Periama Holdings, LLC

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended
March 31, 2018 and 2017
with reports of independent auditors

Braj Aggarwal, CPA, P.C.
Certified Public Accountants
115 North Broadway
Hicksville, NY 11801
Phone 718-426-4661 Fax: 718-233-2525

Periama Holdings, LLC

CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2018 and 2017

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Braj Aggarwal, CPA, P.C.
Certified Public Accountants

REPORT OF INDEPENDENT AUDITORS

To the Board of Managers
Periama Holdings, LLC
Baytown, Texas

We have audited the accompanying consolidated financial statements of Periama Holdings, LLC. (a Delaware Corporation) which comprise the balance sheets as of March 31, 2018 and 2017 and related statements of operations, changes in member's capital and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

115 North Broadway Hicksville, NY 11801
Phone: 718-426-4661 Fax: 718-233-2525

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial positions of Periama Holdings, LLC as of March 31, 2018 and 2017 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Braj Aggarwal, CPA, P.C.

Hicksville, New York
May 01, 2018

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CONSOLIDATED FINANCIAL STATEMENTS

PERIAMA HOLDINGS, LLC
CONSOLIDATED BALANCE SHEETS

	March 31, 2018	March 31, 2017
Assets		
Current:		
Cash and cash equivalents	$ 1,409,335	$ 2,875,784
Accounts receivables:		
Trade receivables net of provision for doubtful accounts	28,602,109	21,820,472
Intercompany receivables - JSW Steel Ltd. India & UK	767,246	764,117
Receivables from affiliates	-	171,302
Others	13,235	23,265
Inventories	65,899,238	53,658,269
Prepaid expenses and deposits	5,625,847	1,283,997
Other current assets	313,154	85,521
Restricted Investment	50,125	-
Deferred tax assets	31,129,376	41,483,524
Total current assets	133,809,664	122,166,251
Property, plant and equipment		
Land	4,700,978	3,900,058
Capitalized asset retirement costs	1,474,536	1,474,536
Mine development cost	11,353,551	12,021,796
Plant and equipment	976,559,929	938,884,342
	994,088,994	956,280,732
Less: Accumulated depreciation, depletion and amortization	(368,695,263)	(334,143,791)
Less: Impairment	(6,700,362)	(8,306,414)
Construction in progress	1,486,730	34,857,217
Net property, plant and equipments, net of accumulated depreciation and impairment	620,180,098	648,687,744
Mineral rights net of accumulated depletion and impairment	62,513,142	55,728,076
Advanced coal royalties net of impairment	7,138,895	9,209,652
Restricted investments and bond collateral net of impairment	955,899	886,104
Restricted Investment	23,644,660	-
Capitalized Loan cost net of amortization	2,955,393	4,714,195
Total other assets	97,207,988	70,538,027
Total assets	851,197,750	841,392,022

See notes to consolidated financial statements

PERIAMA HOLDINGS, LLC
CONSOLIDATED BALANCE SHEETS (Continued)

	March 31, 2018	March 31, 2017
Liabilities and Members' Interest (Deficit)		
Current liabilities		
Accounts payable - trade	$ 9,424,123	$ 6,424,392
Accounts payable - affiliates	-	-
Accrued liabilities	2,665,981	2,814,137
Interest payable - financial institutions	4,425,776	8,817,953
Interest payable - intercompany	93,066,071	57,664,426
Interest payable - related party and affiliates	183,204	183,204
Interest payable - others	45,000	-
Federal and state taxes payable	132,186	161,602
Unearned revenue	-	-
Due to bank - lines of credit	61,522,772	65,220,221
Loans payable - intercompany	625,731,996	239,164,400
Short term Notes payable to banks	-	-
Current portion of Long Term notes payable to banks	79,791,667	291,250,000
Current portion of notes payable - others	404,099	3,600,716
Total current liabilities	877,392,876	675,301,051
Long-term debt and other liabilities		
Notes payable bank	133,333,333	213,125,000
Notes payable - others	1,399,328	-
Note payable - related parties and affiliates	-	-
Other long term payables	2,958,672	2,972,092
Total long term debts	137,691,333	216,097,092
Deferred tax liabilities	23,569,451	51,863,677
Total liabilities	1,038,653,659	943,261,820
Members' Interest		
Members' Capital	14,350,100	14,350,100
Retained earnings/(accumulated deficit)	(151,136,216)	(93,739,476)
Total controlling interest Members' deficit	(136,786,116)	(79,389,376)
Non-controlling interest	(50,669,794)	(22,480,423)
Total Members' equity / (deficit)	(187,455,910)	(101,869,799)
Total Liabilities and Members' Interest / (Deficit)	851,197,750	841,392,022

See notes to consolidated financial statements

PERIAMA HOLDINGS , LLC

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED

	March 31, 2018	March 31, 2017
Net sales	$ 243,730,010	$ 142,339,924
Cost of sales:		
Cost of sales - materials, labor and other costs	208,390,645	128,909,806
Cost of sales - manufacturing depreciation expense	30,934,366	28,961,324
Total cost of sales	239,325,012	157,871,130
Gross profit / (loss)	4,404,999	(15,531,205)
Selling, general and administrative expenses:		
Selling, general and administrative expenses:	23,323,733	24,278,259
Depreciation expenses	3,716,478	3,723,292
Total selling, general and administrative expenses	27,040,211	28,001,551
Operating loss	(22,635,212)	(43,532,757)
Other income (expenses):		
Interest income	181,685	285,910
Other income	771,868	859,975
Facility fees and financing charges	(2,468,180)	(3,103,007)
Interest expense	(49,217,065)	(55,360,532)
Total other income (expenses), net	(50,731,692)	(57,317,653)
Loss before unusual items and income tax	(73,366,905)	(100,850,410)
Unusual and/or infrequent items:		
Intercompany Loans & Interest Forgiven	-	579,321,808
Impairment of Fixed Assets	-	(25,074,827)
Profit / (Loss) before income taxes	(73,366,905)	453,396,571
Income taxes		
Current income tax expense	-	-
Deferred income tax expense (benefits)	(17,940,078)	(33,444,851)
Total income taxes	(17,940,078)	(33,444,851)
Net Profit / (loss)	(55,426,827)	486,841,422
Share of net (profit) / loss attributable to non controlling interest	2,633,816	3,839,920
Net Profit / (loss) attributable to controlling interest	(52,793,011)	490,681,343

See notes to consolidated financial statements

PERIAMA HOLDINGS, LLC
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERSHIP INTERESTS
YEARS ENDED MARCH 31, 2018 AND 2017

	Member's Capital	Common Stock	Additional Paid- in Capital Common Stock	Accumulated Deficit	Noncontrolling Interest	Total Stockholders' Accumulated Deficit
Balances at March 31, 2016		10	190,058,090	(760,128,819)	(18,640,503)	(588,711,222)
Net Profit / (Loss)				490,681,343	(3,839,920)	486,841,422
Adjustments	14,350,100	(10)	(190,058,090)	175,708,000	-	-
Balances at March 31, 2017	14,350,100	-	-	(93,739,476)	(22,480,423)	(101,869,799)
Net Profit / (Loss)				(52,793,011)	(2,633,816)	(55,426,827)
Adj to Minority Interest on transfer of Series B Preferred Stocks				(4,603,729)	(25,555,556)	(30,159,284)
Balances at March 31, 2018	14,350,100	-	-	(151,136,216)	(50,669,794)	(187,455,910)

