	226	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 Palwa	6 acres	15 years
Office Premises at Vittal Tower	3,835 sq. feet	24 months
Office Premises at CCU Belapur	33,330 sq. feet	5 years
Houses at Vijayanagar Township	14,11,027 sq. feet (2,379 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) Carrying value 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	135	117
Building		
Cost/Deemed cost	441	315
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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Rs. 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 Rs. 881 crores (previous year Rs. 317 crores) and borrowing cost of Rs. 574 crores (previous year Rs. 369 crores) capitalised during the year.

6. Right of Use assets and Lease liability

Rs. 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)	(1,238)	(1,351)
Additions (recognised in pursuant to Ind AS 116 adoption)	-	46	444	490
Right-of-use assets on initial recognition as on 1 April 2019	437	142	4,461	5,040
Additions	-	-	20	20
Deductions			451	451
Depreciation expense	4	37	466	507
At 31 March 2020	433	105	3,564	4,102

Leasehold land aggregating to Rs. 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	Rs. 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 30 September 2019. The amendments, inter alia, reduces tenure with revised payment terms. Accordingly, lease modification has assessed and reversal of Rs 453 crores from right of use assets and Rs 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	Rs. 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 Rs. 436 crores shown under cost of material consumed.

The Company has recognised Rs. 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 Rs. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

7. Intangible assets

Rs. in crores

Particulars	Computer software	Licence fees	Mining Assets	Total
Cost/deemed Cost				
At 1 April 2018	73	26	18	117
Additions	48	-	105	153
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
Amortization	15	4	7	26
At 31 March 2019	71	19	8	98
Amortization	17	5	14	35
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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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	Rs. in crores	No. of shares	Rs. in crores
A Investment in equity instruments					
Unquoted					
Subsidiaries (at cost or deemed cost)					
Amba River Coke Limited (refer note a)	Rs. 10 each	93,18,98,670	932	93,18,98,670	932
JSW Bengal Steel Limited	Rs. 10 each	45,27,05,000	449	45,22,05,000	449
JSW Jharkhand Steel Limited	Rs. 10 each	9,30,33,853	93	8,80,33,851	88
JSW Natural Resources Limited	USD 10 each	11,65,500	4	11,65,500	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	8	NA	8
JSW Steel Coated Products Limited	Rs. 10 each	80,00,50,000	2,064	5,00,50,000	1,314
Arima Holdings Limited	USD 100 each	50,390	[illegible]	50,390	[illegible]
Erebus Limited	USD 100 each	2,15,420	555	2,15,420	555
Nippon Ispat Singapore (Pte) Limited	SGD 1 each	7,84,502	-	7,84,502	-
Peddar Realty Private Limited	Rs. 10 each	10,000	57	10,000	57
Lakeland Securities Limited	USD 100 each	351	[illegible]	351	[illegible]
JSW Steel UK Limited	GBP 1 each	5,55,200	3	5,55,200	3
JSW Industrial Gases Private Limited	Rs. 10 each	9,20,83,826	767	9,20,83,826	267
JSW Steel Utkal Limited	Rs. 10 each	4,97,49,000	50	3,94,39,000	39
Acero Junction Holdings, Inc.	USD 0.001 each	100	536	100	536
Hasaud Steel Limited	Rs. 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	[illegible]	93,600	[illegible]

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Particulars	Paid up value	As at 31 March 2020 No. of shares	As at 31 March 2020 Rs. in crores	As at 31 March 2019 No. of shares	As at 31 March 2019 Rs. in crores
GSI Lucchini S.p.A	Euro 1 each	2,736	[illegible]	2,736	[illegible]
JSW Retail Limited	Rs. 10 each	10,000	^	10,000	^
PIOMBINO Steel Limited	Rs. 10 each	33,93,780	6	-	-
Vardhman Industries Limited	Rs. 10 each	45,00,000	5		
JSW Vallabh Tinplate Private Limited	Rs. 10 each	2,50,19,600	30		
JSW Vijayanagar Metallics Limited	Rs. 10 each	10,000	^	-	-
Joint ventures (at cost or deemed cost)					
Gourangdih Coal Limited	Rs. 10 each	24,50,000	7	24,50,000	7
JSW MI Steel Service Centre Private Limited	Rs. 10 each	6,65,00,000	67	6,65,00,000	67
JSW Severfield Structures Limited	Rs. 10 each	10,29,37,340	108	10,29,37,340	158
Rohne Coal Company Private Limited	Rs. 10 each	4,90,000	**	4,90,000	**
JSW Vallabh Tinplate Private Limited	Rs. 10 each			2,50,19,600	30
Creixent Special Steels Limited	Rs. 10 each	48,00,000	25	48,00,000	25
Monnet Ispat and Energy Limited	Rs. 10 each	399	&&&	399	&&&
Vijayanagar Minerals Private Limited	Rs. 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			4,774		4,037
Less: Aggregate amount of provision for impairment in the value of investments			(17)		[illegible]
			4,757		[illegible]
Unquoted					
Aggregate carrying value			4,757		[illegible]