See notes to consolidated financial statements

PERIAMA HOLDINGS , LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED

	March 31, 2018	March 31, 2017
Cash Flows From Operating Activities:		
Net Profit / (loss)	$ (55,426,827)	$ 486,841,422
Adjustments to reconcile net loss to net cash used in operating activites:		
Depreciation	34,650,844	32,684,616
Amortization	1,758,802	2,206,658
Adj for interest on interco loans	-	37,941,551
Impairment of fixed assets	-	25,074,827
Accretion of notes payable others to interest expense	1,803,427	-
Provision for deferred income taxes	(17,940,078)	(33,444,851)
Owner's interest on loans written back	-	(37,928,058)
Owner's loans written back	-	(541,393,750)
Changes in operating assets and liabilities:		
Trade receivables	(6,781,637)	(9,881,539)
Intercompany receivables	(3,129)	(527,881)
Affiliates receivables	171,302	925,212
Other receivables	10,030	22,081
Inventories	(12,240,970)	(9,214,712)
Prepaid expenses and deposits	(4,341,849)	1,532,499
Other current assets	(227,633)	466,565
Advanced coal royalties	2,070,757	(760,000)
Restricted investment and bond collateral (Net)	(23,704,739)	39,442,749
Trade accounts payable	2,999,731	(1,472,536)
Accounts payable - intercompany	-	-
Accounts payable - affiliates	-	(255,983)
Accrued liabilities	(148,156)	(54,862,008)
Interest payable financial institutions	(4,392,177)	606,442
Interest payable related parties and affiliates	-	(11,908,930)
Interest payable others	45,000	-
Interest payable intercompany	35,401,646	-
Taxes payable	(29,416)	(42,920)
Unearned revenue	-	-
Coal royalties due	-	-
Reclamation payable	(13,420)	-
Net cash used by operating activities	(46,338,492)	(73,948,547)

See notes to consolidated financial statements

PERIAMA HOLDINGS , LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	March 31, 2018	March 31, 2017
Cash Flows From Investing Activities:		
Capital expenditures (Net)	$ (12,988,104)	$ (2,596,964)
Net cash provided used in investing activities	(12,988,104)	(2,596,964)
Cash Flows From Financing Activities:		
Borrowings on bank lines-of-credit	(3,697,449)	17,226,940
Payment on letter of credit revolver loan	-	-
Retirement of debts with banks	(291,250,000)	(97,500,000)
Buy back - minority interest		-
Proceeds from intercompany notes payable (Net)	386,567,596	196,103,874
Payment to former owners - other Payables	(250,000)	-
Repayment of debt with related parties & affiliates	(1,547,289)	(39,649,284)
Redemption of share capital - St. James	(30,159,284)	-
Other payables	(1,803,427)	
Net cash provided by financing activities	57,860,147	76,181,529
Net increase (decrease) in cash and cash equivalents	(1,466,449)	(363,983)
Cash and cash equivalents at beginning of year	2,875,784	3,239,766
Cash and cash equivalents at end of year	1,409,335	2,875,784
Supplemental Cash Flow Information:		
Interest paid	18,162,597	70,806,053

See notes to consolidated financial statements

A. Organization

Organization and Operations

Periama Holdings, LLC (the "Company") has been incorporated in the state of Delaware. The Company is 99.9 percent owned by JSW Steel Netherlands B.V and 0.1 percent owned by JSW Steel Ltd., India. On March 16, 2017, Periama Holdings, LLC (a West Virginia entity) merged with the Company.

On March 28, 2017, JSW Steel Holding (USA), Inc., a Delaware corporation, 99.9 percent owned by JSW Steel Netherlands B.V and 0.1 percent owned by JSW Steel Ltd., India, has transferred all of its assets and liabilities to the Company. JSW Steel Holding (USA), Inc. was dissolved immediately thereafter.

Steel Fabrication operations

The Company owns 90 percent of JSW Steel (USA) Inc. and the balance 10 percent is owned by St. James Investments Ltd. JSW Steel (USA) Inc. acquired the stocks of Jindal Enterprises LLC, Jindal Pipes USA Inc., and US Denro Steels Inc on November 5, 2007. The three entities were merged into one operation under JSW Steel (USA) Inc. The operations in the three entities consist of a steel plate manufacturing facility, a pipe manufacturing facility and double jointing and coating facilities in Baytown, Texas.

Mining Operations

Periama Holdings, LLC (a West Virginia "Entity") was a coal development and production holding Company organized as limited liability Corporation in West Virginia. The Entity's business activities were primarily the production, loading and sale of metallurgical coal from mines located in West Virginia. The Entity was a wholly-owned subsidiary of JSW Steel Holding (USA), Inc., which acquired a 100% membership interest in Periama effective May 3, 2010.

On March 16, 2017, Periama Holdings, LLC (a West Virginia "Entity") was merged with the Company.

The Company's West Virginia administrative functions are organized under Prime Coal, LLC. The Company operates through its direct subsidiaries, Purest Energy, LLC ("Purest") and Planck Holdings, LLC ("Planck"). Wholly-owned subsidiaries of Purest are Meadow Creek, LLC, Keenan Minerals, LLC, Hutchinson Minerals, LLC, R. C. Minerals, LLC, and Peace Leasing, LLC, which own or lease and operate mining interests. Wholly- owned subsidiaries of Planck are Rolling S Auger, Caretta Minerals, LLC, and Lower Hutchinson Minerals, LLC,

which also owns or leases and operates mineral interests. Planck also wholly owns Periama Handling, LLC, which used to own or lease rail and dock coal loading equipment on leased facilities.

B. Restructuring

As part of the JSW Steel Limited's (the "Parent") efforts to restructure and consolidate its US operations and holding structure, the Parent has implemented a reorganization which broadly entailed the following:
To improve the administration and making the US organization leaner to be more effective, control of its coal mining operations as well as its manufacturing facilities of steel plates and pipes have been consolidated with an entity, the office of which has effectively been relocated from the State of West Virginia to the State of Delaware by merging Periama Holdings LLC (wholly owned subsidiary of JSW steel Holding (USA) Inc.) in the State of West Virginia with Periama Holdings LLC (Wholly owned subsidiary of JSW Steel Holding (USA) Inc.) in the state of Delaware on 16th of March 2017.

Part of the loans and related dues from the Parent and its group entity amounting to $ 579.32 million has been written back and these amounts have been reflected as an unusual and/or infrequent item in the Statement of Operations.

The assets and liabilities of JSW Steel Holding (USA) Inc. have been transferred to Periama Holdings LLC at their carrying values and JSW Steel Holding (USA) was dissolved on March 28, 2017.

The financial statements of the Periama Holdings, LLC shall report the results of operations of FY 2016-17 as though the transfer of net assets or exchange of equity interests had occurred at the beginning of the period. Financial statements and financial information presented for prior years also have been retrospectively adjusted to furnish comparative information.

C. Going Concern

The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company engages in business activities that involve various risks, and future success is dependent upon a number of factors including, among others, generating sufficient revenues, the market demand and price for the Company's products, the price of raw materials and the availability of required working capital. The Company incurred a loss of $ 52.8 million and net profit of $ 490.7 million during the years ended March 31, 2018, and March 31, 2017 respectively.

For its steel operation, the Company has adopted a plan to increase volumes by increasing its market share, thereby reducing unit cost through greater absorption of fixed costs over increased volume. Further, the Company plans to reduce its cost by improving quality and other cost control initiatives.

Until last year, in view of the significant drop in coal prices, the Company was trying to reduce their losses by keeping the operations at a minimum level. Now the metallurgical coal market is improving so the Company has started operating its preparation plant and is planning to start mining operations and ramp up the production in line with improvement in the coal prices. The Company is mainly focusing on a plan to mine those reserves which can be extracted at the lowest cost and which are in close proximity to the preparation plant so as to minimize the cost of transportation. The Company will consider mining the rest of the reserves as the coal market improves. Further, the Company is also approaching various customers in order to get better sale orders and achieve profitability.

The Company is dependent upon its ultimate parent Company, JSW Steel Ltd. India to continue providing financial support as done in the past for the Company to continue until it achieves profitable operations. JSW Steel, Ltd. India will continue to provide need based support to the Company as required to continue operations.

The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

D - Summary of Significant Accounting Policies

The consolidated financial statements are prepared under accounting principles generally accepted in the United States of America ("GAAP"). The following notes describe the significant accounting policies:

Principles of Consolidation

The consolidated financial statements include the financial statements of Planck Holdings, LLC, Purest Energy, LLC, Prime Coal, LLC and 90% owned JSW Steel (USA) Inc. All intercompany balances and transactions have been eliminated in consolidation. The equity of JSW Steel (USA), Inc. that is not owned by the Company is treated as a non-controlling interest in the consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include estimated future life in determining current depreciation rates under the depreciation method, estimated amounts for uncollectible accounts receivables and the estimated present value of the Company's note payable to seller. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents. At March 31, 2018 and 2017, the Company had no such investments. The Company maintains deposits primarily in three financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). The Company has not experienced any losses related to amounts in excess of FDIC limits.