*** Rs. 0.85 Crore $$$ Rs. 0.27 Crore @@ Rs. 6.22 Crore ** Rs. 0.49 Crore ^^^ Rs. 0.01 Crore @ Rs. 40,000 & $1 @@@ Rs. 0.50 Crore
^ Rs. 0.01 Crore ^^ Rs. 0.19 Crore && Rs. 0.19 Crore $$ Rs. 0.01 Crore &&& Rs. 3,990

Note:

a) 30,43,75,852 shares (as at 31 March 2019 30,43,73,852 shares) are pledged to the Andhra Steel & Power Limited (ARCIL'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	Rs. in crores	No. of shares	Rs. in crores
A	Investment in equity instruments					
	Quoted-Others (at fair value through OCI)					
	Fully paid up					
	JSW Energy Limited	Rs. 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	Rs. 10 each	1,10,00,000	-	1,10,00,000	-
	MJSJ Coal Limited	Rs. 10 each	1,04,61,000	9	1,04,61,000	9
	SICOM Limited	Rs. 10 each	6,00,000	5	6,00,000	5
	Kalyani Mukand Limited	Rs. 1 each	4,80,000	5	4,80,000	5
	Ispat Profiles India Limited	Rs. 1 each	15,00,000	5	15,00,000	5
				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	[illegible]	3,99,00,250	254
	JSW Realty & Infrastructure Private Limited	10% redeemable, non cumulative of Rs. 100 each	1,90,15,000	90	1,90,15,000	89
	JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of Rs. 100 each(Series 1)	50,00,000	37	50,00,000	34
	JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of Rs. 100 each(Series 2)	53,00,000	29	53,00,000	27
	JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of Rs. 100 each	2,14,000	1	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

	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 Rs. 10 each	2,36,42,540		2,36,42,540	-
	Rohne Coal Company Private Limited	1% Series A non-cumulative of Rs. 10 each	71,52,510	1	71,52,510	5
	Rohne Coal Company Private Limited	1% Series B non-cumulative of Rs. 10 each	16,61,646	2	16,70,786	1
				447		410
C	Investments in preference shares	Terms				
	Unquoted - (at amortised cost)					
	Joint ventures					
	Gujarat Special Steels Limited	0.01% redeemable, cumulative of Rs. 10 each	17,19,69,200	206	17,19,69,200	184
	Gujarat Special Steels Limited	0.01% redeemable, cumulative of Rs. 10 each	19,83,00,410	211	19,83,00,410	190
	Mozart Ispat and Energy Limited	0.01% compulsorily convertible, non-cumulative of Rs. 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

** Rs. 0.07 crore $ Rs. 1 @ Rs. 6,010

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

10. Loans (Unsecured)

Rs. in crores

Particulars	As at 31 March 2020 Non-current	As at 31 March 2020 Current	As at 31 March 2019 Non-current	As at 31 March 2019 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	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

Particulars	As at 31 March 2020
As at 1 April 2018	**532**
Additional provision transferred from guarantee towards incremental loan (refer note a)	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 a)	57
As at 31 March 2020	**1,021**

(a) 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Details of loans and advances in the nature of loans to related parties:

Rs. in crores

Name of Company	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	140	124
Inversiones Eurosh Limitada	803	803	773	746
Periama Holdings, LLC	6,134	6,134	5,706	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.)	85	51	-	
Nippon Ispat Singapore (Pte) Limited	3	3	3	3

represents amounts below Rs. 0.50 crore

11. Other financial assets (Unsecured)

Rs. in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Export benefits and entitlements	2	78	1	70
Insurance claim receivable	-	-	43	
Advance towards equity share capital / preference shares	101	-	1	-
Government grant income receivable (refer note 30b)	326	2,456	7	1,875
Interest receivable on				
- loans to related parties	138	695	-	637
- Others		115		7
Indirect tax balances Refund due		22	-	73
Others	36	70	1	33
Less: Allowance for doubtful receivables	-	(590)	-	
Total	**542**	**2,794**	**[illegible]**	**[illegible]**

Movement in Allowance for doubtful loans

	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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