Allowance for Doubtful Accounts

Bad debts are provided by using the allowance method based upon historical experience and management's evaluation of outstanding accounts receivable at the balance sheet date for receivables that may not be fully collectible. Management's evaluation also includes potential non-payment due to product claims by customers. The Company's receivables are mainly from trade customers. Allowance for doubtful accounts on trade accounts receivable was $574,290 and $4,463,169 as at March 31, 2018 and at March 31, 2017, respectively.

Inventories

Inventories of raw materials, work in progress and finished goods are valued at the lower of cost or market using the weighted average cost method.

Restricted Investments and Bond Collateral

The Company has requirements to maintain restricted cash and investments (time deposits) for bonding requirements. Amounts held are recorded as Restricted Investments and Bond Collateral. Funds in the restricted investment and bond collateral accounts are not available to meet the Company's operating cash needs.

Mine Development

Mining costs are expensed as incurred for existing operating mines. Costs of developing new mines or significantly expanding the capacity of existing mines are capitalized and amortized using the units-of production method over the estimable recoverable reserves that are associated with the property being benefitted. Costs may include construction permits and licenses; mine design; construction of access roads, shafts, slope and main entries; and removing overburden to access reserves in a new pit.

The Company allocates interest, which is capitalized as mining development cost, to mines that are being prepared for production.

Mining Properties, Plant & Equipment

Property plant and equipment are stated at cost except for the assets acquired from three entities on November 2007 and the coal mining operations related assets acquired in May 2010, which are stated at the acquisition date fair market value. Depreciation is calculated over the estimated useful lives of the assets using the straight-line method. Expenditures for refurbishments and improvements are capitalized; repairs and maintenance are charged to expense as incurred. Coal reserves are recorded at fair value. Coal reserves, mineral rights and mine development costs are depleted based upon estimated recoverable proven and probable reserves.

Change in Accounting Estimates

During the year 2015-16, the Company's 90% subsidiary had conducted an exercise to segregate individual assets from blocks of assets in category of plant and machinery. This has resulted in changes to the estimated lives of certain assets. There is no change in accounting estimates during the current and previous years.

Long-lived Assets

Company reviews long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted future cash flows of the asset. If the carrying amount of an asset may not be recoverable, a write-down to fair value is recorded. Fair values are determined based on the discounted cash flows, quoted market values, or external appraisals, as applicable. Long-lived assets are reviewed for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified.

Mining Properties, Plant & Equipment

Plant and equipment are stated at the fair market value as of the acquisition date. Depreciation will be calculated over the estimated useful lives of the assets using the straight-line method. Coal reserves are recorded at fair value.

Coal reserves, mineral rights and mine development costs are depleted based upon estimated recoverable proven and probable reserves.

Plant and equipment are depreciated on a straight-line basis over the assets' estimated useful lives as follows:

	Years
Buildings and improvements	15 to 30
Machinery and equipment	3 to 30

During the year ended March 31, 2017, given significant weakening in coal markets combined with the additional idling of coal mines and change in mining plans, the Company determined that indicators of impairment were present for its coal related long-lived asset groups and performed impairment tests as of Sept 30, 2016. The impairment testing indicated that undiscounted cash flows were less than the carrying value for certain asset groups. The Company estimated the fair value of these asset groups generally using a discounted cash flow analysis utilizing market-participant assumptions. Since the estimated fair value of these asset group is lower than the carrying value, the Company recorded asset impairment charges of $25,074,827 during year ended March 31, 2017.

Capitalized Loan Costs

The Company incurred costs to obtain certain loans. These costs have been deferred and are being amortized to interest expense over the related maturities of the loan. The deferred financing costs included on the consolidated balance sheets represent the remaining unamortized costs.

Federal Income Taxes

The Company is a C corporation for federal tax purposes and files a consolidated tax return. The Company records income taxes pursuant to the liability method. Deferred tax assets and liabilities are recorded based upon differences between the financial statement and tax bases of assets and liabilities and the available tax carry-forwards. For tax purposes buildings, property and equipment will carry the same book value for federal taxes as carried by the entities before JSW Steel (USA), Inc. purchased the entities that now form JSW Steel (USA) Inc. The difference between the tax basis and financial statement basis is a temporary timing difference and has been recorded as a deferred tax liability for financial statement

purposes. Deferred income taxes are measured using enacted tax rates expected to apply to taxable income in years in which such temporary differences are expected to be recovered or settled. The effect on deferred income taxes of a change in tax rates is recognized in the consolidated statement of income of the period that includes the enactment date. In addition, a valuation allowance will be established to reduce any deferred tax asset for which it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized.

Tax positions are evaluated in a two-step process. The Company first determines whether it is more likely than not that a tax position will be sustained upon examination. If a tax position meets the more likely than not threshold, it is then measured to determine the amount of expense to record in the financial statements. The tax position is measured as the largest amount of expense that is greater than 50 percent likely to be realized upon settlement. The Company classifies any potential accrued interest recognized on an underpayment of income taxes as interest expense and classifies any statutory penalties recognized on a tax position taken as operating expense. Management of the Company has not taken a tax position that, if challenged, would be expected to have a material effect on the consolidated financial statements or the effective tax rate for the year ended March 31, 2018 or 2017.

Fair Value of Financial Instruments

The fair value of financial instruments classified as current assets or liabilities, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate carrying value, principally because of the short maturity of those items. The carrying value of non-interest-bearing debt approximates fair value because the imputed interest approximates the prevailing interest rates. None of these instruments are held for trading purposes.

Asset Retirement Obligations

The Company's asset retirement obligation ("ARO") liabilities primarily consist of estimated costs to reclaim surface land and support facilities at its mines in accordance with federal and state reclamation laws as established by each mining permit. In order to minimize possible reclamation obligations, the Company has contracted with mining operators on certain mines to reclaim the land as part of the mining operations.

For mines where the Company has a possible asset retirement obligation, the Company estimates its ARO liabilities for final reclamation and mine closure based upon detailed engineering calculations of the amount and timing of the future costs for a third party to perform the required work. Cost estimates are escalated for inflation, and then discounted at a credit-adjusted risk-free rate. The Company records an ARO asset associated with the initial

recorded liability. The ARO asset is amortized based on the units of production method over the estimated recoverable, proven and probable reserves at the related mine, and the ARO liability is accreted to the projected settlement date. Changes in estimates could occur due to revisions of mine plans, changes in estimated costs, and changes in timing of the performance of reclamation activities.

As of March 31, 2018, and 2017, the Company had $ 524,339 and $537,758, respectively of accrued asset retirement obligations.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash and accounts receivable. The Company maintains cash balances at financial institutions, which may at times be in excess of federally insured levels. The Company has not incurred losses related to these balances to date.

The Company had one customer that represented of total revenues for the year ended March 31, 2018. In the previous year, the Company had one customer that represents 14.1% of revenue. As of March 31, 2018, the Company had three trade receivable accounts that represented 35% of total trade receivables. As of March 31, 2017, the Company had three receivable accounts that represented 27% of total trade receivables.

Revenue Recognition

Revenue is recognized generally when the product is shipped to the customer. The revenue from the sale of goods is recognized when the following has been satisfied:

a. The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

b. Subsequent to the transfer of title, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c. The amount of revenue can be measured reliably;

d. It is probable that the economic benefits associated with the transaction will flow to the Company; and,

e. Costs incurred, or to be incurred in respect of the transaction, can be measured reliably.

Coal Revenues

The Company recognizes coal sales revenue at the time title passes to the customer in accordance with the terms of the underlying sales agreements and after any contingent performance obligations have been satisfied. Coal sales revenue is recognized based on the pricing contained in the contracts in place at the time that title passes. Retroactive pricing adjustments to those contracts are recognized as revised agreements are reached with the customers and any performance obligations included in the revised agreements are satisfied.