12. Other assets (Unsecured)

Rs. 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	57	37	34	118
Indirect tax balances/recoverable/credits	1,361	449	1,214	692
Prepayments and others	60	198	67	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	252	6	254	-
Advances to suppliers	242		250	-
Prepayment and others	7	6	2	-
Indirect tax balances/recoverable/credits	3	-	2	-

13. Inventories

Rs. 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	1,555
Others	22	-
Total	9,623	10,415

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

Rs. in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	1,272	1,551
Production consumables and stores and spares	140	147
Total	1,412	1,698

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

14. Trade receivables

Rs. 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:

Rs. In crores

Particulars	As at 31 March 2020	As at 31 March 2019
60-90 days	79	79
90-180 days	56	198
>180 days	410	524
Total	**545**	**801**

The credit period on sales of goods ranges from 7 to 30 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(B).
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

Rs. 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

Rs. 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	7	16
Total	7,968	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

Rs. 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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 (Rs. In crores)	
Share capital				
(a) Authorised				
Equity shares of the par value of Re.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	2,40,23,76,186	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
Shares of Rs. 1 each fully paid up held under ESOP Trust	Number of shares		Amount (Rs. in crores)	
Equity shares as at 1 April	1,55,08,976	1,09,48,860	2	1
Changes during the year	(6,92,722)	45,60,116	*	@
Equity shares as at 31 March	1,48,16,254	1,55,08,976	2	2

* Rs. (0.07) Crore @ Rs. 0.45 Crore

b) RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

The Company has a single class of equity shares having par value of Re. 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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	25,70,51,120	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

Rs. in crores

Particulars	As at 31 March 2020	As at 31 March 2019
General reserve	9,944	9,395
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	537
Securities premium reserve	5,439	5,439
Debenture redemption reserve	-	785
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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(ii) **Retained Earnings**

Retained earnings are the profits 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 March 31, 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**

Up to 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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)

Rs. 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	10,769	2,468	10,133	4,980
Unsecured	11,464	2,525	8,491	2,241
Acceptance for Capital Projects with maturity more than 1 year				
Secured	650	61		-
Unsecured	929	115	-	-
Deferred government loans (unsecured)	155	25	79	31
Other loans				
Finance lease obligations (unsecured)	-	-	3,618	352
Preference Shares (unsecured)	-	-	-	231
	39,474	5,194	27,806	10,735
Unamortised upfront fees on borrowing	(228)	(85)	(160)	(68)
	39,247	5,109	27,646	10,667
Less: Current maturities of long term debt clubbed under Other financial liabilities (note 26)		(5,109)		(10,667)
Total	39,247	-	27,646	-

NOTES TO THE STANDALONE 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		
A. Bonds/Debentures					
Bonds (Unsecured)					
3,015	-	-	-	5.375% Repayable on 04.04.2025	
3,769	-	-	-	5.95% Repayable on 18.04.2024	
3,169	-	3,459	-	5.25% Repayable on 13.04.2022	
-	-	-	3,459	4.75% Repaid on 12.11.2019	
10,354	-	3,459	3,459		
Debentures (secured)					
1,000	-		-	2.00% secured NCDs of Rs 10,00,000 each are redeemable in four tranches a. Rs 250 crores on 23.01.2027 b. Rs 250 crores on 23.01.2028 c. Rs 250 crores on 23.01.2029 and d. Rs 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	-1		-	8.79% secured NCDs of Rs 10,00,000 each are redeemable in four tranches a. Rs 500 crores on 18.10.2026 b. Rs 500 crores on 18.10.2027 c. Rs 500 crores on 18.10.2028 and d. Rs 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 Rs. 10,00,000 each are redeemable in three tranches a. Rs. 330 crores on 18.1.2022 b. Rs. 330 crores on 18.1.2023 c. Rs. 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	-		

NOTES TO THE STANDALONE 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		
				10.02% secured NCDs of Rs. 10,00,000 each are redeemable in two tranches a.Rs. 500 crores on 20.05.2023 b. Rs. 500 crores on 19.07.2023	First pari passu charge on 3.5 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 Rs 7,50,000 each are redeemed as 2 half yearly instalments of Rs.21.875 crores each from 02.08.2019 to 02.02.2020.	Pari passu first charge by way 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 Rs 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 27.10.2019.	Loan in books of JSW Steel Ltd as result to merger with appointed date being 01.04.2019. - 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 April 1, 2019), held by JSW Steel Limited.
-	-	-	250	10.40% secured NCDs of Rs. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