Exploration Drilling and Evaluation Costs

Exploration, drilling and evaluation expenditures are charged to cost of sales as incurred, including costs related to drilling and study costs incurred to convert or upgrade mineral resources to reserves. Once commercially viable reserves are determined to be productive, development costs of the coal reserves are capitalized and amortized using the unit of production basis over the total estimated remaining commercial reserves.

Shipping and Handling Costs

Freight billed to customers is considered revenue and the related freight costs as cost of sales.

Taxes Collected from Customers

In the course of doing business, the Company collects taxes from customers, including but not limited to sales taxes. It is the Company's policy to record these taxes on a net basis in the statement of operations; therefore, the Company does not include the taxes collected as a component of revenues.

Planned Major Maintenance Activities

The Company uses the direct expensing method to account for major maintenance activities. Under this method major maintenance activities are expensed as a period expense when the major maintenance activities are incurred.

Advertising Costs

Advertising costs are expensed when incurred.

Reclassification of Prior-Year Amounts

Previously reported numbers have been reclassified where required, to make them comparable to the current numbers. Such reclassifications had no effect on previously reported results of operations.

E. Inventories

At March 31, 2018 and 2017, inventories stated at the lower of cost or market, consisted of the following:

Description	2018	2017
Steel Slabs - raw materials	22,964,412	20,416,418
Coal- raw material	71,261	322,991
WIP	2,666,283	2,118,173
Finished Goods - Plates	19,433,777	11,278,352
Finished Goods - Pipe	2,556,236	2,990,153
Saleable coal	794,313	-
Scrap	968,263	377,989
Stores and Rolls Inventory	16,444,692	16,062,829
Slabs in transit	-	91,363
Total	**65,899,238**	**53,658,268**

F. Mines, Property, Plant and Equipment

Property, plant and equipment as of March 31, 2018 and 2017 are as follows:

Description	Balances as on March 31, 2017	Additions	Adjustment/ Retirement	Balances as on March 31, 2018	Estimated Useful Life (Years)
Land	3,900,058	800,920	-	4,700,978	
Machinery and equipment	782,225,832	39,368,310	2,220,892	819,373,250	7 - 22
Buildings	154,940,065	430,007	-	155,370,072	30
Mine development cost	4,551,442	937,807		5,489,249	UOP
Capitalized asset retirement costs	638,476	-	-	638,476	UOP
Furniture, fixtures, transport vechiles and office equipment	1,718,443	333,446	123,287	1,928,602	3 - 10
Capital Work in Progress	34,857,217	1,810,504	35,180,991	1,486,730	
Total Property, Plant and Equipment	**982,831,534**	**43,680,994**	**37,525,171**	**988,987,357**	
Less: Accumulated Depreciation	(334,143,790)	(34,650,844)	99,371	(368,695,263)	
Less: Assets Sold	-	-	(111,996)	(111,996)	
Net Property, Plant and Equipment	**648,687,744**	**9,030,150**	**37,512,546**	**620,180,098**	

Description	Balances as on March 31, 2017	Additions	Adjustment/ Retirement	Balances as on March 31, 2018	Estimated Useful Life (Years)
Mining Property	57,222,021	6,785,066	-	64,007,087	UOP
Total Mining Property	**57,222,021**	**6,785,066**	**-**	**64,007,087**	
Less: Accumulated Depletion	(1,493,945)	-	-	(1,493,945)	
Net Mining Property	**55,728,076**	**6,785,066**	**-**	**62,513,142**	

Depreciation expense was $ 34,650,844 and $ 32,684,616 for the years ending March 31, 2018 and 2017, respectively.

G. Other Assets

Other assets consisted of the following at March 31:

Description	2018	2017
Advanced coal royalties	7,659,838	9,730,595
Restricted investments and bond collateral	3,367,902	3,357,947
Less: Impairment	(2,932,946)	(2,992,786)
Total	8,094,794	10,095,756

Advanced coal royalties relate to minimum royalties paid to the Company's lessors that will be applied to actual royalties incurred on processed coal once the mines are in production.

Restricted investments and bond collateral include restricted cash that is legally restricted for purposes of settling final reclamation activities. The Company's restricted investments are in bank time deposit accounts and treasury accounts with the Regulatory Agencies.

H. Accrued Expenses

Accrued expenses consisted of the following at March 31:

Description	2018	2017
Personnel related costs	838,796	963,679
Utilities	463,153	329,637
Freight	38,951	440,000
Property taxes	291,807	485,157
Legal	88,000	25,000
Others	945,275	570,663
Total	2,665,982	2,814,136

I. Debts

At March 31, 2018 and 2017, debt consisted of borrowings under term loan agreements, working capital credit facilities and other short-term credit arrangements from financial institutions. The related party debt relates to a loan from the minority shareholder of JSW Steel (USA), Inc.

Term Loan and Working Capital Credit Facilities with Financial Institutions

Periama Holdings, LLC

On February 19, 2013, JSW Steel Holding (USA) Inc. had entered into a term loan agreement with ANZ Banking Group of Singapore for $40,000,000. This loan was secured by corporate guarantee furnished by the Parent. The loan had been renewed for the period until Feb. 17, 2017. On Feb. 17, 2017, the loan was repaid in full along with the interest accrued thereon.

JSW Steel Holding (USA) Inc. had entered into a loan agreement in October 2013 with the State Bank of India, London Branch for $400 million. The note has an interest rate of LIBOR plus 2.42%. At March 31, 2018 the interest rate was 4.08% (3.68% as at 31st March 2017). On April 17, 2017, the Company has prepaid $200 million against this loan of $400 million. Therefore, the said amount of $200 million is accordingly reflected in the financials as a current liability as at March 31, 2017. Further, the repayment schedule has been amended. The note will now be repaid with three installments of approximately $67 million in September 2018, September 2019, and upon its final maturity in October 2020. The note is secured through an unconditional and irrevocable standby letter of credit to the bank based on a guarantee by the Parent.

On November 3, 2014, the Company entered into a credit facility agreement with ICICI Bank UK PLC, Frankfurt Branch for $40 million. The loan bears interest at LIBOR plus 3.05% p.a. At March 31, 2017 the interest rate was 3.93%. The loan was secured by a guarantee issued by the Parent. The loan was further secured by a second charge on the assets of Company's 90% subsidiary. The loan was repayable in 3 equal installments commencing from the end of 4th year of drawdown. On April 17, 2017, the Company has paid this loan in full along with all accrued interest thereon. Accordingly, the obligation in full as at 31st March 2017, has been reflected in financials as a current liability.

In October 2014, the Company entered into a standby letter of credit (SBLC) facility with ICICI, NY for $40 million. This facility was secured by a corporate guarantee issued by JSW Steel Limited.

In addition to above, in December 2014 the Company entered into a SBLC facility for an additional $40 million secured by interest bearing cash collateral of equal amount.

Both of the above SBLC facilities were availed in December 2014 to issue two irrevocable SBLCs of $40 million each, to secure a surety bond of $80 million posted by Company's 90% subsidiary in defending an antitrust law suit filed in the United States District Court for the Southern District of Texas.

During the year 2016-17, the Company has been awarded an adverse judgment for the law suit filed in the United States District Court for the Southern District of Texas. The Company paid judgment amount as per the court's order. Thereafter, original SBLCs were returned to ICICI NY and respective corporate guarantee of JSW Steel Limited pertaining to issuing of first $40 million SBLC by ICICI NY and cash collateral of $40 million held by ICICI NY pertaining to second SBLC of $40 million, were released.

Short-Term Notes Payable

A $250,000 non-interest bearing note was due to a former owner of an acquired subsidiary and was payable at $125,000 for each successful mining permit obtained for the acquired subsidiary. Since, no mining permit is expected now, this Note is not payable anymore so written back during the current year.

Term Loans with Financial Institutions

During September 2013, the Company executed a credit facility agreement with ICICI Bank with a maximum credit facility amount of $30 million. The facility matures on October 15, 2017 and bears interest at six-month LIBOR plus 3.7 percent. The interest rate at March 31, 2017 was 5.12 percent. The loan is repayable in seven semi-annual installments beginning October 15, 2014 and is collateralized by certain of the Company's property and equipment. This loan has been paid in full along with all accrued interest thereof during the year ended March 31, 2017.