As at 31 March 2020 Non-current	As at 31 March 2020 Current	As at 31 March 2019 Non-current	As at 31 March 2019 Current	Terms of Repayments	Security
-	-	-	435	10.20% secured NCDs of Rs. 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	10.50% secured NCDs of Rs. 6,75,000 each are redeemed on 21.07.2019	Pari passu first charge by way 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
5,000	-	2,000	1,841		
B.Term Loans					
Rupee Term Loans From Banks (Secured)				**Weighted average interest cost as on 31 March 2020 is 8.91%**	
359	-	110		12 quarterly instalments of Rs 8.808 crores each from 30.06.2021-31.03.2024 04 quarterly instalments of Rs 44.306 crores each from 30.06.2024-31.03.2025 08 quarterly instalments of Rs 53.567 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 Rs. 10.48 Crore each from 30.06.2020 - 31.03.2026 and last instalment of Rs. 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	60	393	46	23 equal quarterly instalments of Rs. 21.43 Crore each from 30.06.2020 to 31.12.2025 and last instalment of Rs. 11.06 Crore on 31.03.2026	Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019. First pari-passu charge on property, plant and equipments of 1.5 MTPA coke oven plant (i.e

NOTES TO THE STANDALONE 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		
					Phase I assets of erstwhile Dolvi Coke Projects Ltd, at Dolvi Works, Maharashtra
394	66	450	38	1 quarterly instalment of Rs 9.375 crores on 30.06.2020 8 quarterly instalments of Rs 18.75 crores each from 30.09.2020-30.06.2022 12 quarterly instalments of Rs 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 Rs 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
400	100	550	100	Repayable in 3 quarterly instalments of Rs. 25 crores each from 30.06.2020 to 31.12.2020 12 quarterly instalments of Rs. 30 crores each from 31.03.2021 to 31.12.2023 4 quarterly instalments of Rs. 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 01.04.2017 First charge on entire immovable and movable fixed assets located at Salav works (erstwhile JSW Steel Salav Limited), Maharashtra.
375	100	475	25	15 quarterly instalments of Rs 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 Rs 18.75 Crores each from 27.07.2020 - 27.10.2020 16 Quarterly Instalments of Rs 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	197	902	192	7 quarterly instalments of Rs. 48 crores each from 30.06.2020 - 31.12.2021 9 quarterly instalments of Rs. 64 crores each from 31.3.2022 - 31.03.2024 1 quarterly instalment of Rs 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

NOTES TO THE STANDALONE 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		
					proceeds of ECA/ECB/FCL) both present and future.
315	75	375	75	5 quarterly instalments of Rs 18.75 crores each from 30.06.2020-30.06.2021 12 quarterly instalments of Rs 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 Rs 50 Crore each from 30.06.2020 - 31.03.2024	First charge on 3.2 mtpa expansion property, plant and equipments situated at Vijayanagar Works Karnataka
933	94	1,031	63	2 Quarterly instalments of Rs 15.625 Crores each from 31.07.2020 - 31.10.2020 04 Quarterly Instalments of Rs 62.50 Crores each from 31.01.2021 - 31.10.2021 08 Quarterly Instalments of Rs 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 Rs. 37.5 crores each from 30.06.2020 - 31.03.2022 4 quarterly instalments of Rs. 43.75 crores each from 30.06.2022 - 31.03.2023 2 quarterly instalments of Rs. 187.5 crores each from 30.06.2023 - 30.09.2023	First pari passu charge on 3.8mtpa movable assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka
125	50	163	50	14 Quarterly instalments of Rs 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 Rs 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

NOTES TO THE STANDALONE 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		
1,164	-	-	-	4 quarterly instalments of Rs 116.40 crores each from 30.06.2021-31.03.2022 4 quarterly instalments of Rs 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 Rs. 50 Crore each from 30.06.2020 - 30.06.2021 4 Quarterly instalments of Rs. 125 Crore each from 30.09.2021 - 30.06.2022 2 Quarterly instalments of Rs. 350 Crore each from 30.09.2022 - 31.12.2022	First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra
358	150	500	150	5 quarterly instalments of Rs. 37.5 crores each from 30.06.2020 - 30.06.2021 4 quarterly instalments of Rs. 43.75 crores each from 30.09.2021 - 30.06.2022 2 quarterly instalments of Rs. 27.5 crores each from 30.09.2022 - 31.12.2022	First pari passu charge on 2.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
109	63	156	63	11 quarterly instalments of Rs 15.675 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).
50	160	215	135	2 quarterly instalments of Rs. 35 crores each from 30.06.2020 - 30.09.2020 4 quarterly instalments of Rs. 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 Rs 37.50 crores each from 30.06.2020-30.09.2020 2 quarterly instalments of Rs 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

NOTES TO THE STANDALONE 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		
Total Rupee Term Loans From Banks (Secured)					
10,213	2,371	8,589	1,913		
Foreign Currency Term Loans From Banks (Secured)				Weighted average interest cost as on 31 March 2020 is 5.08%	
531	97	566	67	24 equal quarterly instalments of Rs. 24.23 Crores each from 30.06.2020 to 31.03.2026. 1 Instalment of Rs. 46.09 Crores on 30.06.2026.	Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019. First pari-passu charge on property, plant and equipments of 1.5 MTPA coke oven plant (1st Phase under erstwhile Dolvi Coke Projects Ltd) at Dolvi Works, Maharashtra
531	97	556	67		
Total Term Loan-Secured					
10,744	2,468	10,155	1,980		
Rupee Term Loans From Banks (Unsecured)				Weighted average interest cost as on 31 March 2020 is 8.63%	
750	-			1 instalment of Rs. 250 crores on 05.04.2021 and 1 instalment of Rs. 500 crore on 05.09.2021	
30	120	150	120	5 quarterly instalments of Rs. 30 crores each from 20.06.2020 to 20.06.2021	
-	250	257	497	1 instalment of Rs. 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 3.02%	
286	15	-	-	20 equal semi annual instalment of Rs 15.05 crores from 31.10.2020 to 30.04.2030	
176	20	110	-	20 equal semi annual instalment of Rs 9.786 crores from 31.08.2020 to 28.02.2030	

NOTES TO THE STANDALONE 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		
542	16	78	-	20 equal semi annual instalment of Rs 7.892 crores from 30.06.2020 to 31.12.2029	
293	34	-	-	19 equal semi-annual instalment of Rs 17.238 crores from 30.06.2020 to 30.06.2024	
180	23	168	-	17 equal semi-annual instalment of Rs 6.515 crores from 25.06.2020 to 25.06.2028 and 1 instalment of Rs. 2.683 crores on 25.12.2028 17 equal semi-annual instalment of Rs 5.206 crores from 25.06.2020 to 25.06.2028 and 1 instalment of Rs. 1.808 crores on 25.12.2028	
364	52	210	11	16 equal semi-annual instalment of Rs 13.56 crores from 25.09.2020 to 25.03.2028 and 1 instalment of Rs. 0.24 crore on 25.09.2028 16 equal semi-annual instalment of Rs 12.252 crores from 25.09.2020 to 25.03.2028 and 1 instalment of Rs. 2.637 crores on 25.09.2028.	
54	9	99	8	14 semi annual instalments of Rs.4.533 crores each from 31.07.2020 to 31.1.2027	
116	37	-	-	8 equal semi-annual instalment of Rs 18.634 crores from 29.08.2020 to 29.07.2024 and 1 instalment of Rs. 3.987 crores on 31.12.2026	
165	45	-		13 equal semi annual instalment of Rs 16.42 crores from 25.06.2020 to 25.06.2026 and 1 instalment of Rs. 5.274 crores on 25.12.2026	
91	21	103	20	8 half yearly instalments of Rs. 3.40 crores each from 31.07.2020 to 31.01.2024. 9 half yearly instalments of Rs. 1.21 crores each from 30.04.2020 to 30.4.2024 12 semi annual instalments of Rs.2.73 crores each from 25.09.2020 to 25.03.2026	

Vk

NOTES TO THE STANDALONE 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		
				17 semi annual instalments of Rs 7.27 crores each from 25.09.2020 to 25.3.2026.	
				13 semi annual instalments of Rs.1.596 crores each from 25.06.2020 to 25.06.2025.	
1,885	-	-	-	2 annual instalments of Rs. 621.934 crores from 19.03.2024 to 19.03.2025 and 1 instalment of Rs. 640.78 crores on 19.03.2026	
69	14	76	19	12 semi annual instalments of Rs 4.715 crores each from 23.07.2020 to 23.01.2026	-
				12 semi annual instalments of Rs.2.23 crores each from 05.08.2020 to 05.02.2026	
786	-	-	-	3 annual instalments of Rs. 238.77 crores from 27.12.2023 to 26.12.2025 3 annual instalment of Rs. 23.236 crores from 22.01.2024 to 22.01.2026	
565	-	519	-	4 equal instalment of Rs 141.35 crores from 19.10.2022 to 19.10.2025	
942	-	865	-	4 annual instalments of Rs. 235.58 crores from 16.07.2022 to 16.07.2025	
903	-	777	-	4 annual instalments of Rs. 75.886 crores from 12.07.2022 to 12.07.2025	
143	111	232	102	3 equal annual instalments of Rs. 100.51 crores from 13.8.2020 to 13.8.2021 9 equal semi annual instalments of Rs.3.43 crores each from 25.09.2020 to 25.09.2024 and 1 semi annual instalment of Rs. 1.906 crores on 25.03.2025 10 equal semi-annual instalments of Rs. 1.697 crores each from 25.09.2020 to 25.03.2025	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