JSW Steel (USA), Inc.

In May 2014, the ICICI Bank Limited, Dubai has sanctioned a Working Capital Term loan of $75 million at LIBOR plus 4.15%. The interest rate at March 31, 2017 was 5.21%. The term of the loan was 4 years. Repayment started in April 2015 (10%) and thereafter, the balance was payable in six equal half yearly installments. The loan was secured by a first charge on all assets. On April 17, 2017, this term loan facility has been paid in full along with accrued interest thereon.

In November 2014, the Company obtained a corporate loan from SBI, New York in the amount of $70 million at LIBOR plus 3.45%. The interest rate at March 31, 2018 and 2017 was 5.752% and 4.30% respectively. The tenure of the loan is 4 years one month and repayable in 16 equal quarterly installments of $4.375 million each commencing from March 31, 2015 and ending on December 31, 2018. The proceeds of the loan were utilized to repay the revolving credit facility of SBI in full. This loan is secured with a first charge on all assets on a pari-passu basis. The loan is further secured by a guarantee issued by the Parent.
The following are the details of debt due to banks at March 31:

Long Term Debts	**2018**	**2017**
Notes payable to a bank	200,000,000	440,000,000
Notes payable to related party	-	3,350,716
Term loan notes payable to banks - JSW Steel USA, Inc.	13,125,000	64,375,000
Total long-term debt	**213,125,000**	**507,725,716**
Less current portion	79,791,667	294,600,716
Long-term debts, net of current portion	**133,333,333**	**213,125,000**

The Debts will mature as follows:

Fiscal year Ending Mar. 31,	**Related Party**	**Banks**	**Total**
2019	-	79,791,667	79,791,667
2020	-	66,666,667	66,666,667
2021	-	66,666,666	66,666,666
	-	**213,125,000**	**213,125,000**

Due to banks - Lines-of-Credit

To provide for purchases of inventory and other working capital requirements, the Company has established line of credit facility arrangements with three financial institutions. These facilities allow the Company to provide letters of credit and other short-term financing instruments (banker's acceptance) for purchases of inventory.

The facilities availed from Bank of America and from ANZ Bank have been sanctioned to Periama Holdings, LLC, and allows its 90% subsidiary to utilize the facilities for purchases of inventory. As at the close of the year, the Bank of America Facility had no outstanding and was terminated in April 2016.

The facility availed from ICICI Bank Limited, Dubai is secured by a first charge on the assets of the Company.

The arrangements have varying interests when the billing acceptance occurs. These facilities are summarized below as of March 31, 2018:

Bank	Rate of Interest	Limits	Banker's Acceptance Utilized	Letters of Credit Utilized	Balance Available
ANZ Bank	4.73%	50,000,000	37,422,772	11,591,800	985,428
ICICI	4.42%	25,000,000	24,100,000	-	900,000
		75,000,000	**61,522,772**	**11,591,800**	**1,885,428**

J. Other Long-Term Payables

Long-term liabilities include commitments by the Company to pay royalties to former owners of the coal mines that were purchased in May 2010. The amounts estimated to be paid per the mine purchase agreements and based on expected coal production is approximately $2,434,333 and $2,434,333, as of March 31, 2018 and 2017, respectively.

During the year, an indirect subsidiary (Caretta Minerals LLC) has acquired permitted coal Reserves amounting to $ 6.7 million. $3 million was paid upfront and $2.5 million was adjusted from advance royalties paid to the seller and balance $1.2 million is to be paid over a period of five years beginning June 30, 2018. The rate of interest on this Note is 4.5%. The note will be paid on June 30th each year as given below:

2018	$ 240,000
2019	$ 240,000
2020	$ 240,000
2021	$ 240,000
2022	$ 240,000
Total	**$ 1,200,000**

Equipment financing

On September 15, 2017, Caretta purchased four pieces of equipment for its Preparation Plant operations. This was financed $ 683,113 by an equipment financing Company to be paid in 48 equal monthly installments. The rate of interest on this financing is 3.9%. The year wise principal payment is as follows:

March 31,2019	$ 164,099
March 31,2020	$ 170,614
March 31, 2021	$ 177,393

K. Capital Leases

The Company acquired equipment through capital leases in prior years. As on March 31, 2018 there are no equipment appearing in the books which are acquired through capital lease. Therefore, no further depreciation has been charged during the year on these assets.

L. Debt Due to Related Party- Minority Shareholder and Intercompany

Notes payable to related parties and affiliates

The debt due to a related party was $ Nil as of March 31, 2018 and $3,350,716 as of March 31, 2017, which bears interest rate equal to the weighted average of interest charged on term loan facilities availed by JSW Steel (USA), Inc. The loan was used for purchase of stock.

M. Intercompany, Related Party and Affiliates Disclosure information

Intercompany balances relate to loans and other transactions between the Company and its stockholders including JSW Steel Ltd., India and JSW Steel (Netherlands) BV. The following details intercompany balances at March 31:

Intercompany Receivables	2018	2017
Accounts receivable from Sales JSW Steel Ltd., India	241,585	236,825
Accounts receivable from Sales JSW Steel(Netherlands) BV	30	30
Accounts receivable from Sales JSW U.K.	525,630	527,292
Total Intercompany Receivables	**767,245**	**764,147**
Interest Payable		
JSW Steel Netherlands BV	772,492	-
JSW Steel Ltd., India - On slab purchase	446,990	446,990
JSW Steel Ltd., India - Notes payable	91,846,589	57,217,436
Total Interest Payable	**93,066,071**	**57,664,426**
Intercompany - Loans Payable		
Loans payable to JSW Steel Limited, India	613,174,400	239,164,400
JSW Steel Netherlands BV	12,557,596	-
Intercompany Loans Payable	**625,731,996**	**239,164,400**

The following details intercompany transactions during the year ended March 31;

Intercompany transactions with JSW Steel Ltd., India	2018	2017
Interest expense	34,629,153	37,316,878
Intercompany transactions with JSW Steel (Netherlands) BV		
Interest expense	-	624,673

The Company transacts business with a Company that is controlled by family members of the majority stockholders of JSW Steel Ltd. (India). As a result of this relationship, management considers Jindal Saw Ltd. (USA), LLC and Jindal Saw Ltd., India to be affiliate companies. St. James investments Ltd. is a minority stockholder of and provided debt financing to JSW Steel (USA), Inc. Management considers St. James Investments Ltd. a related party. The following details balances with related parties and affiliates at March 31;

	2018	2017
Receivables from Affiliates		
Jindal Saw USA LLC	-	171,302
Total Receivables from Affiliates	**-**	**171,302**
Payables to Related Party		
Notes payable to St. James Investments Ltd.	-	3,350,716
Total Receivables from Affiliates	**-**	**3,350,716**

N. Income Taxes

The Company's deferred tax liabilities, and deferred tax assets, at March 31, 2018 and 2017 are as follows:

	2018	2017
Deferred tax assets/benefits related to:		
Current deferred tax assets		
Allowance for doubtful accounts	138,454	1,591,864
Interest not currently deductible	29,854,669	38,827,053
Uniform capitalization on inventory	1,087,450	1,098,586
Accrued expenses not currently deductible	48,802	(33,980)
Current deferred tax assets	**31,129,375**	**41,483,523**
Impairment for Royalties	109,398	182,330
Impairment of Reclamation Bonds	454,789	796,958
Costs incurred for start-up	102,947	195,800
Net operating loss carry forward	120,031,418	170,603,152
Long-term deferred tax assets	**120,698,552**	**171,778,240**
Less valuation allowance on deferred tax assets	(29,883,000)	(10,955,000)
Net long-term deferred tax assets	**90,815,552**	**160,823,240**
Deferred tax liability related to:		
Financial statement assets greater than tax basis net of accumulated depreciation differences	114,385,003	212,686,917
Net long term deferred tax liability	**114,385,003**	**212,686,917**

The Company's deferred tax assets and liabilities are classified in the accompanying consolidated balance sheets as follows:

	2018	2017
Current net deferred tax assets	31,129,376	41,483,523
Long-term deferred tax assets	90,815,552	160,823,241
Long-term deferred tax liabilities	114,385,003	212,686,917
Net long-term deferred tax liabilities	**23,569,451**	**51,863,676**

In November 2007, with the acquisition and merger of the three entities, the Company received approximately $50.2 million in net operating loss (NOL) carry forwards for federal income tax purposes. As of March 31, 2018, $31.4 million of the original NOL carry forwards have been unused.

For the year ending March 31, 2018, the Company had a taxable loss of approximately $20.5 million, which increases the NOL carry forwards to $571.6 million to be carried forward to future years with a corresponding tax benefit of approximately $120.0 million. The net operating loss carry forwards if not utilized, will expire in various years through 2038. The Company does not have any current year federal taxes payable, and did not make any estimated payments in during the year ended March 31, 2018 or year ended March 31, 2017. The NOL carry forwards expire as follows.

Year of expiration	NOL Carry forward (millions)
2021	$ 11.5
2022	5.9
2023	1.2
2024	1.3
2025	6.8
2026	1.8
2027	2.9
2028	-
2029 and beyond	540.1
Total	**571.6**

For the year ending March 31, 2018, the Company has established additional valuation allowance for possible net operating losses that may expire before the Company can utilize the net operating losses. The Company's valuation allowance of $ 29.88 million (Previous year - $ 10.96 million) on the deferred tax assets covers approximately $ 142.3 million (Previous year - $ 31.3 million) of potential net operating loss benefits that may not be used before expiring.

The deferred tax assets related to the net operating loss has been classified as long term due to the fact that the Company may not have profits within the following year to utilize any of the net operating loss benefits.

O. Commitment and Contingencies

Operating Leases

The Company enters into various equipment rental agreements during the year which, are operating leases. Most are on a month-to-month basis. The rental agreements are short-term in nature and are cancellable and not capital leases.

Minimum lease payments per year on operating leases that are on term basis are as follows;

Fiscal year ending March 31,

2019	121,866
2020	121,866
2021	121,866

Rent expense under these operating leases totaled $2,702,129 and $2,104,407 for the periods ended March 31, 2018 and 2017, respectively.

Caretta Minerals Commitment

On April 29, 2010, the Caretta Minerals, LLC, a wholly-owned subsidiary of Planck, executed lease agreements for certain coal reserves and certain tracts or parcels of land for the purpose of erecting and operating a coal preparation plant and related facilities through December 31, 2034 (the "Caretta leases").

As part of the Caretta leases, the Company agreed to (i) make every reasonable effort to mine at least two million five hundred thousand (2,500,000) tons of coal during each five-year period beginning in July 1, 2022 and (ii) use commercially reasonable efforts to construct a 500-ton-per-hourcoal preparation plant by April 1, 2017. The Preparation Plant is operational since April 2017.

The Caretta leases include a tonnage royalty whereby the Company pays a royalty for every ton processed and/or shipped from the leased site. Beginning in April 2012, the agreements required the Company to begin paying minimum royalties. The future minimum royalty payments under the Caretta leases at March 31, 2018 are as follows:

ending March 31,	
2019	$ 575,000
2020	900,000
2021	900,000
2022	900,000
2023	900,000
	$4,175,000

The Caretta leases allow the Company to recoup these minimum annual royalty payments by application to the actual coal lease royalties that would otherwise due during the following Five lease years or till extended period as agreed by the Lessor. The advance royalty payments that management expects to recoup from the Caretta leases' future royalties were $7,138,895 and $9,199,652 as of March 31, 2018 and 2017, respectively.

Contingencies

The Company is subject to certain disputes and claims, which have arisen in the ordinary course of business. It is not possible to predict the outcome of any such matters.

P. Retirement Plan - 401 (K) Plan-Salary Deferral Plan

The Company sponsors a 401(k) plan for all employees with one year (or over) of service. Eligible employees may contribute part of their wages, before taxes are paid, up to 15% of their annual compensation or the maximum allowed by tax statutes for their retirement. The Company matches 50 percent of the employee's contributions in the plan, up to a maximum of 1.5 percent (3 percent in previous year) on the employee's contribution of 3 percent (6 percent previous year) of the employee's annual compensation. Participants are 0% vested after one year of service, 20% vested after two years of service, 40% vested after three years of service, 60% vested after four years of service, 80% vested after five years of service and 100% vested after six years of service on the Company's matching portion. The Company contributed $200,974 and $166,604 for the years ending March 31, 2018 and 2017, respectively. A third-party administrator administers the plan.

Q. Health Care Benefits

The Company provides health care benefits to its active full time workers. The Company uses a third party commercial insurance carrier to handle the health care insurance. The Company expenses related to health care benefits were $5,202,451 and $4,519,481 for the years ending March 31, 2018 and 2017, respectively.

R. Subsequent Events

Subsequent events have been evaluated through May 01, 2018, which is the date on which the financial statements were available to be issued. As of the date of this report, there are no reportable events other than the events already disclosed above where appropriate.

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTAL INFORMATION

Board of Directors
Periama Holdings, LLC
Baytown, Texas

We have audited the consolidated financial statements of Periama Holdings, LLC, Inc. and its subsidiary as of and for the years ended March 31, 2018 and 2017 and our report thereon dated May 01, 2018 which expressed an unmodified opinion on those financial statements, appears on page 1 and 2.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 33 to 42 in the accompanying combining balance sheet and combining statement of operations is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Braj Aggarwal, CPA, P.C.

Hicksville, New York
May 01, 2018

PERIAMA HOLDINGS, LLC
COMBINING BALANCE SHEETS
As at March 31, 2018

	JSW Steel (USA), Inc.	Periama Holding LLC	West Virginia Coal operations	Elimination Entries	Consolidated March 31, 2018
Assets					
Current					
Cash and cash equivalents	$ 462,346	$ 176,337	$ 770,652	-	$ 1,409,335
Accounts receivables:					
Trade receivables net of provision for doubtful accounts	28,485,074	-	117,035	-	28,602,109
Intercompany receivables - JSW Steel Ltd. India,Netherlands & UK	208,272	558,973		1	767,246
Intercompany interest receivables	-	63,511,859	-	(63,511,859)	-
Receivables from affiliates	-	-	-	-	-
Taxes receivables	-	-		-	-
Others	-	13,235	-	-	13,235
Inventories	65,009,895	-	889,343	-	65,899,237
Inventories - slabs in transit	-	-	-	-	-
Prepaid expenses and deposits	5,625,847	-	-	-	5,625,847
Other current assets	-	-	313,154	-	313,154
Deferred tax assets	2,689,209	28,422,313	17,853	-	31,129,376
Total current assets	102,480,643	92,682,717	2,108,037	(63,511,859)	133,759,538
Property, plant and equipment					
Land and Mining Property	3,900,058	-	104,411,986	-	108,312,044
Mine development cost	-	-	11,353,551	-	11,353,551
Capitalized asset retirement costs	-	-	1,474,536	-	1,474,536
CWIP	1,486,730	-	-		1,486,730
Plant and equipment	940,907,747	-	35,652,181	-	976,559,929
	946,294,535	-	152,892,254	-	1,099,186,789
Less: Accumulated depreciation, depletion and amortization	(365,797,391)	-	(4,391,818)	-	(370,189,208)
Less: Impairment Loss		-	(46,304,341)		(46,304,341)
Net property, plant and equipment	580,497,144	-	102,196,096	-	682,693,240
Mineral Rights (Net of accumulated depreciation and impairment)					-
Advanced coal royalties (net of impairment)	-	-	7,138,895	-	7,138,895
Restricted investments and bond collateral (net of impairment)	23,694,785	-	955,899	-	24,650,683
Intercompany loans receivable from subsidiaries	-	478,803,278	-	(478,803,278)	-
Investment in subsidiaries	-	282,202,031	-	(282,202,031)	-
Capitalized loan cost net of amortization	252,000	2,703,393	-	-	2,955,393
Goodwill	-	-		-	-
Total assets	706,924,572	856,391,420	112,398,926	(824,517,168)	851,197,750