As at 31 March 2020		As at 31 March 2019		Terms of Repayment	Security
Non-current	Current	Non-current	Current		
150	99	172	35	9 equal semi annual instalments of Rs. 6.92 crores each from 09.07.2020 to 09.07.2024 and 1 semi annual instalment of Rs. 5.57 crores on 09.01.2025	
				9 equal semi annual instalments of Rs. 15.306 crores each from 09.07.2020 to 09.07.2024 and 1 semi annual instalment of Rs. 9.42 crores on 09.01.2025	
1,383		1,453	-	4 annual instalments of Rs. 396.78 crores from 12.10.2021 to 12.10.2024	
754	-	692	-	Repayable on 05.04.2024	
309	218	475	200	3 half yearly instalments of Rs. 62.70 crores each from 31.05.2020 to 31.05.2021.	-
				7 half yearly instalments of Rs. 40.67 crores each from 30.04.2020 to 30.04.2023	
				8 half yearly instalments of Rs. 6.30 crores each from 18.09.2020 to 18.03.2024	
43	14	53	13	8 half yearly instalments of Rs. 7.22 crores each from 30.09.2020 to 31.03.2024	-
43	14	52	13	8 half yearly instalments of Rs. 7.18 crores each from 28.08.2020 to 28.02.2024	
246	84	330	76	8 half yearly instalments of Rs. 18.03 crores each from 19.7.2020 to 19.1.2024	-
				7 half yearly instalments of Rs. 24.02 crores each from 19.7.2020 to 19.7.2023 and 1 half yearly instalment of Rs. 18.24 crores on 19.1.2024	-
30	10	37	9	8 equal semi annual instalments of Rs. 4.966 crores each from 15.06.2020 to 15.12.2023	
678	-	621	-	Repayable in three tranches a.Rs.276.93 crores on 21.7.2021 b.Rs.37.69 crores on 06.03.2022 c.Rs.263.55 crores on 03.07.2022	

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

As at 31 March 2020 Non-current	As at 31 March 2020 Current	As at 31 March 2019 Non-current	As at 31 March 2019 Current	Terms of Repayments	Security
177	200	491	-	Repayable in two tranches a.Rs.260.29 crores on 27.4.2020 b.Rs.276.55 crores on 27.4.2021	-
-	1,131	1,038	-	3 equal instalments of Rs. 376.93 crores each on 07.04.2020, 21.9.2020 and 21.9.2021	
-	-	-	1,729	Repaid on 20.03.2020	-
18,444	2,355	8,083	2,229		
Total Term Loan-Unsecured					
21,464	2,525	8,491	2,841		
C. Acceptance for Capital Projects more than 1 year					
Acceptance – Secured					
633	-	-	-	Repayment of 19 cases 2021-22 - Rs 56.95 crores on various dates Repayment of 77 cases 2022-23 - Rs 576.31 crores on various dates	First pari passu charge on movable fixed assets of 1.5 MTPA Coke Oven Plant (Phase 1) At Dolvi Works, Maharashtra.
8	61	-	-	Repayment of 05 cases in 2020-21 - Rs 61.17 crores on various dates. Repayment of 01 cases in 2021-22 - Rs 7.67 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)
9			-	Repayment of Rs 9.12 crores on 03.09.2022	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 36 cases in 2020-21 - Rs 101.23 crores on various dates Repayment of 38 cases in 2021-22 - Rs 141.59 crores on various dates Repayment of 23 cases in 2022-23 - Rs 126.47 crores on various dates	

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NOTES TO THE STANDALONE 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		
661	14	-	-	Repayment of 04 cases in 2020-21 - Rs 14.03 crores on various dates Repayment of 57 cases in 2021-22 - Rs 196.24 crores on various dates Repayment of 117 cases in 2022-23 - Rs 465.35 crores on various dates	
929	115	-	-		
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					
(120)	(31)	(140)	(46)		-
Total Amount in Rs. Crores					
35,347	5,108	37,466	10,447		

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

21. Other financial liabilities (Non-current, at amortised cost)

Rs. in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non -current	Current	Non -current	Current
Rental and other deposits	32	51	53	47
Retention money for capital projects	403	1,073	481	171
Premium on redemption of debentures	-	-	-	490
Allowance for financial guarantees	873	-	556	-
	1,308	1,124	1,090	708
Less: Amount clubbed under Other financial liabilities (note 26)	-	(1,124)	-	(708)
Total	1,308	-	1,090	-