PERIAMA HOLDINGS, LLC
COMBINING BALANCE SHEETS
As at March 31, 2018

	JSW Steel (USA), Inc.	Periama Holding LLC	West Virginia Coal operations	Elimination Entries	Consolidated March 31, 2018
Liabilities and Stockholders' Equity (Deficit)					
Current liabilities					
Accounts payable - trade	8,851,463	26,275	546,385	-	9,424,123
Accounts payable - affiliates	-	-	(1)	-	(1)
Accrued liabilities	2,584,414	-	81,567	-	2,665,981
Interest payable - financial institutions	290,933	4,134,843	-	-	4,425,776
Interest payable - related party and affiliates	-	183,204	-	-	183,204
Interest payable - intercompany	64,403,742	91,846,589	327,599	(63,511,859)	93,066,071
Interest payable - others	-	-	45,000	-	45,000
Federal and state taxes payable	132,186	-	-	-	132,186
Unearned revenue	-	-	-	-	-
Due to bank - letter of credit on bill acceptances	61,522,772	-	-	-	61,522,772
Short term - notes payable - intercompany	-	613,174,400	110,932,511	(110,932,511)	613,174,400
Current portion of notes payable bank	13,125,000	66,666,667	-	-	79,791,667
Current portion of notes payable - others	-	-	404,099	-	404,099
Total current laibitlies	150,910,511	776,031,978	112,337,161	(174,444,371)	864,835,279
Long-term debt and other liabilities					
Notes payable bank	-	133,333,333	-	-	133,333,333
Notes payable- Others	-	-	1,399,328		1,399,328
Note payable - intercompany	413,095,296	-	-	(400,537,700)	12,557,596
Coal royalties due	-	-	2,434,333	-	2,434,333
Reclamation payable	-	-	524,339	-	524,339
Total long term debts	413,095,296	133,333,333	4,358,000	(400,537,700)	150,248,929
Deferred tax liabilties	61,061,154	(30,337,791)	(7,153,912)	-	23,569,451
Total liabilities	625,066,962	879,027,519	109,541,249	(574,982,071)	1,038,653,659
Stockholders' equity					
Common stock, $.001 par value; 9,000 shares authorized, 1,033 shares issued and outstanding	214,444	-	-	(214,444)	-
Additional paid-in-capital common stock	214,230,001	-	-	(214,230,001)	-
Member's capital	-	14,350,100	252,600	(252,600)	14,350,100
Preferred ttock Series A, series B and series c stock, $0.001 par value, 380,000,000 shares authorized, and 320,555,556 issued and outstanding	588,556	-	-	(588,556)	-
Additional paid-in-capital preferred stock	587,966,999	-	86,554,674	(674,521,673)	-
Retained earnings/(accumulated deficit)	(721,142,390)	(36,986,200)	(83,949,597)	690,941,971	(151,136,216)
	81,857,610	(22,636,100)	2,857,677	(198,865,303)	(136,786,116)
Non-controlling interest	-	-		(50,669,794)	(50,669,794)
Total stockholders' equity (deficit)	81,857,610	(22,636,100)	2,857,677	(249,535,098)	(187,455,910)
Total liabilities and stockholders' equity (deficit)	706,924,572	856,391,420	112,398,926	(824,517,168)	851,197,750

PERIAMA HOLDINGS, LLC
COMBINING STATEMENT OF OPERATIONS
For the Year Ending March 31, 2018

	JSW Steel (USA), Inc.	Periama Holding LLC	West Virginia Coal operations	Elimination Entries	Consolidated March 31, 2017
Net sales	234,652,162		9,077,849		243,730,010
Cost of Sales:					
Cost of sales - materials, labor and other costs	200,285,512	-	8,105,133		208,390,645
Cost of sales - manufacturing depreciation expense	29,031,158	-	1,903,208		30,934,366
Total cost of sales	229,316,670	-	10,008,341	-	239,325,012
Gross profit (deficit)	5,335,491	-	(930,493)	-	4,404,999
Selling, general and administrative expenses:					
Selling, general and administrative expenses:	21,510,553	370,601	1,442,579		23,323,733
Depreciation expenses	3,716,478	-	-		3,716,478
Total selling, general and administrative expenses	25,227,030	370,601	1,442,579	-	27,040,211
Operating income (deficit)	(19,891,539)	(370,601)	(2,373,072)	-	(22,635,212)
Other income (expenses):					
Interest income	144,796	19,421,963	(290,710)	(19,094,364)	181,685
Other income	363,367	-	408,500	-	771,868
Other expense	-	-	-	-	-
Facility fees and financing charges	(1,045,378)	(1,422,802)	-		(2,468,180)
Interest expense	(24,336,012)	(43,872,849)	(102,568)	19,094,364	(49,217,065)
Total other income (expenses), net	(24,873,227)	(25,873,688)	15,222	-	(50,731,692)
Loss before unusual items and income tax	(44,764,766)	(26,244,289)	(2,357,850)	-	(73,366,905)
Loss before income taxes	(44,764,766)	(26,244,289)	(2,357,850)	-	(73,366,905)
Income taxes					
Current income tax expense (benefits)	-	-	-	-	-
Deferred income tax expense (benefits)	(18,426,609)	486,531	-	-	(17,940,078)
Total income taxes	(18,426,609)	486,531	-	-	(17,940,078)
Net income/(loss)	(26,338,157)	(26,730,820)	(2,357,850)	-	(55,426,827)
Share of net income/ (loss) attributable to non controlling interest	-	-			2,633,816
Net loss attributable to controlling interest	(26,338,157)	(26,730,820)	(2,357,850)	-	(52,793,011)
	-	-	-		-

JSW Steel (USA) Inc
Quantitative Details for the period from April 1, 2017 to March 31, 2018

Particulars	Qty in Net Tons	Rate per Net Ton	Value
Raw Material - Carbon Steel Slabs			
Opening Balance as on April 1st, 2017	46,800.96	436.24	20,416,418
Purchases during the period	316,024.22	485.84	153,537,143
	362,825.17	479.44	173,953,561
Slabs consumed / adjusted during the year	317,768.69	475.15	150,989,148
Slabs sold			
Closing Balance as at March 31, 2018	**45,056.48**	**509.68**	**22,964,412**
Total Inventories of Raw Materials as at March 31, 2018			**22,964,412**
Other Raw Material - Flux			
Opening Balance as on April 1st, 2017	15.00	2,148.02	32,220
Purchases during the period	251.50	2,173.22	546,564
	266.50	2,171.80	578,785
Consumption during the period	236.30	2,164.54	511,481
Closing Balance as at March 31, 2018	**30.20**	**2,228.61**	**67,304**
Other Raw Material - Welding Wire			
Opening Balance as on April 1st, 2017	41.50	2,340.31	97,123
Purchases during the period	155.00	2,398.86	371,823
	196.50	2,386.49	468,946
Consumption during the period	158.50	2,387.04	378,346
Closing Balance as at March 31, 2018	**38.00**	**2,384.20**	**90,600**
Other Raw Material - FBE / ARO Coating Powder			
Opening Balance as on April 1st, 2017	12.11	2,842.00	34,424
Purchases during the period	112.25	2,862.68	321,328
	124.36	2,860.66	355,752
Consumption during the period	111.16	2,857.94	317,681
Closing Balance as at March 31, 2018	**13.20**	**2,883.60**	**38,071**
Other Raw Material - Carboguard Paint (Qty in Gallons)			
Opening Balance as on April 1st, 2017	-	-	-
Purchases during the period	-	-	-
	-	-	-
Consumption during the period	-	-	-
Closing Balance as at March 31, 2018	**-**	**-**	**-**
Total Inventory of Other Raw Material as at March 31st, 2018			**195,974**
Work In Process - Trade Plates			
Opening Balance as on April 1st, 2017	2,284.10	552.74	1,262,520
Slabs rolled during the period	236,978.65	595.33	141,081,413
	239,262.74	594.93	142,343,933
Consumed / Reclass / Adj in production of finished plates	236,735.66	594.84	140,821,019
Closing Balance as at March 31, 2018	**2,527.08**	**602.64**	**1,522,914**

JSW Steel (USA) Inc
Quantitative Details for the period from April 1, 2017 to March 31, 2018