Movements in allowances for financial guarantees

Rs. in crores

Particulars	Amount
As at 1 April 2018	642
Release of financial guarantees (refer note 10)	(153)
Exchange fluctuations	67
As at 31 March 2019	556
Additional provision created during the year	376
Release of financial guarantees (refer note 10)	(77)
Exchange fluctuations	18
As at 31 March 2020	873

22. Provisions

Rs. 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	31	96	15
Provision for gratuity	172	29	126	37
Provision for long service award	12	3	-	-
Provision for Provident fund	-	1	-	1
Other provisions				
Mine closure provision	18	-	8	-
Others	-	-	5	-
Total	322	64	235	53

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Movement of mine closure provision during the year

Rs. 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 Rs. 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

Rs. 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	71	1,323
MAT credit entitlement	198	(93)
(Restoration)/reversal of MAT credit entitlement	33	-
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	(1,787)	1,230
Total tax expense	(998)	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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Rs. in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	4,297	11,707
Enacted tax rates 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	54
Income not recognised in book profit	-	154
Income exempt from taxation/taxable separately	(103)	(355)
Tax holiday and allowances	(361)	(371)
Income taxable at lower rate	-	10
Tax provision/(reversal) for earlier years	(67)	(4)
Others	(23)	-
Tax expense for the year	(991)	3,546
Effective income tax rate	(23.06)%	30.29%

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 Rs 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:

Rs. in crores

Deferred tax balance in relation to	As at 31-Mar-19	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31-Mar-20
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)**	**1,789**	**227**	**(1,315)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Rs. in crores

Deferred tax balance in relation to	As at 31-Mar-18	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31-Mar-19
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	1,960	33	-	1,993
Others	(65)	144	-	79
MAT credit entitlement	4,379	93	-	4,486
Total	(2,113)	(1,230)	12	(3,331)

The Company expects to utilize 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 Rs. 302 crores and Rs. 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 Rs. 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)

Rs. 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 Rs. 1,010 crores (31 March 2019 Rs. 763 crores) has been included in note 29.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

25. Borrowings (current, at amortised cost)

Rs. in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Working capital rupee loans from banks (secured)	2,950	750
Export Packing Credit in Rupee from Banks (unsecured)	-	69
Commercial papers (unsecured)	3,868	4,572
Total	**6,818**	**5,391**

Borrowing have been drawn at following rate of interest:

Particulars	Rates of interest
Cash Credit (CC)	8.25% p.a. to 9.25% p.a.
Commercial Papers (CP)	4.20% p.a. to 8.65% p.a.
Export Packing Credit (EPC)	6.40% p.a. to 7.60% p.a.

Working capital loans of Rs. 2,950 crores (31 March 2019 Rs. 750 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

Rs. 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):

Rs. 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Rs. 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	8,556	8,937
Other than acceptances	4,742	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

Rs. 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	-	190	27	-
Currency Options	3	-	-	-
Total	**189**	**190**	**332**	-

28. Other Financial Liabilities (Current, at amortised cost)

Rs. in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term debt (refer note 20)	5,209	10,315
Current maturities of finance lease obligation (refer note 20)	-	352
Current dues of other long-term liabilities (refer note 21)	1,124	758
Payables for capital projects		
Acceptances	2,511	1,252
Other than Acceptances	2,002	1,566
Interest accrued but not due on borrowings	633	474
Payables to employees	218	158
Unclaimed Matured debentures and accrued interest thereon	-	-
Unclaimed dividends	32	26
Unclaimed amount of sale proceeds of fractional shares	6	3
Others	148	147
Total	**11,880**	**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.

29. Other current liabilities

Rs. in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Advances from customers	1,487	990
Statutory liabilities	102	455
Export obligation deferred income	475	154
Total	2,301	1,599

Current portion of Rs. 1,0[illegible] crores (31 March 2019 Rs. [illegible] 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

Rs. in crores

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products			
Domestic turnover		57,376	67,185
Export turnover		4,985	8,025
	A	62,315	75,210
Other operating revenues			
Government grant income			
Gain on fair value of deferred GST government loan		523	1,120
Export obligation deferred income amortisation		340	165
Export benefits and entitlements income		207	267
Unclaimed liabilities written back		140	351
Miscellaneous income*		67	155
	B	1,231	1,977
	A+B	63,546	77,187
Government grant income - VAT/GST incentive relating to earlier years (refer note a)		416	
Fees for assignment of procurement contract (refer note b)		250	-
Total Revenue from operations		64,362	77,187