Particulars	Qty in Net Tons	Rate per Net Ton	Value
Work In Process - Plates to be consumed in production of Pipes			
Opening Balance as on April 1st, 2017	990.45	543.78	538,588
Slabs rolled during the period	71,720.56	603.20	43,261,709
	72,711.01	602.39	43,800,297
Consumed / Reclass - Adj in production of finished plates	72,554.31	602.25	43,696,102
Closing Balance as at March 31, 2018	**156.70**	**664.94**	**104,195**
Work In process - Pipes			
Opening Balance as on April 1st, 2017	377.74	839.38	317,065
Plates fed in the Feeder during the period	53,644.47	906.34	48,620,089
	54,022.21	905.87	48,937,153
Plates consumed / Adj reclass in production of 40 Ft bare pipes	52,958.14	904.45	47,897,979
Closing Balance as at March 31, 2018	**1,064.07**	**976.61**	**1,039,174**
Total Work In Process as at March 31st, 2018			**2,666,283**
Finished Goods - Trade Plates			
Opening Balance as on April 1st, 2017	8,126.69	664.86	5,403,100
Production during the period	189,795.25	689.76	130,912,569
	197,921.94	688.73	136,315,669
Cost of Plates sold / Adjustement reclass during the period - Domestic	186,250.95	689.09	128,343,877
Cost of Plates sold during the period - Exports	-	-	-
Closing Balance as at March 31, 2018	**11,670.99**	**683.04**	**7,971,791**
Finished Goods - Plates to be consumed for production of Pipes			
Opening Balance as on April 1st, 2017	5,967.26	613.55	3,661,196
Production during the period	58,648.36	696.02	40,820,555
	66,591.85	693.52	46,182,469
Cost of Plates consumed / Adjustment reclass in production of Pipes	53,488.12	682.19	36,488,840
Closing Balance as at March 31, 2018	**13,103.72**	**739.76**	**9,693,630**
Finished Goods - Excess Prime Plates			
Opening Balance as on April 1st, 2017	2,692.15	478.64	1,288,576
Production during the period	583.89	478.38	279,322
	3,276.05	478.59	1,567,898
Cost of Plates sold / adjusted during the period - Domestic	3,102.49	487.19	1,511,493
Closing Balance as at March 31, 2018	**173.56**	**325.00**	**56,405**
Finished Goods - Non Prime Plates			
Opening Balance as on April 1st, 2017	5,288.20	175.01	925,480
Production during the period	7,607.07	370.39	2,817,573
	12,895.27	290.27	3,743,053
Cost of Plates sold / adjusted during the period - Domestic	7,457.02	272.37	2,031,102
Closing Balance as at March 31, 2018	**5,438.26**	**314.80**	**1,711,951**
Total Plate Inventory as at March 31st, 2018			**19,433,777**

JSW Steel (USA) Inc
Quantitative Details for the period from April 1, 2017 to March 31, 2018

Particulars	Qty in Net Tons	Rate per Net Ton	Value
Finished Goods - 40 FT Bare Pipes			
Opening Balance as on April 1st, 2017	230.14	861.39	198,243
Production / adjustment during the period	50,301.57	923.35	46,445,903
	50,531.71	923.07	46,644,146
Pipes consumed in Double Jointing operations	-	-	
Pipes consumed / adjusted in OD Coating Operations	9,276.38	959.51	8,900,798
Cost of Pipes sold during the period - Domestic	40,966.82	914.21	37,452,411
Closing Balance as at March 31, 2018	**288.51**	**1,008.41**	**290,937**
Finished Goods - 40 FT Bare Excess Prime Pipes			
Opening Balance as on April 1st, 2017	1,997.29	1,018.93	2,035,095
Production / adjustment during the period	1,296.52	951.38	1,233,478
	3,293.81	992.34	3,268,573
Cost of Pipes sold / adjusted during the period - Domestic	1,777.33	995.36	1,769,090
Closing Balance as at March 31, 2018	**1,516.48**	**988.79**	**1,499,482**
Finished Goods - 40 FT Bare NCO Pipes			
Opening Balance as on April 1st, 2017	989.02	744.59	736,418
Production / adjustment during the period	170.62	777.60	132,678
	1,159.64	749.45	869,096
Cost of Pipes sold / adjusted during the period - Domestic	12.26	8,420.85	103,280
Closing Balance as at March 31, 2018	**1,147.38**	**667.45**	**765,816**
Finished Goods - 40 FT OD Coated Pipes			
Opening Balance as on April 1st, 2017	19.07	1,069.40	20,397
Production during the period	9,276.38	1,097.80	10,183,581
	9,295.45	1,097.74	10,203,978
Pipes consumed in ID Coating Operations	146.31	1,050.87	153,754
Cost of Pipes sold / adjusted during the period - Domestic	9,149.14	1,098.49	10,050,224
Closing Balance as at March 31, 2018	**-**	**-**	**-**
Finished Goods - 40 FT ID Coated Pipes			
Opening Balance as on April 1st, 2017	-	-	-
Production during the period	146.19	1,051.76	153,754
	146.19	1,051.76	153,754
Cost of Pipes sold / adjusted during the period - Domestic	146.19	1,051.76	153,754
Closing Balance as at March 31, 2018	**-**	**-**	**-**
Finished Goods - 80 FT Bare Pipes			
Opening Balance as on April 1st, 2017	-	-	-
Production during the period	-	-	-
	-	-	-
Pipes consumed / adjusted in OD Coating Operations	-	-	-
Closing Balance as at March 31, 2018	**-**	**-**	**-**

JSW Steel (USA) Inc
Quantitative Details for the period from April 1, 2017 to March 31, 2018

Particulars	Qty in Net Tons	Rate per Net Ton	Value
Finished Goods - 80 FT OD Coated Pipes			
Opening Balance as on April 1st, 2017	-	-	-
Production during the period	-	-	-
	-	-	-
Pipes consumed / adjusted in ID Coating Operations	-	-	-
Cost of Pipes sold during the period - Domestic	-	-	-
Closing Balance as at March 31, 2018	**-**	**-**	**-**
Finished Goods - 80 FT OD and ID Coated Pipes			
Opening Balance as on April 1st, 2017	-	-	-
Production during the period	-	-	-
	-	-	-
Cost of Pipes sold / adjusted during the period - Domestic	-	-	-
Closing Balance as at March 31, 2018	**-**	**-**	**-**
Gulf South Pipe Inventory			
Opening Balance as on April 1st, 2017	-	-	-
Bought during the period	-	-	-
	-	-	-
Cost of Pipes sold during the period - Domestic	-	-	-
Closing Balance as at March 31, 2018	**-**	**-**	**-**
Total Pipe Inventories as at March 31st, 2018			**2,556,236**
40FT and 80FT GS Bought back inv. as at March 31st, 2018			**-**
Total Pipe Inventories as at March 31st, 2018			**2,556,236**
Scrap Inventories - Scrap Pipes			
Opening Balance as on April 1st, 2017	931.33	235.00	218,860
Production during the period	192.98	233.39	45,040
	1,124.31	234.72	263,900
Cost of scrap pipes sold / adjusted during the year	85.66	84.96	7,277
Closing Balance as at March 31, 2018	**1,038.66**	**247.07**	**256,623**
Scrap Inventories - Old Slabs			
Opening Balance as on April 1st, 2017	925.36	117.25	108,495
Production during the period	-	-	-
	925.36	117.25	108,495
Cost of old slabs sold /adjusted during the period - Domestic			-
Cost of old slabs sold during the period - Exports			
Closing Balance as at March 31, 2018	**925.36**	**117.25**	**108,495**
Scrap Inventories - Plate Scrap			
Opening Balance as on April 1st, 2017	359.87	140.70	50,634
Production during the period	49,967.09	243.23	12,153,642
	50,326.96	242.50	12,204,277
Cost of Scrap sold /adjusted during the period - Domestic	48,280.66	240.29	11,601,131
Cost of Scrap sold during the period - Exports	-	-	-
Closing Balance as at March 31, 2018	**2,046.30**	**294.75**	**603,146**
Total Scrap / Reject Inventories as at March 31st, 2018			**968,263**