*Includes income from scrap sales, GST income, etc.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Product-wise turnover

Particulars	For the year ended 31-Mar-20		For the year ended 31-Mar-19	
	Tonnes	Rs. in crores	Tonnes	Rs. in crores
VG slabs	2,28,336	756	3,47,659	1,774
Hot rolled coils/steel plates/sheets	86,57,886	32,995	87,56,033	39,312
Galvanised coils/sheets	4,28,848	2,129	4,61,278	2,527
Cold rolled coils/sheets	18,42,608	8,328	20,68,751	10,603
Steel billets & blooms	4,02,306	1,553	4,28,573	1,728
Long rolled products	35,20,442	14,471	36,91,470	16,742
Others		2,543		3,024
Total		62,775		75,710

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 Rs. 466 crores in relation to earlier years.

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 Rs. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

c) Ind AS 115 Revenue from Contracts with Customers

The Company recognizes 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 recognized 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)

Rs. in crore

Particulars	For the year ended 31 March 2020	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

Particulars	As at 31 March 2020	As at 31 March 2019
Trade Receivables (refer note 14)	3,166	6,779
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, Rs. 153 crores (previous Rs. 83 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 Rs. 990 crores (previous year Rs. 332 crores) and performance obligations satisfied in previous years Rs. Nil (previous year Rs. NIL).

Out of the total contract liabilities outstanding as on 31 March 2020, Rs 1,447 crores (previous Rs. 990 crores) will be recognised 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

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 recognised in the statement of profit and loss account.

31. Other income

Rs. 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	[illegible]	14
Other interest income	44	[illegible]
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	5
Dividend income from subsidiaries, associates and joint ventures	31	124
Provision for doubtful debts/loans/advances written back (net)	-	2
Others	*	-
Total	428	405

*Rs. 0.40 crore

32. Changes in inventories of finished goods and work-in-progress

Rs. 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
	(A-B)	(27)	(180)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

33. Employee benefits expense

Rs. in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	1,292	1,229
Contribution to provident and other funds (refer note 41)	100	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 Employees') 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 Rs 6 crores.

34. Finance costs

Rs. in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest:		
Bonds and Debentures	777	796
Others	2,563	2,153
Dividend on redeemable preference shares	19	41
Interest on lease liabilities/ finance lease obligations	472	510
Unwinding of interest on financial liabilities carried at amortised cost	27	12
Exchange differences regarded as an adjustment to borrowing costs	89	143
Other borrowing costs	96	126
Interest on income tax	4	5
Total	4,022	3,788

35. Depreciation and amortisation expense

Rs. in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment	2,989	3,395
Amortisation of intangible assets	46	26
Depreciation of Right of use assets	487	-
Total	3,522	3,421

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

36. Other expenses

Rs. in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Stores and spares consumed	3,068	3,590
Power and fuel	5,533	6,417
Rent	3	19
Repairs and maintenance		
Plant and machinery	1,010	1,264
Buildings	35	14
Others	28	27
Insurance	97	68
Rates and taxes	142	61
Carriage and freight	3,354	3,559
Jobwork and processing charges	604	760
Commission on sales	28	29
Net loss/ (gain) on foreign currency transactions and translation #	675	490
Donations and contributions	56	14
CSR Expenditure	140	64
Fair value Loss arising from Financial Instruments designated as FVTPL	17	18
Royalty and others - direct mining cost	652	775
Allowance for financial guarantee	576	-
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)	20	7
Miscellaneous expenses	1,146	856
Total	16,795	17,742

including hedging cost of Rs. 307 crores (previous year Rs. 290 crores)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Note :

a) Auditors remuneration (excluding tax) included in miscellaneous expenses:

Rs. 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 Rs. 0.5 crore

*Fees for capital market transactions amounting to Rs 2 crores treated as part of upfront fees adjusted against borrowings.

b) Corporate Social Responsibility (CSR)

The Company has incurred an amount of Rs. 140 crores (31 March 2019 Rs. 64 crore) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 and is included in other expenses

Rs. 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 spent on:				
(i) Construction / acquisition of assets	*	-	1	-
(ii) On purposes other than (i) above (for CSR projects)	121	19	54	9

*represents Rs.0.18 crore

37. Research and development activities

Details of expenditure incurred in respect of research and development activities undertaken during the year is as follows

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

38. Earnings per share (EPS)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit / (Loss) attributable to equity shareholders (Rs. 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 Rs.) (A/B)	22.03	33.77
Diluted EPS (Amount in Rs.) (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.

The details of an employee share based payments plan operated through a trust for ESOP 2016 are as follows: