INDEPENDENT AUDITOR'S REPORT

To the Members of JSW Steel Limited

Report on the Audit of the Standalone Ind AS Financial Statements

OPINION

We have audited the accompanying standalone Ind AS financial statements of JSW Steel Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT

Key audit matters	How our audit addressed the key audit matter
Recoverability of investments in and loans / advances given to certain subsidiaries and joint ventures and financial guarantees given on behalf of certain subsidiaries (as described in note 48 of the standalone Ind AS financial statements)	
The Company has investments in certain subsidiaries and joint ventures with a carrying value of ₹ 2,193 crores. Further, Company has also provided loans and/or guarantees to or on behalf of these subsidiaries and the joint venture amounting to ₹ 13,167 crores. These subsidiaries and joint venture have either been incurring losses or the investments made by them in the step down subsidiaries have been making losses. The Company has also recognised impairment allowance of ₹ 1,229 crores during the year ended March 31, 2020 in respect of investments, loans / advances given to certain overseas subsidiaries, as described in note 51 of the standalone Ind AS financial statements. Further, the Company has not recognized interest income of ₹ 531 crores during the year from some of its subsidiaries due to uncertainty of recoverability of such income. 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 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.

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 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 ₹ 1,049 crores and cumulative balance of these receivables amount to ₹ 2,740 crores. We considered VAT deferral 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. › 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 / 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 Director 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 assessment of latest Government Resolution issued by GoM. › We tested the calculation of incentives accrued for the year ended March 31, 2020.

INDEPENDENT AUDITOR'S REPORT

Key audit matters	How our audit addressed the key audit matter
Capital Expenditure in respect of property, plant and equipment and capital work in progress (as described in notes 4 and 5 of the standalone Ind AS financial statements)	
The Company has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plant and equipment and capital work in progress in notes 4 and 5 of the standalone Ind AS financial statements. 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 as 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, 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.

Key audit matters	How our audit addressed the key audit matter
Claims and exposures relating to taxation and litigation (as described in note 45 of the standalone Ind AS financial statements)	
The Company has disclosed in note 45 of the standalone Ind AS financial statements contingent liabilities of ₹ 3,474 crores in respect of disputed claims/ levies under various tax and legal matters and ₹ 2,588 crores towards Claims related to Forest development tax/ fee. In addition, the Company has assessed several claims as 'Remote' and hence are not required to be disclosed as contingent liabilities. 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.	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. › 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;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 45 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

per VIKRAM MEHTA
Partner
Membership No.: 105938
UDIN No: 20105938AAAABZ1929

Place of Signature: Mumbai
Date: May 22, 2020

ANNEXURE 1

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment and right of use assets are held in the name of the Company except for

i. leasehold land aggregating to ₹ 67 crores wherein the lease deed has expired. As explained to us, the Company is in the process of converting the title into freehold as per the lease cum sale agreement.

ii. freehold land aggregating to ₹ 9 crores as noted below for which title deeds were not available with the Company and hence we are unable to comment on the same

Nature of immovable Property	Total Number of Cases	As at March 31, 2020 (₹ in crore)	
		Gross Block	Net Block
Land located at Maharashtra	12	9	9

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales- tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of Statue	Nature of Dues	Amount (₹ in crores)*	Period	Forum
The Central Excise Act, 1944	Excise Duty	97	2012-2015	High Court
		436	1998-2018	Central Excise Service Tax Appellate Tribunal (CESTAT)
		5	2002-2016	Asst. Commissioner/Commissioner
The Custom Act, 1962	Custom Duty	167	1995-2012	High Court
		356	2009-2018	Central Excise Service Tax Appellate Tribunal (CESTAT)
		47	2000-2017	Commissioner
Karnataka VAT, 2003	VAT	2	2006-2008	Joint Commissioner
Maharashtra Value Added Tax, 2002	VAT	49	2011-2017	Commissioner
The Central Sales Tax Act, 1956	CST	29	2011-2012	High Court
		33	2012-2013	Commissioner
Chapter V of the Finance Act, 1994	Service Tax	0.05	2006-2012	High Court
		122	1998-2016	Central Excise Service Tax Appellate Tribunal (CESTAT)
Income Tax Act, 1961	Income Tax	15	2004-05	High Court
		14	2014- 2015	Commissioner

* Net of amounts paid under protest.

The above table doesn't include cases decided in favour of the Company for which the department has preferred an appeal at higher levels amounting to ₹ 625 crores (net of amount paid under protest) and matters remanded back amounting to ₹ 223 crores (net of amount paid under protest).

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, monies raised by the company by way of debt instruments in the nature of foreign currency bonds, non-convertible debentures and term loans were applied for the purposes for which they were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in fixed deposits. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer/further public offer and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per VIKRAM MEHTA
Partner
Membership No.: 105938
UDIN No: 20105938AAAABZ1929

Place of Signature: Mumbai
Date: May 22, 2020

ANNEXURE 2

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF JSW STEEL LIMITED

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

We have audited the internal financial controls over financial reporting of JSW Steel Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting with Reference to these standalone Ind AS financial statements

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

Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to these standalone Ind AS financial statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per VIKRAM MEHTA
Partner
Membership No.: 105938
UDIN No: 20105938AAAABZ1929

Place of Signature: Mumbai
Date: May 22, 2020

BALANCE SHEET

AS AT 31 MARCH 2020

₹ in crores

	Notes	As at 31 March 2020	As at 31 March 2019*
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	46,117	51,600
(b) Capital work-in-progress	5	23,810	10,099
(c) Right of use	6	4,102	-
(d) Intangible assets	7	323	172
(e) Intangible assets under development		331	344
(f) Investments in subsidiaries, associates and joint ventures	8	4,757	3,980
(g) Financial assets			
(i) Investments	9	1,242	1,417
(ii) Loans	10	8,705	7,675
(iii) Other financial assets	11	562	48
(h) Current tax assets (net)		340	217
(i) Other non-current assets	12	2,378	3,475
Total non-current assets		**92,667**	**79,027**
Current assets			
(a) Inventories	13	9,623	10,815
(b) Financial assets			
(i) Trade receivables	14	3,166	6,770
(ii) Cash and cash equivalents	15	3,438	5,366
(iii) Bank balances other than (ii) above	16	7,963	447
(iv) Loans	10	321	136
(v) Derivative Assets	17	275	229
(vi) Other financial assets	11	2,794	2,644
(c) Other current assets	12	1,795	1,991
Total current assets		**29,375**	**28,398**
Total assets		**122,042**	**107,425**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	301	301
(b) Other equity	19	38,061	34,592
Total equity		**38,362**	**34,893**
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	39,247	27,666
(ii) Lease liabilities	6	2,716	-
(iii) Derivative liabilities	27	130	-
(iv) Other financial liabilities	21	1,308	1,030
(b) Provisions	22	322	235
(c) Deferred tax liabilities (net)	23	1,315	3,331
(d) Other non-current liabilities	24	3,048	4,083
Total non-current liabilities		**48,086**	**36,345**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	6,813	5,371
(ii) Trade payables	26		
(a) Total outstanding, dues of micro and small enterprises		56	31
(b) Total outstanding, dues of creditors other than micro and small enterprises		13,298	13,097
(iii) Derivative Liabilities	27	189	332
(iv) Other financial liabilities	28	11,980	15,471
(v) Lease liabilities	6	773	
(b) Provisions	22	64	53
(c) Other current liabilities	29	2,302	1,639
(d) Current tax liabilities (net)		119	193
Total current liabilities		**35,594**	**36,187**
Total liabilities		**83,680**	**72,532**
Total equity and liabilities		**122,042**	**107,425**

*Restated pursuant to merger (refer note 52)

See accompanying notes to the Standalone Financial Statements

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

For and on behalf of Board of Directors

per VIKRAM MEHTA
Partner
Membership No.: 105938

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

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 PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

		Notes	For the year ended 31 March 2020	For the year ended 31 March 2019*
I	**Revenue from operations**		63,546	77,187
	Fees for assignment of procurement contract		250	-
	Government grant income – VAT/GST incentive relating to earlier years		466	-
	Total Revenue from operations	30	**64,262**	**77,187**
II	**Other income**	31	628	405
III	**Total income (I + II)**		**64,890**	**77,592**
IV	**Expenses:**			
	Cost of materials consumed		33,073	39,179
	Purchases of stock-in-trade		420	499
	Changes in inventories of finished goods and work-in-progress	32	(27)	(180)
	Employee benefits expense	33	1,496	1,435
	Finance costs	34	4,022	3,789
	Depreciation and amortisation expense	35	3,522	3,421
	Other expenses	36	16,783	17,742
	Total expenses		**59,289**	**65,885**
V	**Profit before exceptional items and tax (III-IV)**		**5,601**	**11,707**
VI	**Exceptional Items**	51	1,309	-
VII	**Profit before tax (V-VI)**		**4,292**	**11,707**
VIII	**Tax expense/(credit):**	23		
	Current tax		789	2,356
	Deferred tax		(1,788)	1,230
			(999)	**3,586**
IX	**Profit for the year (VII-VIII)**		**5,291**	**8,121**
X	**Other comprehensive income**			
A	i) Items that will not be reclassified to profit and loss			
	(a) Re-measurements of the defined benefit plans		(19)	(15)
	(b) Equity instruments through other comprehensive income		(255)	4
	ii) Income tax relating to items that will not be reclassified to profit and loss		6	5
	Total (A)		**(268)**	**(6)**
B	i) Items that will be reclassified to profit and loss			
	(a) The effective portion of gains and loss on hedging instruments		(719)	31
	(b) Changes in Foreign Currency Monetary Item translation difference account (FCMITDA)		87	(50)
	ii) Income tax relating to items that will be reclassified to profit and loss		221	7
	Total (B)		**(411)**	**(12)**
	Total Other comprehensive income/(loss) (A+B)		**(679)**	**(18)**
XI	**Total comprehensive income/(loss) (IX + X)**		**4,612**	**8,103**
XII	**Earnings per equity share of ₹ 1 each**	38		
	Basic (in ₹)		22.03	33.77
	Diluted (in ₹)		21.89	33.60

* Restated pursuant to merger (refer note 52)

See accompanying notes to the Standalone Financial Statements

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

For and on behalf of Board of Directors

per VIKRAM MEHTA
Partner
Membership No.: 105938

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

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 CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

A. Equity share capital

₹ in crores

Particulars	Amount
As at 31.03.2018	**302**
Movement during the year	@
As at 31.03.2019	**301**
Movement during the year	@@
As at 31.03.2020	**301**

@ = (0.45) crores

@@ = 0.07 crores

B. Other equity

₹ in crores

Particulars	Reserves and surplus							Items of Other Comprehensive Income/(Loss) (OCI)			Total
	Capital reserve	Securities premium	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Equity settled share-based payment reserve	General reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	FCMITDA	
Opening balance as at 1 April 2018*	**4,495**	**5,439**	**149**	**141**	**6,638**	**41**	**10,278**	**435**	**13**	**(24)**	**27,605**
Profit for the year	-	-	-	-	8,121	-	-	-	-	-	8,121
Other comprehensive income for the year, net of income tax	-	-	-	-	(10)	-	-	4	20	(32)	(18)
Dividend including dividend distribution tax	-	-	-	-	(908)	-	-	-	-	-	(908)
Impact of ESOP trust consolidation	-	-	-	-	(149)	-	-	-	-	-	(149)
Recognition of share-based payments	-	-	-	-	-	50	-	-	-	-	50
Transfer to Capital redemption reserve	-	-	383	-	-	-	(383)	-	-	-	-
Transfer to Debenture redemption reserve	-	-	-	144	(144)	-	-	-	-	-	-
Transfer to retained earnings realised profit on FVTOCI (refer note 8 (a))	-	-	-	-	36	-	-	(36)	-	-	-
Capital reserve on merger	(136)	-	-	-	27	-	-	-	-	-	(109)
Closing balance as at 31 March 2019*	**4,359**	**5,439**	**532**	**285**	**13,611**	**91**	**9,895**	**403**	**33**	**(56)**	**34,592**
Profit for the year	-	-	-	-	5,291	-	-	-	-	-	5,291
Other comprehensive income for the year, net of income tax	-	-	-	-	(13)	-	-	(255)	(467)	56	(679)
Dividend including dividend distribution tax	-	-	-	-	(1,190)	-	-	-	-	-	(1,190)
Impact of ESOP trust consolidation	-	-	-	-	10	-	-	-	-	-	10
Recognition of share-based payments	-	-	-	-	-	37	-	-	-	-	37
Transfer to Capital redemption reserve	-	-	243	-	-	-	(243)	-	-	-	-
Transfer to general reserve after exercise of options	-	-	-	-	-	(6)	6	-	-	-	-
Transfer from Debenture redemption reserve	-	-	-	(285)	-	-	285	-	-	-	-
Closing balance as at 31 March 2020	**4,359**	**5,439**	**775**	**-**	**17,709**	**122**	**9,943**	**148**	**(434)**	**-**	**38,061**

*restated pursuant to merger (refer note 52)

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

per VIKRAM MEHTA
Partner
Membership No.: 105938

Place: Mumbai
Date: 22 May 2020

For and on behalf of Board of Directors

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

LANCY VARGHESE
Company Secretary
ICSI Membership No.: FCS 9407

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

Place: Mumbai
Date: 22 May 2020

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 March 2020

₹ in crores

	For the year ended 31 March 2020		For the year ended 31 March 2019*	
Cash flow from operating activities				
Profit before tax		4,292		11,707
Adjustments for:				
Depreciation and amortisation expenses	3,522		3,421	
Loss on sale of property, plant & equipment (net)	29		7	
Gain on sale of financial investments designated as FVTPL	(4)		(12)	
Interest income	(528)		(225)	
Gain arising of financial instruments designated as FVTPL	(16)		(8)	
Unwinding of interest on financial assets carried at amortised cost	(45)		(30)	
Dividend income	(31)		(124)	
Interest expense	3,831		3,515	
Share based payment expense	37		50	
Export obligation deferred income amortisation	(140)		(160)	
Unrealised exchange loss	566		201	
Allowance for doubtful debts, loans & advances	96		132	
Loss arising from Financial instruments designated as FVTPL	17		18	
Non-cash expenditure	14		6	
Exceptional Items	1,309		-	
		8,657		6,791
Operating profit before working capital changes		12,949		18,498
Adjustments for:				
Decrease/(Increase) in inventories	1,192		(488)	
Decrease/(Increase) in trade receivables	3,514		(2,061)	
(Increase) in other assets	(1,393)		(778)	
(Decrease) in trade payable	(373)		(744)	
(Decrease)/Increase in other liabilities	(873)		3,577	
Increase in provisions	80		39	
		2,147		(455)
Cash flow from operations		15,096		18,043
Income taxes paid (net of refund received)		(986)		(2,465)
Net cash generated from operating activities (A)		14,110		15,578
Cash flow from investing activities				
Purchase of property, plant & equipment, intangible assets (including under development and capital advances)		(10,740)		(8,333)
Proceeds from sale of property, plant & equipment		41		31
Investment in subsidiaries and joint ventures including advances and preference shares		(939)		(981)
Sale of other non-current investments		-		50
Purchase of current investments		(762)		(8,340)
Sale of current investments		765		8,453
Bank deposits not considered as cash and cash equivalents (net)		(7,524)		(185)
Loans to related parties		(1,623)		(3,317)
Loans repaid by related parties		1,236		877
Interest received		423		189
Dividend received		31		124
Net cash used in investing activities (B)		(19,092)		(11,432)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 March 2020

₹ in crores

	For the year ended 31 March 2020	For the year ended 31 March 2019*
Cash flow from financing activities		
Proceeds from sale of treasury shares	107	-
Payment for purchase of treasury shares	(101)	(153)
Proceeds from non-current borrowings	18,561	6,827
Repayment of non-current borrowings	(10,320)	(4,333)
Proceeds from/Repayment of current borrowings (net)	1,443	3,195
Repayment of lease liabilities/finance lease obligation	(503)	(306)
Interest paid	(4,371)	(3,598)
Dividend paid (including corporate dividend tax)	(1,190)	(907)
Premium paid on redemption of debentures	(572)	-
Net cash generated in financing activities (C)	**3,054**	**725**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(1,928)**	**4,871**
Cash and cash equivalents – opening balances	**5,366**	**495**
Cash and cash equivalents – closing balances (note 15)	**3,438**	**5,366**

*restated pursuant to merger (refer note 52)

Reconciliations part of cash flows

₹ in crores

Particulars	1 April 19	Cash flows(net)	Foreign exchange (Gain)/Loss	Changes in fair values	New leases	Other	31 March 2020
Borrowings other than finance lease obligation (including Current maturities of long-term borrowing included in other financial liabilities note 28)	34,343	8,241	1,976	(113)	-	(91)#	**44,356**
Lease liabilities (including Current maturities)*	3,990	(503)	-	-	481	(479)	**3,489**
Borrowings (Current)	5,371	1,443	-	-	-	(1)	**6,813**

*All finance lease obligations are now reclassified as lease liabilities and shown separately in the balance sheet..

₹ in crores

Particulars	1 April 18	Cash flows(net)	Foreign exchange (Gain)/Loss	Changes in fair values	New leases	Other	31 March 2019
Borrowings other than finance lease obligation (including Current maturities of long-term borrowing included in other financial liabilities note 28)	31,095	2,494	787	(70)	-	37#	34,343
Finance Lease Obligations (including Current maturities)	3,893	(306)	-	-	403	-	3,990
Borrowings (Current)	2,176	3,195	-	-	-	-	5,371

#Other comprises of Upfront Fees Amortisation and Interest Cost accrual on preference shares.

Note:

1. The cash flow statement is prepared using the "indirect method" set out in IND AS 7 – Statement of Cash Flows.

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

For and on behalf of Board of Directors

per VIKRAM MEHTA
Partner
Membership No.: 105938

Place: Mumbai
Date: 22 May 2020

RAJEEV PAI
Chief Financial Officer

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

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

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

NOTES

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

1. General Information

JSW Steel Limited ("the Company") is primarily engaged in the business of manufacture and sale of Iron and Steel Products.

The Company is an integrated manufacturer of diverse range of steel products with its manufacturing facilities located at Vijaynagar Works in Karnataka, Dolvi Works in Maharashtra and Salem works in Tamil Nadu.

JSW Steel Limited is a public limited company incorporated in India on March 15, 1994 under the Companies Act, 1956 and listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.

2. Significant Accounting policies

I. STATEMENT OF COMPLIANCE

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act, 2013, (Ind AS Compliant Schedule III), as applicable to standalone financial statement.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "financial statements").

These financial statements are approved for issue by the Board of Directors on 22 May 2020.

II. BASIS OF PREPARATION AND PRESENTATION

The Standalone Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting year, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statement is presented in INR and all values are rounded to the nearest crores except when otherwise stated.

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

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

III. REVENUE RECOGNITION

A. Sale of Goods

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognised when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their stand-alone selling prices. Revenue from sale of by products are included in revenue.

Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

Contract balances

i) Contract assets including trade receivables

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

A receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e. only the passage of time is required before payment of the consideration is due).

ii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from Customer

iii) Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

B. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

IV. LEASES

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

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term and the lease term is as follows.

Class of assets	Years
Leasehold land	99 Years
Buildings	3 to 30 years
Plant & Machinery	3 to 15 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e. below ₹ 5,00,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

V. FOREIGN CURRENCIES

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for:

› exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

› exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in 2 (XVIII) (B) (f));

› exchange difference arising on settlement/ restatement of long-term foreign currency monetary items recognised in the financial statements for the year ended 31 March 2016 prepared under previous GAAP, are capitalised as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity year/up to the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

VI. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

VII. GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

The benefit of a government loan at a below-market rate of interest and effect of this favorable interest is treated as a government grant. The Loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the Statement of profit and loss immediately on fulfilment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

VIII. EMPLOYEE BENEFITS

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the year of a plan amendment or when the Company recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in Statement of profit and loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

IX. SHARE-BASED PAYMENT ARRANGEMENTS

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The Company has created an Employee Benefit Trust for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Company from the market, for giving shares to employees. The Company treats Trust as its extension and shared held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting year are satisfied with treasury shares.

X. TAXES

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an deferred tax asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit and loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

XI. PROPERTY, PLANT AND EQUIPMENT

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under Capital work-in-progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue (net of cost) generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of assets	Years
Plant and equipment	8 to 40 years
Work-rolls (shown under Plant and equipment)	1 to 5 years

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.

The Company has applied Ind AS 116 w.e.f. 1 April 2019 and all lease are covered under Right of use assets.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

XII. INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Years
Computer Software & Licenses	3-5 years

Mining assets are amortised over the useful life of the mine or lease period whichever is lower.

The Company has elected to continue with carrying value of all its intangible assets recognised as on transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

XIII. MINING ASSETS

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs – costs associated with acquisition of licenses and rights to explore, including related professional fees.

General exploration costs – costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration – Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Stripping cost

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

Developmental stripping costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

Site restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit and loss over the life of the asset through depreciation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of such provisions are set out in note 22.

XIV. IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each reporting year, the Company reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

XV. INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

XVI. PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

XVII. INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investment in subsidiaries, associates and joint ventures are shown at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

The Company has elected to continue with carrying value of all its investment in affiliates recognised as on transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

XVIII. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

A. Financial assets

a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

b) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

› The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

› The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

› The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

› The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classifiedas at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when:

› The Company's right to receive the dividends is established,

› It is probable that the economic benefits associated with the dividends will flow to the entity,

› The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

d) Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

e) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in statement of profit and loss and is included in the 'Other income' line item.

B. Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

› It has been incurred principally for the purpose of repurchasing it in the near term; or

› on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

› it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

› such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

› the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

› it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Other financial liabilities:

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipment. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognised as Acceptances (under trade payables) and arrangements for property, plant and equipment are recognised as other financial liabilities. Interest borne by the Company on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

d) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks, including foreign exchange forward contracts, commodity forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

e) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit and loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit and loss, unless designated as effective hedging instruments.

f) Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency, interest rate and commodity risk, as either cash flow hedge, fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item.

The Company designates only the spot component for derivative instruments in fair value Hedging relationship. The Company defers changes in the forward element of such instruments in hedging reserve and the same is amortised over the period of the contract.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortised cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit and loss from that date.

(ii) Cash flow hedges

The effective portion of changes in fair value of derivatives and non-derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in Statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit and loss in the years when the hedged item affects profit and loss, in the same line as the recognised hedged item.

However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit and loss.

XIX. SEGMENT REPORTING:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

XX. CASH AND CASH EQUIVALENTS:

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XXI. EARNINGS PER SHARE:

Basic earnings per share is computed by dividing the profit and loss after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

XXII. BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory.

Business Combination involving entities or businesses under common control shall be accounted for using the pooling of interest method based on the predecessor values retrospectively for all periods presented.

The pooling of interest method is considered to involve the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonies accounting policies and tax adjustments if any.

(iii) The components of other equity of the acquired companies are added to the same components within other equity except that any share capital and investments in the books of the acquiring entity is cancelled and the differences, if any, is adjusted in the opening retained earnings.

(iv) The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

3. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under Section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

A) KEY SOURCES OF ESTIMATION UNCERTAINTY

i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

ii) Impairment of investments in subsidiaries, joint-ventures and associates

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses/operations of the investee companies as more fully described in note 51. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

iii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. The cases which have been determined as remote by the Company are not disclosed.

Contingent assets are neither recognised nor disclosed in the financial statements unless when an inflow of economic benefits is probable.

iv) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

v) Taxes

Pursuant to the announcement of the changes in the corporate tax regime, the Companies have an option to either opt for the new tax regime or continue to pay taxes as per the old applicable tax structure together with the other benefits available to the Companies including utilisation of the MAT credit available. This requires significant estimation in determining in which year the company would migrate to the new tax regime basis future year's taxable profits including the impact of ongoing expansion plans of the Company and consequential utilisation of available MAT credit. Accordingly, in accordance with IND AS 12 - Income Taxes, deferred tax assets and liabilities are required to be measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

During the year, the Company has assessed the outstanding deferred tax liability, and written back an amount to the extent of ₹ 2,150 crores to the Statement of Profit and loss. This is arising from the re-measurement of deferred tax liability that is expected to reverse in future when the Company would migrate to the new tax regime.

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

On 11 March 2020, the World Health Organisation characterised the outbreak of a strain of the new coronavirus ("COVID-19") as a pandemic. This outbreak is causing significant disturbances and slow down of economic activity. The Company's operations were impacted in the month of March 2020, due to scaling down/suspending production across all plants following nationwide lockdown announced by the Government of India in view of COVID-19. The Government of India permitted certain additional activities from 20 April 2020 in non-containment zones, subject to requisite approvals as may be required. The Company could secure the requisite approvals and has accordingly commenced operations and is gradually ramping up capacity since then.

In assessing the recoverability of carrying amounts of Company's assets such as Investments in and loans/ advances (net of impairment loss/loss allowance) to subsidiaries the Company, trade receivables, inventories etc., the Company has considered various internal and external information up to the date of approval of these financial results and concluded that they are recoverable based on the estimate of values of the businesses and assets by independent external valuers which was based on cash flow projections/implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore and coal, mineable resources, and assumptions relating to operational performance including significant improvement in capacity utilisation and margins based on forecasts of demand in local markets, and capacity expansion/ availability of infrastructure facilities for mines.

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

B) CRITICAL ACCOUNTING JUDGEMENTS

i) Control over JSW Realty & Infrastructure Private Limited (RIPL)

RIPL has developed a residential township in Vijayanagar, Karnataka on the land taken on lease from the Company for a period of 30 years and provides individual housing units on rent to the employees of the Company or other group companies. RIPL is not allowed to sub-let or assign its rights under the arrangement without prior written consent of the Company. Though the Company does not hold any ownership interest in RIPL, the Company has concluded that the Company has practical ability to direct the relevant activities of RIPL unilaterally, considering RIPL's dependency on the Company for funding significant portion of its operation through subscription to 73.89% of preference share capital amounting to ₹ 304 crore issued by RIPL and significant portion of RIPL's activities

ii) Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

iii) Joint control over Monnet Ispat and Energy Limited

The consortium of JSW Steel Limited and AION Investments Private II Limited completed the acquisition of Monnet Ispat and Energy Limited ("MIEL") through their jointly controlled entity Creixent Special Steels Limited ("CSSL") on 31 August 2018. The Company has made an investment in the year 2018-19 of ₹ 375 crores through equity and redeemable preference shares in CSSL to acquire joint control in MIEL and have an effective shareholding of 23.1% in MIEL.

As per the Shareholding agreement, all the relevant activities of CSSL that affect the Company's variable returns from its involvement with CSSL/ MIEL have to be decided unanimously by a Steering Committee on which the Company has representation and thus the Company has concluded that it has joint control over CSSL.

iv) Incentives under the State Industrial Policy

The Company units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible for incentives under the respective State Industrial Policy and have been availing incentives in the form of VAT deferral/CST refunds.

The State Government of Maharashtra ('GOM') vide its Government Resolution (GR) issued the modalities for sanction and disbursement of incentives, under GST regime, and introduced certain new conditions/ restrictions for accruing incentive benefits granted to the Company including denying incentives in certain cases.

The management has evaluated the impact of other conditions imposed and has obtained legal advice on the tenability of these changes in the said scheme. Based on such legal advice, the Company has also made the representation to GOM and believes that said Incentives would continue to be made available to the Company under the GST regime, since the new conditions are not tenable legally and will contest these changes appropriately.

Accordingly, the Company has recognised grant income without giving effect to the above restrictions and the cumulative amount receivable towards the same is considered to be good and recoverable.

C) NEW AND AMENDED ACCOUNTING STANDARDS:

Ind AS 116 – Leases

Ind AS 116 supersedes Ind AS 17 Leases including evaluating the substance of transactions involving the legal form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. 01 April 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognised at an amount equal to the lease liability adjusted for any prepayments/ accruals recognised in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1 (IV) Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance leases

The Company applied the practical expedients provided in Ind AS 116 and did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

› Used a single discount rate to a portfolio of leases with reasonably similar characteristics.

› Relied on its assessment of whether leases are onerous immediately before the date of initial application.

› Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.

› Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

› Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Most of the contracts that contains extension terms are on mutual agreement between both the parties and hence the potential future rentals cannot be assessed. Certain contracts where the extension terms are unilateral are with unrelated parties and hence there is no certainty about the extension being exercised.

The weighted average incremental borrowing rate applied to the newly recognised lease liabilities pursuant to Ind AS 116 adoption as at 1 April 2019 is 9%.

Based on the above, as at 1 April 2019:

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

NOTES

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

4. Property, Plant and Equipment

₹ in crores

Particulars	Freehold land	Leasehold land	Buildings (Owned)	Buildings (On finance lease)	Plant and equipment (Owned)	Plant and equipment (On finance lease)	Furniture and fixtures	Vehicles and aircrafts	Office equipment	Total
Cost/deemed cost										
At 1 April 2018*	**1,033**	**455**	**6,661**	**172**	**45,252**	**4,870**	**109**	**136**	**60**	**58,748**
Additions	7	1	506	18	3,827	385	14	17	11	4,786
Deductions	7	-	-	-	254	-	4	9	1	275
Other adjustments (refer note c)	-	-	-	-	262	-	-	-	-	262
At 31 March 2019*	**1,033**	**456**	**7,167**	**190**	**49,087**	**5,255**	**119**	**144**	**70**	**63,521**
Transfer Out to Right of use Assets	-	456	-	190	14	5,255	-	-	-	5,915
Additions	24	-	233	-	1,614	-	7	17	21	1,916
Deductions	14	-	2	-	178	-	1	9	-	204
Other adjustments (refer note c)	-	-	-	-	298	-	-	-	-	298
At 31 March 2020	**1,043**	**-**	**7,398**	**-**	**50,807**	**-**	**125**	**152**	**91**	**59,616**
Accumulated depreciation										
At 1 April 2018*	**-**	**14**	**840**	**82**	**6,821**	**905**	**40**	**36**	**27**	**8,765**
Depreciation	-	5	307	12	2,709	323	13	15	11	3,395
Deductions	-	-	-	-	233	-	1	5	-	239
At 31 March 2019*	**-**	**19**	**1,147**	**94**	**9,297**	**1,228**	**52**	**46**	**38**	**11,921**
Transfer Out to Right of use Assets	-	19	-	94	8	1,228	-	-	-	1,349
Depreciation	-	-	318	-	2,636	-	12	16	17	2,999
Impairment#	-	-	3	-	77	-	-	-	-	80
Deductions	-	-	-	-	146	-	1	5	-	152
At 31 March 2020	**-**	**-**	**1,468**	**-**	**11,856**	**-**	**63**	**57**	**55**	**13,499**
Net book value										
At 31 March 2020	**1,043**	**-**	**5,930**	**-**	**38,951**	**-**	**62**	**95**	**36**	**46,117**
At 31 March 2019*	1,033	437	6,020	96	39,790	4,027	67	98	32	51,600

*restated pursuant to merger

#includes exceptional item (refer note 51)

Notes:

₹ in crores

Description		As at 31 March 2020	As at 31 March 2019
a) Freehold land which is yet to be registered in the Company's name	Acre	19	19
	Deemed cost	9	9
b) Freehold land and buildings which has been/agreed to be hypothecated/ mortgaged to lenders of related parties	Deemed cost	275	255
c) Other adjustments comprises:			
Borrowing cost	₹ in crores	2	25
Foreign exchange loss/(gain) (including regarded as an adjustment to borrowing costs)	₹ in crores	296	237

d) Assets given on operating lease:

(i) The Company has entered into lease arrangements, for renting the following:

Category of Asset	Area	Period
Land at Vijayanagar	754 acres	8 months to 30 years
Land at Dolvi along with certain buildings	193 acres	3 years to 20 years
Land at Palwal	6 acres	15 years
Office Premises at Mittal Tower	1,885 sq. feet	24 months
Office Premises at CBD Belapur	33,930 sq. feet	5 years
Houses at Vijayanagar Township	14,11,027 sq. feet (2,279 Houses)	120 months
Building for Vijayanagar Sports Institute	1,96,647 sq. feet	3 years
Hospital premises at Vijayanagar	81,500 sq. feet	20 years

The agreements are renewable & cancellable by mutual consent of both parties. The rent paid on above is based on mutually agreed rates.

(ii) Disclosure in respect of assets given on operating lease included in following heads:

Particulars	As at 31 March 2020	As at 31 March 2019
Land		
Cost/Deemed cost	138	117
Building		
Cost/Deemed cost	233	215
Accumulated depreciation	24	18
Depreciation for the year	6	6

e) Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 20 and Note 25.

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

₹ in crores

Particulars	Buildings (Owned)	Plant and Equipment (Owned)
Cost/deemed cost		
At 1 April 2018	**476**	**7**
Additions	-	-
At 31 March 2019	**476**	**7**
Additions	-	-
At 31 March 2020	**476**	**7**
Accumulated depreciation		
At 1 April 2018	**48**	**1**
Depreciation	16	1
At 31 March 2019	**64**	**2**
Depreciation	12	1
At 31 March 2020	**76**	**3**
Net book value		
At 31 March 2020	**400**	**4**
At 31 March 2019	412	5

5. Capital work-in-progress includes exchange fluctuation loss (including regarded as an adjustment to borrowing costs) of ₹ 881 crores (previous year ₹ 317 crores) and borrowing cost of ₹ 574 crores (previous year ₹ 169 crores) capitalised during the year.

6. Right of Use assets and Lease liability

₹ in crores

Particulars	Land	Buildings	Plant and equipment	Total
Transfer In Right of use Assets				
Gross block	456	190	5,255	5,901
Accumulated depreciation	(19)	(94)	(1,228)	(1,341)
Additions (recognised in pursuant to Ind AS 116 adoption)	-	26	444	470
Right-of-use assets on initial recognition as on 1 April 2019	**437**	**122**	**4,471**	**5,030**
Additions	-	-	10	10
Deductions#	-	-	451	451
Depreciation expense	4	17	466	487
At 31 March 2020	**433**	**105**	**3,564**	**4,102**

Leasehold land aggregating to ₹ 67 crores wherein the lease deed has expired and the Company has a right to convert the land into freehold land subject to complying with certain conditions. The Company is in the process of converting the title into freehold as per the lease cum sale agreement.

NOTES

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

LEASE LIABILITIES

Particulars	₹ in crores
At 1 April 2019 (Transferred from finance lease obligation)	3,990
Additional leases (recognised pursuant to Ind AS 116 adoption)	463
Lease liabilities on initial recognition as on 1 April 2019	4,453
Additions	18
Interest accrued	472
Lease principal payments	(503)
Lease interest payments	(472)
Reversal#	(479)
At 31 March 2020	**3,489**
Current	773
Non-current	2,716

*including interest repayment

#The long term pellet supply agreement and coke supply agreement with Amba River and Coke Limited have been amended with effect from September 30, 2019. The amendments, inter alia, reduces tenure with revised payment terms. Accordingly, lease modification has assessed and reversal of ₹ 451 crores from right of use assets and ₹ 479 crores from lease liabilities has been done accordingly.

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

Particulars	₹ in crores
Less than 1 year	1,105
1-5 years	2,761
More than 5 years	883
At 31 March 2020	**4,749**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has lease contracts for machinery that contains variable payments amounting to ₹ 436 crores shown under cost of material consumed.

The Company has recognised ₹ 3 crores as rent expenses during the year which pertains to short-term lease/low value asset which was not recognised as part of right of use asset and also recognised a loss of ₹ 3 crores on sale & leaseback transaction entered during the year. Both of amounts are being recognised as part of other expenses.

The leases that the Company has entered with lessors are generally long-term in nature and no changes in terms of those leases are expected due to the COVID-19.

7. Intangible assets

₹ in crores

Particulars	Computer software	License fees	Mining Assets	Total
Cost/deemed Cost				
At 1 April 2018	**93**	**26**	**18**	**137**
Additions	28	-	105	133
At 31 March 2019	**121**	**26**	**123**	**270**
Additions	33	-	154	187
At 31 March 2020	**154**	**26**	**277**	**457**
Accumulated amortisation				
At 1 April 2018	**56**	**15**	**1**	**72**
Amortisation	15	4	7	26
At 31 March 2019	**71**	**19**	**8**	**98**
Amortisation	17	5	14	36
At 31 March 2020	**88**	**24**	**22**	**134**
Net book value				
At 31 March 2020	**66**	**2**	**255**	**323**
At 31 March 2019	50	7	115	172

8. Investments in subsidiaries, associates and joint ventures

	Particulars	Paid up value	As at 31 March 2020		As at 31 March 2019	
			No. of shares	₹ in crores	No. of shares	₹ in crores
A	**Investment in equity instruments**					
	Unquoted					
	Subsidiaries (at cost or deemed cost)					
	Amba River Coke Limited (refer note a)	₹ 10 each	93,18,98,670	932	93,18,98,670	932
	JSW Bengal Steel Limited	₹ 10 each	45,22,05,000	449	45,22,05,000	449
	JSW Jharkhand Steel Limited	₹ 10 each	9,30,33,853	93	8,80,33,853	88
	JSW Natural Resources Limited	USD 10 each	13,65,500	4	13,65,500	4
	JSW Steel (Netherlands) B.V.	Euro 1 each	7,07,625	4	7,07,625	4
	Periama Holdings, LLC	0.1% interest in members' capital	NA	&	NA	&
	JSW Steel Coated Products Limited	₹ 10 each	80,00,50,000	2,064	5,00,50,000	1,314
	Arima Holdings Limited	USD 100 each	50,390	***	50,390	***
	Erebus Limited	USD 100 each	2,15,420	$$$	2,15,420	$$$
	Nippon Ispat Singapore (Pte) Limited	SGD 1 each	7,84,502	-	7,84,502	-
	Peddar Realty Private Limited	₹ 10 each	10,000	57	10,000	57
	Lakeland Securities Limited	USD 100 each	351	@@	351	@@
	JSW Steel UK Limited	GBP 1 each	5,55,200	3	5,55,200	3
	JSW Industrial Gases Private Limited	₹ 10 each	9,20,83,826	267	9,20,83,826	267
	JSW Steel Utkal Limited	₹ 10 each	4,97,49,000	50	3,94,39,000	39
	Acero Junction Holdings, Inc.	USD 0.001 each	100	536	100	536
	Hasuad Steel Limited	₹ 10 each	-	-	10,000	-
	JSW Steel Italy Piombino S.p.A. (Formerly known as Acciaierie e Ferriere di Piombino S.p.A.)	Euro 1 each	93,600	^^	93,600	^^
	GSI Lucchini S.p.A	Euro 1 each	2,736	&&	2,736	&&
	JSW Retail Limited	₹ 10 each	10,000	^	10,000	^
	PIOMBINO Steel Llimited	₹ 10 each	77,95,786	8	-	-
	Vardhaman Industries Limited	₹ 10 each	45,00,000	5	-	-
	JSW Vallabh Tinplate Private Limited	₹ 10 each	2,50,19,600	30	-	-
	JSW Vijayanagar Metallics Limited	₹ 10 each	10,000	^	-	-
	Joint ventures (at cost or deemed cost)					
	Gourangdih Coal Limited	₹ 10 each	24,50,000	2	24,50,000	2
	JSW MI Steel Service Centre Private Limited	₹ 10 each	6,65,00,000	67	6,65,00,000	67
	JSW Severfield Structures Limited	₹ 10 each	19,79,37,940	198	19,79,37,940	198
	Rohne Coal Company Private Limited	₹ 10 each	4,90,000	""	4,90,000	""
	JSW Vallabh Tinplate Private Limited	₹ 10 each	-	-	2,50,19,600	30
	Creixent Special Steels Limited	₹ 10 each	48,00,000	25	48,00,000	25
	Monnet Ispat and Energy Limited	₹ 10 each	399	&&&	399	&&&
	Vijayanagar Minerals Private Limited	₹ 10 each	4,000	@	4,000	@
B	**Investment in limited liability partnership firm**					
	Unquoted subsidiary (at cost or deemed cost)					
	Inversiones Eurosh Limitada (unquoted)	5% Equity Interest in the capital	NA	^^^	^^^	NA
	Total			**4,794**		**4,017**
	Less: Aggregate amount of provision for impairment in the value of investments			(37)		(37)
				4,757		**3,980**
	Unquoted					
	Aggregate carrying value			4,757		3,980

*** ₹ 0.25 crores $$$ ₹ 0.27 crores @@ ₹ 0.22 crores "" ₹ 0.49 crores ^^^ ₹ 0.01 crores @ ₹ 40,000 & $1 @@@ ₹ 0.50 crores
^ ₹ 0.01 crores ^^ ₹ 0.19 crores && ₹ 0.19 crores $$ ₹ 0.01 crores &&& ₹ 3,990

Note:

(a) 30,43,73,882 shares (as at 31 March 2019 30,43,73,882 shares) are pledged to the Amba River & Coke Limited (ARCL)'s banker.

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

9. Investments (non-current)

	Particulars	Paid up value	As at 31 March 2020		As at 31 March 2019	
			No. of shares	₹ in crores	No. of shares	₹ in crores
A	**Investment in equity instruments**					
	Quoted-Others (at fair value through OCI)					
	Fully paid up					
	JSW Energy Limited	₹ 10 each	8,53,63,090	364	8,53,63,090	619
	Unquoted					
	Others (at fair value through OCI)					
	Toshiba JSW Power Systems Private Limited	₹ 10 each	1,10,00,000	-	1,10,00,000	-
	MJSJ Coal Limited	₹ 10 each	1,04,61,000	9	1,04,61,000	9
	SICOM Limited	₹ 10 each	6,00,000	5	6,00,000	5
	Kalyani Mukand Limited	₹ 1 each	4,80,000	$	4,80,000	$
	Ispat Profiles India Limited	₹ 1 each	15,00,000	$	15,00,000	$
				378		**633**
B	**Investments in preference shares and Debentures**	**Terms**				
	Unquoted – (at fair value through profit and loss)					
	Subsidiaries					
	JSW Steel (Netherlands) B.V.	5% redeemable, non-cumulative of Euro 1 each	3,99,00,250	217	3,99,00,250	254
	JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of ₹ 100 each	1,99,15,000	99	1,99,15,000	89
	JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of ₹ 100 each (Series 1)	50,00,000	37	50,00,000	34
	JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of ₹ 100 each (Series 2)	53,00,000	29	53,00,000	27
	JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of ₹ 100 each	2,14,000	1	-	-
	Vardhaman Industries Limited	10% p.a. Compulsorily convertible Debentures	5,90,00,000	59	-	-
	Joint ventures					
	Rohne Coal Company Private Limited	1% non-cumulative of ₹ 10 each	2,36,42,580	-	2,36,42,580	-
	Rohne Coal Company Private Limited	1% Series-A non-cumulative of ₹ 10 each	71,52,530	3	71,52,530	5
	Rohne Coal Company Private Limited	1% Series-B non-cumulative of ₹ 10 each	16,61,686	2	13,70,786	1
				447		**410**
C	**Investments in preference shares**	**Terms**				
	Unquoted – (at amortised cost)					
	Joint ventures					
	Creixent Special Steels Limited	0.01% redeemable, cumulative of ₹ 10 each	17,19,69,200	206	17,19,69,200	184
	Creixent Special Steels Limited	0.01% redeemable, cumulative of ₹ 10 each	19,83,00,410	211	19,83,00,410	190
	Monnet Ispat and Energy Limited	0.01% compulsorily convertible, non-cumulative of ₹ 10 each	601	@	601	@
				417		**374**
D	**Investments in Government securities (unquoted – Others) (at amortised cost)**					
	National Savings Certificates			^^		^^
	(Pledged with commercial tax department)					
	Total (A+B+C+D)			**1,242**		**1,417**
	Quoted					
	Aggregate book value			364		619
	Aggregate market value			364		619
	Unquoted					
	Aggregate carrying value			878		798
	Investment at amortised cost			417		374
	Investment at fair value through other comprehensive income			378		633
	Investment at fair value through profit and loss			447		410

^^ ₹ 0.07 crores $ ₹ 1 @ ₹ 6,010

10. Loans (Unsecured)

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Loans				
to related parties*	9,108	100	8,070	47
to other body corporate	9	-	9	-
Security deposits	609	221	281	89
Less : Allowance for doubtful loans (Considered doubtful)	(1,021)	-	(685)	-
Total	**8,705**	**321**	**7,675**	**136**
Note				
Considered good (Unsecured)	8,705	321	7,675	136
Loans which have significant increase in Credit Risk	-	-	-	-
Loans which are credit impaired	-	-	-	-
Loans and advances to other body corporate	9	-	9	-
Loans and advances to related parties	1,012	-	676	-

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

MOVEMENT IN ALLOWANCE FOR DOUBTFUL LOANS

₹ in crores

Particulars	As at 31 March 2020
As at 1 April 2018	532
Additional provision transferred from guarantee towards incremental loan (refer note)	153
As at 31 March 2019	685
Provision written back due to repayment of loan	(326)
Additional provision made during the year (refer note 51)	605
Additional provision transferred from guarantee towards incremental loan (refer note)	57
As at 31 March 2020	1,021

Note:

The Company had recognised financial guarantee obligation in the earlier years towards lenders of a subsidiary, against which incremental loans have been advanced to the subsidiary during the current year. Consequently, the financial guarantee obligation has been released and basis of the recoverability of the said loans provision for doubtful allowances has been recognised, resulting in NIL impact in Statement of Statement of profit & loss.

DETAILS OF LOANS AND ADVANCES IN THE NATURE OF LOANS TO SUBSIDIARIES:

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding
JSW Steel (Netherlands) B.V.	1,326	267	1,364	1,318
JSW Natural Resources Limited	138	138	146	124
Inversiones Eurosh Limitada	803	803	773	744
Periama Holdings, LLC	6,134	6,134	5,206	4,936
JSW Steel UK Limited	13	13	11	10
Arima Holding Limited	#	#	#	#
Lakeland Securities Limited	#	#	#	#
Erebus Limited	#	#	#	#
Acero Junction Holdings, Inc.	1,509	1,509	832	799
Monnet Ispat and Energy Limited	215	215	125	125
JSW Global Business Solutions Limited	16	13	18	14
JSW Steel Italy Piombino S.p.A. (Formerly known as Acciaierie e Ferriere di Piombino S.p.A.)	83	83	-	-
Nippon Ispat Singapore (Pte) Limited	3	3	3	3

represents amounts below ₹ 0.50 crore

NOTES

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

11. Others financial assets (Unsecured)

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Export benefits and entitlements	1	78	1	70
Insurance claim receivable	-	-	43	-
Advance towards equity share capital/preference shares	101	-	1	-
Government grant income receivable (refer note 30a)	326	2,414	2	1,825
Interest receivable on				
- loans to related parties	118	685	-	637
- Others	-	115	-	7
Indirect tax balances Refund due	-	22	-	73
Others	16	70	1	32
Less: Allowance for doubtful receivables	-	(590)	-	-
Total	**562**	**2,794**	**48**	**2,644**

MOVEMENT IN ALLOWANCE FOR DOUBTFUL LOANS

₹ in crores

Particulars	As at 31 March 2020
Opening Balance	-
Additional provision for Interest receivable from related party (refer note 51)	586
Additional provision for export incentives	4
Closing Balance	590

12. Other assets (Unsecured)

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Capital advances	843	-	1,799	-
Less : Allowance for doubtful advances	(7)	-	(7)	-
Other Advances				
Advance to suppliers	271	1,042	571	957
Export benefits and entitlements	56	75	56	87
Security deposits	37	37	34	118
Indirect tax balances/recoverable/credits	1,381	449	1,214	692
Prepayments and others	60	198	62	137
Less: Allowance for doubtful advances	(262)	(6)	(254)	-
Total	**2,379**	**1,795**	**3,475**	**1,991**
Other Assets constitute:				
Capital advances				
Considered good	836	-	1,792	-
Considered doubtful, provided	7	-	7	-
Others				
Considered good	1,543	1,795	1,683	1,991
Considered doubtful, provided	262	6	254	-
Advances to suppliers	252	-	250	-
Prepayment and others	7	6	2	-
Indirect tax balances/recoverable/credits	3	-	2	-

13. Inventories

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials (at cost)	4,110	5,108
Work-in-progress (at cost)	414	477
Semi-finished/finished goods (at cost or net realisable value)	3,343	3,275
Production consumables and stores and spares (at cost)	1,734	1,955
Others	22	-
Total	**9,623**	**10,815**

Inventories have been pledged as security against certain bank borrowings, details relating to which has been described in note 20 and note 25.

DETAILS OF STOCK-IN-TRANSIT

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	1,222	1,551
Production consumables and stores and spares	190	147
Total	**1,412**	**1,698**

14. Trade receivables

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	3,149	6,682
Trade Receivables which have significant increase in Credit Risk	160	160
Less: Allowance for doubtful debts	(143)	(72)
Trade Receivables – credit impaired	10	10
Less: Allowance for doubtful debts	(10)	(10)
Total	**3,166**	**6,770**

AGEING OF RECEIVABLES THAT ARE PAST DUE:

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
60-90 days	79	79
90-180 days	56	298
> 180 days	410	524
Total	**545**	**901**

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

Before accepting any new customer, the Company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Trade receivables have been given as collateral towards borrowings details relating to which has been described in note 20 and note 25.

Credit risk management regarding trade receivables has been described in note 42 (8).

Trade receivables from related parties' details has been described in note 44.

Trade receivables does not include any receivables from directors and officers of the Company.

15. Cash and cash equivalents

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with Banks		-
In current accounts	1,613	425
In term deposit accounts with maturity less than 3 months at inception	1,824	4,840
Cheques on hand	-	100
Cash on hand	1	1
Total	**3,438**	**5,366**

NOTES

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

16. Bank balance other than cash and cash equivalents

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Earmarked balances		
- in current accounts	35	29
- in term deposits	14	-
Balances with Banks		
In term deposit accounts		
- with maturity more than 3 months but less than 12 months at inception	7,790	275
- with maturity more than 12 months at inception	122	127
In margin money	2	16
Total	**7,963**	**447**

Earmarked bank balances are restricted in use and it relates to unclaimed dividend and Balances with banks held as margin money for security against the guarantees.

17. Derivative Assets

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Forward contracts	259	202
Commodity contracts	-	6
Interest rate swaps	1	20
Currency options	15	1
Total	**275**	**229**

18. Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
	Number of Shares		Amount (₹ in crores)	
Share capital				
(a) Authorised				
Equity shares of the par value of ₹ 1 each	60,15,00,00,000	60,15,00,00,000	6,015	6,015
(b) Issued and subscribed				
(i) Outstanding at the beginning of the year, fully paid up	2,41,72,20,440	2,41,72,20,440	242	242
(ii) Less: Treasury shares held under ESOP Trust (refer note (a) below)	(1,48,16,254)	(1,55,08,976)	(2)	(2)
(iii) Outstanding at the end of the year, fully paid up	2,40,23,26,186	2,40,17,11,464	240	240
(c) Equity shares forfeited (amount originally paid-up)			61	61
Total			**301**	**301**

a) NOTE FOR SHARES HELD UNDER ESOP TRUST:

The Company has created an Employee Stock Ownership Plan (ESOP) for providing share-based payment to its employees.

ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and its subsidiaries in India. For the purpose of the scheme, the Company purchases shares from the open market under ESOP trust. The Company treats ESOP trust as its extension and shares held by ESOP trust are treated as treasury shares.

For the details of shares reserved for issue under the Employee Stock Ownership Plan (ESOP) of the Company refer note 39.

Movement in treasury shares

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
	Number of Shares		Amount (₹ in crores)	
Shares of ₹ 1 each fully paid up held under ESOP Trust				
Equity shares as at 1 April	1,55,08,976	1,09,88,860	2	1
Changes during the year	(6,92,722)	45,20,116	*	@
Equity shares as at 31 March	**1,48,16,254**	**1,55,08,976**	**2**	**2**

* ₹ (0.07) crores @ ₹ 0.45 crores

b) RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

The Company has a single class of equity shares having par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	No of shares	% of shares	No of shares	% of shares
Equity shares				
JFE Steel International Europe BV	36.25,83,070	15.00%	36,25,83,070	15.00%
JSW Techno Projects Management Ltd	25,70,51,220	10.63%	24,73,28,450	10.23%
JSW Holdings Limited	18,14,02,230	7.50%	17,88,37,230	7.40%
Vividh Finvest Private Limited	14,33,70,690	5.93%	14,19,95,690	5.87%

d) SHARES ALLOTTED AS FULLY PAID-UP PURSUANT TO CONTRACTS WITHOUT PAYMENT BEING RECEIVED IN CASH DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEDING THE DATE OF THE BALANCE SHEET ARE AS UNDER:

Nil

19. Other equity

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
General reserve	9,944	9,895
Retained Earnings	17,709	13,612
Other Comprehensive Income:		
Equity instruments through other comprehensive income	148	403
Effective portion of cash flow hedges	(434)	33
Foreign currency monetary item translation difference account (FCMITDA)	-	(57)
Other Reserves		
Equity settled share based payment reserve	122	91
Capital reserve	4,359	4,359
Capital redemption reserve	774	532
Securities premium reserve	5,439	5,439
Debenture redemption reserve	-	285
Total	**38,061**	**34,592**

(i) GENERAL RESERVE

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.00% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year.

Consequent to introduction of Companies Act, 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit and loss to the General reserves. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

(ii) RETAINED EARNINGS

Retained earnings are the profi¬ts that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

(iii) EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME

The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

(iv) EFFECTIVE PORTION OF CASH FLOW HEDGES

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit and loss only

NOTES

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

when the hedged transaction affects the profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

(v) FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (FCMITDA)

The Company has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the standalone financial statements prepared under previous GAAP for the year ended 31 March 2016. The reserve pertains to exchange differences relating to long-term foreign currency monetary items in so far as they do not relate to acquisition of depreciable capital assets, which are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised in the Statement of Profit and Loss over the balance Year of such long-term foreign currency monetary item. The Company has fully amortised the balance in the current year and the outstanding balance as on 31 March 2020 stands to NIL.

(vi) EQUITY SETTLED SHARE BASED PAYMENT RESERVE

The Company offers ESOP, under which options to subscribe for the Company's share have been granted to certain employees and senior management of JSW Steel and its subsidiaries. The share based payment reserve is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.

(vii) CAPITAL RESERVE

Reserve is primarily created on amalgamation as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

(viii) CAPITAL REDEMPTION RESERVE

Reserve is created for redemption of preference shares as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

(ix) SECURITIES PREMIUM

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

(x) DEBENTURE REDEMPTION RESERVE

Uptil previous year, the Indian Companies Act required companies that issue debentures to create a debenture redemption reserve (DRR) from annual profits until such debentures are redeemed. Companies were required to maintain 25% as a reserve of outstanding redeemable debentures. Accordingly, the Company created DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the Company. The amounts credited to the debenture redemption reserve was not be utilised except to redeem debentures. On redemption the amount was to be reclassified to Retained Earnings.

As per the recent amendment in Companies Act, 2013, issued by the Ministry of Corporate Affairs, listed companies are not required to create debenture redemption reserve (DRR). Accordingly, the Company has transferred the such reserve balance to general reserve as on 31 March 2020.

20. Borrowings (at amortised cost)

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Bonds (unsecured)	10,554	-	3,459	3,459
Debentures (secured)	5,000	-	2,000	1,841
Term loans				
Secured	10,743	2,468	10,139	1,980
Unsecured	11,464	2,525	8,491	2,841
Acceptance for Capital Projects with maturity more than 1 year				
Secured	650	61	-	-
Unsecured	929	115	-	-
Deferred government loans (unsecured)	135	25	79	31
Other Loans				
Finance Lease obligations (unsecured)	-	-	3,638	352
Preference Shares (unsecured)	-	-	-	231
	39,475	**5,194**	**27,806**	**10,735**
Unamortised upfront fees on borrowing	(228)	(85)	(140)	(68)
	39,247	**5,109**	**27,666**	**10,667**
Less: Current maturities of long-term debt clubbed under Other financial liabilities (note 28)	-	(5,109)	-	(10,667)
Total	**39,247**	**-**	**27,666**	**-**

NOTES

₹ in crores

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non-current	**Current**	Non-current	Current		
A. Bonds/Debentures					
Bonds (Unsecured)					
3,015	**-**	-	-	5.375% Repayable on 04.04.2025	
3,769	**-**	-	-	5.95% Repayable on 18.04.2024	
3,769	**-**	3,459	-	5.25% Repayable on 13.04.2022	-
-	**-**	-	3,459	4.75% Repaid on 12.11.2019	-
10,554	**-**	3,459	3,459		
Debentures(secured)					
1,000	**-**	-	-	8.90% secured NCDs of ₹ 10,00,000 each are redeemable in four tranches a) ₹ 250 crores on 23.01.2027 b) ₹ 250 crores on 23.01.2028 c) ₹ 250 crores on 23.01.2029 and d) ₹ 250 crores on 23.01.2030	First *pari passu* charge on property, plant and equipments related to Cold Rolling Mill 1 and 2 complex located at Vijayanagar Works, Karnataka (other than specifically carved out).
2,000	**-**	-	-	8.79% secured NCDs of ₹ 10,00,000 each are redeemable in four tranches a) ₹ 500 crores on 18.10.2026 b) ₹ 500 crores on 18.10.2027 c) ₹ 500 crores on 18.10.2028 and d) ₹ 500 crores on 18.10.2029	First *pari passu* charge on property, plant and equipments upto 5 mtpa capacity situated at Dolvi works, Maharashtra (other than specifically carved out).
1,000	**-**	1,000	-	10.34% secured NCDs of ₹ 10,00,000 each are redeemable in three tranches a) ₹ 330 crores on 18.1.2022 b) ₹ 330 crores on 18.1.2023 c) ₹ 340 crores on 18.1.2024	First *pari passu* charge on property, plant and equipments related to 2.8 mtpa expansion project located at Vijayanagar Works, Karnataka and a flat at Vasind, Maharashtra.
1,000	**-**	1,000	-	10.02% secured NCDs of ₹ 10,00,000 each are redeemable in two tranches a) ₹ 500 crores on 20.05.2023 b) ₹ 500 crores on 19.07.2023	First *pari passu* charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	**-**	-	44	10.60% secured NCDs of ₹ 7,50,000 each are redeemed as 2 half yearly instalments of ₹ 21.875 crores each from 02.08.2019 to 02.02.2020	*Pari passu* first charge by ay of legal mortgage on land situated in the State of Gujarat. *Pari passu* first charge by way of equitable mortgage on property, plant and equipments related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka
-	**-**	-	400	9.72% secured NCDs of ₹ 10,00,000 each are redeemed on 23.12.2019	First *pari passu* charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	**-**	-	700	Secured zero coupon NCDs redeemed at a premium of 12.15% p.a. accrued quarterly on 22.10.2019	Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019. - Secured by way of pledge of 40,000,000 equity shares of a subsidiary (Dolvi Minerals and Metals Pvt Ltd - merged into JSW Steel Ltd with appointed date 1 April 2019), held by JSW Steel Limited.
-	**-**	-	250	10.40% secured NCDs of ₹ 10,00,000 each are redeemed on 19.08.2019	First *pari passu* charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	**-**	-	425	10.60% secured NCDs of ₹ 10,00,000 each are redeemed on 19.08.2019	First *pari passu* charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	**-**	-	22	10.60% secured NCDs of ₹ 6,25,000 each are redeemed on 02.07.2019	*Pari passu* first charge by way of legal mortgage on land situated in the State of Gujarat. *Pari passu* first charge by way of equitable mortgage on property, plant and equipments related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka
5,000	**-**	**2,000**	**1,841**		

NOTES

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

₹ in crores

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
B. Term Loans					
Rupee Term Loans From Banks (Secured)				**Weighted average interest cost as on 31 March 2020 is 8.91%**	
709	-	110	-	12 quarterly instalments of ₹ 8.861 crores each from 30.06.2021-31.03.2024 04 quarterly instalments of ₹ 44.306 crores each from 30.06.2024-31.03.2025 08 quarterly instalments of ₹ 53.167 crores each from 30.06.2025 - 31.03.2027	First *pari passu* charge on expansion project at Dolvi Works, Maharashtra from 5 mtpa to 10 mtpa capacity (other than specifically carved out).
219	31	-	-	23 Quarterly instalments of ₹ 10.41 crores each from 30.09.2020 - 31.03.2026 and last instalment of ₹ 10.57 crore on 30.06.2026	First *pari passu* charge on property, plant and equipments related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka.
418	86	393	46	23 equal quarterly instalments of ₹ 21.43 crores each from 30.06.2020 to 31.12.2025 and last instalment of ₹ 11.06 crores on 31.03.2026	Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019. First pari-passu charge on property, plant and equipments of 1.5 mtpa coke oven plant (i.e. Phase I under erstwhile Dolvi Coke Projects Ltd) at Dolvi Works, Maharashtra
394	66	450	38	1 quarterly instalment of ₹ 9.375 crores on 30.06.2020 8 quarterly instalments of ₹ 18.75 crores each from 30.09.2020-30.06.2022 12 quarterly instalments of ₹ 25 crores each from 30.09.2022-30.06.2025	First *pari passu* charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out).
400	100	-	-	20 quarterly instalments of ₹ 25 crores each from 30.06.2020-31.03.2025	First *pari passu* charge on property, plant and equipments related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka.
470	105	550	100	Repayable in 3 quarterly instalments of ₹ 25 crores each from 30.06.2020 to 31.12.2020 12 quarterly instalments of ₹ 30 crores each from 31.03.2021 to 31.12.2023 4 quarterly instalments of ₹ 35 crores each from 31.03.2024 to 31.12.2024	Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019. First charge on entire immovable and movable fixed assets located at Salav works (erstwhile JSW Steel Salav Limited), Maharashtra.
375	100	475	25	19 quarterly instalments of ₹ 25 crores each from 15.06.2020-15.12.2024	First *pari passu* charge on property, plant and equipments situated at Salem Works, Tamil Nadu.
563	75	638	75	2 Quarterly instalments of ₹ 18.75 crores each from 27.07.2020 - 27.10.2020 16 Quarterly instalments of ₹ 37.50 crores each from 27.01.2021 - 27.10.2024	First pari-passu charge on property, plant and equipments upto 5 mtpa capacity situated at Dolvi works, Maharashtra.
758	192	902	192	7 quarterly instalments of ₹ 48 crores each from 30.06.2020 - 31.12.2021 9 quarterly instalments of ₹ 64 crores each from 31.3.2022 - 31.03.2024 1 quarterly instalment of ₹ 38.35 crores on 30.06.2024	First charge on entire movable and immovable property, plant and equipments upto 5 mtpa capacity situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/machinery procured out of proceeds of ECA/ECB/FCL) both present and future.
319	75	375	75	5 quarterly instalments of ₹ 18.75 crores each from 30.06.2020-30.06.2021 12 quarterly instalments of ₹ 25 crores each from 30.09.2021-30.06.2024	First *pari passu* charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out).
600	200	750	125	16 Quarterly instalment of ₹ 50 crores each from 30.06.2020 - 31.03.2024	First charge on 3.2 mtpa expansion property, plant and equipments situated at Vijayanagar Works Karnataka

₹ in crores

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
938	94	1,031	63	2 Quarterly instalments of ₹ 15.625 crores each from 31.07.2020 - 31.10.2020 04 Quarterly instalments of ₹ 62.50 crores each from 31.01.2021 - 31.10.2021 08 Quarterly instalments of ₹ 93.75 crores each from 31.01.2022 - 31.10.2023	First charge on property, plant and equipments upto 5 mtpa capacity situated at Dolvi works, Maharashtra.
700	150	813	150	8 quarterly instalments of ₹ 37.5 crores each from 30.06.2020 - 31.03.2022 4 quarterly instalments of ₹ 43.75 crores each from 30.06.2022 - 31.03.2023 2 quarterly instalments of ₹ 187.5 crores each from 30.06.2023 - 30.09.2023	First *pari passu* charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
125	50	163	50	14 Quarterly instalments of ₹ 12.5 crores each from 30.06.2020 - 30.09.2023.	First charge on property, plant and equipments upto 5 mtpa capacity situated at Dolvi works, Maharashtra.
225	100	325	100	13 quarterly instalments of ₹ 25 crores each from 01.06.2020 - 01.06.2023	First charge on 3.2 mtpa expansion property, plant and equipments situated at Vijayanagar Works Karnataka
1,164	-	-	-	4 quarterly instalments of ₹ 116.40 crores each from 30.06.2021 - 31.03.2022 4 quarterly instalments of ₹ 174.60 crores each from 30.06.2022-31.03.2023	First *pari passu* charge on the mining rights/ assets proposed to be acquired for the 4 iron ore blocks acquired in the State of Odisha.
1,250	200	1,400	200	5 Quarterly instalments of ₹ 50 crores each from 30.06.2020 - 30.06.2021 4 Quarterly instalments of ₹ 125 crores each from 30.09.2021 - 30.06.2022 2 Quarterly instalments of ₹ 350 crores each from 30.09.2022 - 31.12.2022	First charge on property, plant and equipments upto 5 mtpa capacity situated at Dolvi works, Maharashtra.
388	150	500	150	5 quarterly instalments of ₹ 37.5 crores each from 30.06.2020 - 30.06.2021 4 quarterly instalments of ₹ 43.75 crores each from 30.06.2021 - 30.06.2022 2 quarterly instalments of ₹ 87.5 crores each from 30.09.2022 - 31.12.2022	First *pari passu* charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
109	63	156	63	11 quarterly instalments of ₹ 15.625 crores each from 30.06.2020 - 31.12.2022	First *pari passu* charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out).
90	160	215	125	2 quarterly instalments of ₹ 35 crores each from 30.06.2020 - 30.09.2020 4 quarterly instalments of ₹ 45 crores each from 31.12.2020 - 30.09.2021	First charge on 3.2 mtpa expansion property, plant and equipments (other than assets specifically carved out) situated at Vijayanagar Works Karnataka
-	375	338	338	2 quarterly instalments of ₹ 37.50 crores each from 30.06.2020 - 30.09.2020 2 quarterly instalments of ₹ 150 crores each from 31.12.2020 - 31.03.2021	First charge on 3.2 mtpa expansion property, plant and equipments (other than assets specifically carved out) situated at Vijayanagar Works Karnataka
Total Rupee Term Loans From Banks (Secured)					
10,213	**2,371**	**9,583**	**1,913**		

NOTES

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

₹ in crores

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
Foreign Currency Term Loans From Banks (Secured)				**Weighted average interest cost as on 31 March 2020 is 5.00%**	
531	97	556	67	24 equal quarterly instalments of ₹ 24.23 crores each from 30.06.2020 to 31.03.2026	Loan in books of JSW Steel Ltd. pursuant to merger with appointed date being 01.04.2019
				1 instalment of ₹ 46.09 crores on 30.06.2026	First pari-passu charge on property, plant and equipments of 1.5 mtpa coke oven plant (i.e. Phase I under erstwhile Dolvi Coke Projects Ltd) at Dolvi Works, Maharashtra
531	**97**	**556**	**67**		
Total Term Loan-Secured					
10,743	**2,468**	**10,139**	**1,980**		
Rupee Term Loans From Banks (Unsecured)				**Weighted average interest cost as on 31 March 2020 is 8.63%**	
750	-			1 instalment of ₹ 250 crores on 05.04.2021 and 1 instalment of ₹ 500 crore on 05.09.2021	
30	120	150	120	5 quarterly instalments of ₹ 30 crores each from 20.06.2020 to 20.06.2021	
-	250	257	492	1 instalment of ₹ 250 crores each on 20.05.2020	
780	**370**	**407**	**612**		
Foreign Currency Term Loans From Banks (Unsecured)				**Weighted average interest cost as on 31 March 2020 is 3.82%**	
286	15	-	-	20 equal semi-annual instalment of ₹ 15.05 crores from 31.10.2020 to 30.04.2030	
176	20	110	-	20 equal semi-annual instalment of ₹ 9.798 crores from 31.08.2020 to 28.02.2030	
142	16	78	-	20 equal semi-annual instalment of ₹ 7.892 crores from 30.06.2020 to 31.12.2029	
293	34	-	-	19 equal semi-annual instalment of ₹ 17.238 crores from 30.06.2020 to 30.06.2029	
180	23	168	-	17 equal semi-annual instalment of ₹ 6.515 crores from 25.06.2020 to 25.06.2028 and 1 instalment of ₹ 2.683 crores on 25.12.2028	
				17 equal semi-annual instalment of ₹ 5.205 crores from 25.06.2020 to 25.06.2028 and 1 instalment of ₹ 1.809 crores on 25.12.2028	
364	52	210	11	16 equal semi-annual instalment of ₹ 13.56 crores from 25.09.2020 to 25.03.2028 and 1 instalment of ₹ 0.24 crore on 25.09.2028.	
				16 equal semi-annual instalment of ₹ 12.252 crores from 25.09.2020 to 25.03.2028 and 1 instalment of ₹ 2.637 crores on 25.09.2028.	
54	9	59	8	14 semi annual instalments of ₹4.533 crores each from 31.07.2020 to 31.1.2027	-
116	37	-	-	8 equal semi-annual instalment of ₹ 18.634 crores from 30.08.2020 to 29.02.2024 and 1 instalment of ₹ 3.987 crores on 31.12.2026	
186	33	-	-	13 equal semi-annual instalment of ₹ 16.42 crores from 25.06.2020 to 25.06.2026 and 1 instalment of ₹ 5.274 crores on 25.12.2026	

₹ in crores

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
91	21	103	20	8 half yearly instalments of ₹ 3.40 crores each from 31.07.2020 to 31.01.2024.	-
				9 half yearly instalments of ₹ 1.21 crores each from 30.04.2020 to 30.4.2024	
				12 semi annual instalments of ₹ 2.23 crores each from 25.09.2020 to 25.03.2026	
				12 semi annual instalments of ₹ 2.27 crores each from 25.09.2020 to 25.3.2026.	
				13 semi annual instalments of ₹ 1.596 crores each from 25.06.2020 to 25.06.2026.	
1,885	-	-	-	2 annual instalments of ₹ 621.934 crores from 19.03.2024 to 19.03.2025 and	
				1 instalment of ₹ 640.78 crores on 19.03.2026	
69	14	76	13	12 semi annual instalments of ₹ 4.715 crores each from 23.07.2020 to 23.01.2026	-
				12 semi annual instalments of ₹2.21 crores each from 06.08.2020 to 05.02.2026	
786	-	-	-	3 annual instalments of ₹ 238.72 crores from 27.12.2023 to 26.12.2025	
				3 annual instalment of ₹ 23.216 crores from 22.01.2024 to 22.01.2026	
565	-	519	-	4 equal instalment of ₹ 141.35 crores from 19.10.2022 to 19.10.2025	
942	-	865	-	4 annual instalments of ₹ 235.58 crores from 16.07.2022 to 16.07.2025	
302	-	277	-	4 annual instalments of ₹ 75.386 crores from 12.07.2022 to 12.07.2025	
141	111	231	102	10 equal semi annual instalments of ₹ 1.697 crores each from 25.09.2020 to 25.03.2025	-
				2 equal annual instalments of ₹ 100.51 crores from 13.8.2020 to 13.8.2021	
				9 equal semi annual instalments of ₹ 3.45 crores each from 25.09.2020 to 25.09.2024 and 1 semi annual instalment of ₹ 2.906 crores on 25.03.2025	
150	39	172	35	9 equal semi annual instalments of ₹ 6.32 crores each from 09.07.2020 to 09.07.2024 and 1 semi annual instalment of ₹ 5.57 crores on 09.01.2025	-
				9 equal semi annual instalments of ₹ 13.004 crores each from 09.07.2020 to 09.07.2024 and 1 semi annual instalment of ₹ 9.42 crores on 09.01.2025	
1,583	-	1,453	-	4 annual instalments of ₹ 395.78 crores from 12.10.2021 to 12.10.2024	
754	-	692	-	Repayable on 05.04.2024	

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

₹ in crores

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
300	218	475	200	3 half yearly instalments of ₹ 62.70 crores each from 31.05.2020 to 31.05.2021 7 half yearly instalments of ₹ 40.07 crores each from 30.04.2020 to 30.04.2023 8 half yearly instalments of ₹ 6.10 crores each from 18.09.2020 to 18.03.2024	-
43	14	53	13	8 half yearly instalments of ₹ 7.22 crores each from 30.09.2020 to 31.03.2024	-
43	14	53	13	8 half yearly instalments of ₹ 7.18 crores each from 28.08.2020 to 28.02.2024	-
246	84	300	76	8 half yearly instalments of ₹ 18.01 crores each from 19.7.2020 to 19.1.2024 7 half yearly instalments of ₹ 24.02 crores each from 19.7.2020 to 19.7.2023 and 1 half yearly instalment of ₹ 18.24 crores on 19.1.2024	- -
30	10	37	9	8 equal semi annual instalments of ₹ 4.966 crores each from 15.06.2020 to 15.12.2023	-
678	-	623	-	Repayable in three tranches a) ₹ 376.93 crores on 21.2.2022 b) ₹ 37.69 crores on 06.03.2022 c) ₹ 263.85 crores on 03.07.2022	-
277	260	493		Repayable in two tranches a) ₹ 260.29 crores on 27.4.2020 b) ₹ 276.56 crores on 27.4.2021	-
-	1,131	1,038	-	3 equal instalments of ₹ 376.93 crores each on 07.04.2020, 21.9.2020 and 21.3.2021	-
-	-	-	1,729	Repaid on 20.03.2020	-
10,684	**2,155**	**8,083**	**2,229**		
Total Term Loan – Unsecured					
11,464	2,525	8,491	2,841		
C. Acceptance for Capital Projects more than 1 year					
Acceptance – Secured					
633	-	-	-	Repayment of 10 cases 2021-22 - ₹ 56.96 crores on various dates. Repayment of 77 cases 2022-23 - ₹ 576.11 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.
8	61	-	-	Repayment of 05 cases in 2020-21 - ₹ 61.12 crores on various dates. Repayment of 03 cases in 2021-22 - ₹ 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 ₹ 9.12 crores on 01.08.2022	First *pari passu* charge on movable fixed assets of 1.5 mtpa Coke Oven Plant (Phase 2) at Dolvi Works, Maharashtra.
650	**61**	-	-		
Acceptance – Unsecured					
268	101	-	-	Repayment of 10 cases in 2020-21 - ₹ 101.23 crores on various dates Repayment of 38 cases in 2021-22 - ₹ 141.59 crores on various dates Repayment of 23 cases in 2022-23 - ₹ 126.42 crores on various dates	
661	14	-	-	Repayment of 04 cases in 2020-21 - ₹ 14.03 crores on various dates Repayment of 57 cases in 2021-22 - ₹ 196.24 crores on various dates Repayment of 117 cases in 2022-23 - ₹ 465.35 crores on various dates	
929	**115**				

₹ in crores

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
C. Acceptance for Capital Projects more than 1 year					
1,579	**176**	**-**	**-**		
D. Deferred Payment Liabilities					
Deferred Sales Tax Loan (Unsecured)					
134	-	58	-	Interest free loan Payable after 14 years by 31.3.2032	
1	25	21	31	Interest free loan and payable in 42 varying monthly instalments starting from 12.4.2018 to 12.9.2021	-
135	**25**	**79**	**31**		
E. Financial Lease Obligations					
-	-	3,638	352	Varying monthly instalments from 8 to 15 years	
F. Preference Shares					
-	-	-	231	0.01% CPRS Redeemable at par in 4 quarterly instalments starting from 15.06.2018 to 15.03.2020	-
-	**-**	**-**	**231**		
G. Unamortised Upfront Fees on Borrowing					
(228)	(85)	(140)	(68)		-
Total Amount in ₹ crores					
39,247	**5,109**	**27,666**	**10,667**		

Pursuant to the Covid 19 pandemic, the Reserve Bank of India, vide its notification reference RBI/2019-20/186 dated 27 March 2020, announced a "Covid 19 Regulatory Package" to mitigate the adverse impact of the pandemic and ensure continuity of viable businesses. As per this package banks were inter alia permitted to grant a moratorium of three months on payment of all instalments (principal and interest) on Term loans falling due between 1 March 2020 and 31 May 2020. The Company opted to avail the package relating to term loans and the same was approved by the lenders in line with RBI's notification. Accordingly, the financial statement has been prepared giving effect to the above.

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

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Rental and other deposits	32	52	33	47
Retention money for capital projects	403	1,072	481	171
Premium on redemption of debentures	-	-	-	490
Allowance for financial guarantees	873	-	516	-
	1,308	**1,124**	**1,030**	**708**
Less: Amount clubbed under Other financial liabilities(note 28)	-	(1,124)	-	(708)
Total	**1,308**	**-**	**1,030**	**-**

MOVEMENTS IN ALLOWANCES FOR FINANCIAL GUARANTEES

₹ in crores

Particulars	Amount
As at 1 April 2018	**642**
Release of financial guarantees (refer note 10)	(153)
Exchange fluctuations	27
As at 31 March 2019	**516**
Additional created during the year	376
Release of financial guarantees (refer note 10)	(57)
Exchange fluctuations	38
As at 31 March 2020	**873**

NOTES

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

22. Provisions

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 41)				
Provision for compensated absences	120	18	96	15
Provision for gratuity	172	39	129	37
Provision for long service award	12	2	-	-
Provision for Provident fund	-	5	-	1
Other provisions				
Mine closure provision	18	-	8	-
Others	-	-	2	
Total	322	64	235	53

MOVEMENT OF MINE CLOSURE PROVISION DURING THE YEAR

₹ in crores

	As at 31 March 2020	As at 31 March 2019
Opening Balance	8	2
Additions during the year	9	5
Unwinding of discount and changes in the discount rate	1	#
Closing Balance	18	8

represents amounts below ₹ 0.5 crore

Site restoration expenditure is incurred on an ongoing basis until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

23. Income tax

Indian companies are subject to Indian income tax on a standalone basis. For each fiscal year, the entity profit and loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Statutory income tax is charged at 30% plus a surcharge and education cess.

MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT for the fiscal year 2019-20 is charged at 15% plus a surcharge and education cess. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

A. INCOME TAX EXPENSE

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax :		
Current tax (MAT) (including earlier years reversal/adjustments)	789	2,356
	789	2,356
Deferred tax :		
Deferred tax	81	1,323
MAT credit entitlement	198	(93)
(Restoration)/reversal of MAT credit entitlement	22	-
Reversal of DTL on measurement due to change in tax rate (Refer note below)	(2,150)	-
Tax provision/(reversal) for earlier years	61	-
Total deferred tax	(1,788)	1,230
Total tax expense	(999)	3,586

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

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	4,292	11,707
Enacted tax rate in India	34.94%	34.94%
Expected income tax expense at statutory tax rate	**1,500**	**4,090**
Reversal of DTL on measurement due to change in tax rate (Refer note below)	(2,150)	-
Expenses not deductible in determining taxable profit	226	58
Income not recognised in book profit	-	158
Income exempt from taxation/taxable separately	(103)	(355)
Tax holiday and allowances	(382)	(371)
Income taxable at lower rate	-	10
Tax provision/(reversal) for earlier years	(67)	(4)
Others	(23)	-
Tax expense for the year	**(999)**	**3,586**
Effective income tax rate	**-23.28%**	**30.63%**

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') subsequently amended in Finance Act issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions.

During the year ended 31 March 2020, Company had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. Based on the detailed assessment carried out the management, deferred tax liabilities on temporary differences expected to reverse during the period in which the Company would be under the new tax regime and accordingly applied the new rate for measuring the said deferred tax liabilities in accordance with the requirements of IND AS 12 - 'Income Taxes". This has resulted in reversal of deferred tax liabilities amounting to ₹ 2150 crores.

There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 45).

B. DEFERRED TAX LIABILITIES (NET)

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

₹ in crores

Deferred tax balance in relation to	As at 31 March 2019	Recognised/ reversed through profit and loss	Recognised in/ reclassified from other comprehensive income	As at 31 March 2020
Property, plant and equipment	(10,253)	2,043	-	**(8,210)**
Carried forward business loss/unabsorbed depreciation	391	(391)	-	**-**
Cash flow hedges/FCMITDA	14	-	221	**235**
Provisions for employee benefit/loans and advances and guarantees	629	511	6	**1,146**
Lease liabilities	1,393	(174)	-	**1,219**
Others	79	20	-	**99**
MAT credit entitlement	4,416	(220)	-	**4,196**
Total	**(3,331)**	**1,788**	**227**	**(1,315)**

₹ in crores

Deferred tax balance in relation to	As at 31 March 20118	Recognised/ reversed through profit and loss	Recognised in/ reclassified from other comprehensive income	As at 31 March 2019
Property, plant and equipment	(9,724)	(529)	-	(10,253)
Carried forward business loss/unabsorbed depreciation	1,425	(1,034)	-	391
Cash flow hedges/FCMITDA	7	-	7	14
Provisions for employee benefit/loans and advances and guarantees	561	63	5	629
Finance Lease obligation	1,360	33	-	1,393
Others	(65)	144	-	79
MAT credit entitlement	4,323	93	-	4,416
Total	**(2,113)**	**(1,230)**	**12**	**(3,331)**

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

The Company expects to utilise the MAT credit within a period of six financial years within the time limit available under Income Tax Act.

Deferred tax asset on long-term capital losses of ₹ 203 crores and ₹ 2,025 crores expiring in fiscal year 2021-22 and 2024-25 respectively has not been recognised in the absence of probable future taxable capital gains.

Deferred tax asset on short-term capital losses of ₹ 677 crores expiring in fiscal year 2024-25 has not been recognised in the absence of probable future taxable capital gains.

24. Other liabilities (Non-current)

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Employees Car Deposits	4	4
Advances from customer	3,044	4,079
Total	**3,048**	**4,083**

Advance from customer includes amount outstanding relating to a five year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. for supply of Steel Products. Duferco S.A had provided an interest bearing advance amount of US $ 700 million under this agreement. The advance and interest will be adjusted by export of steel products to Duferco S.A . Current portion of ₹ 1,010 crores (31 March 2019 ₹ 763 crores) has been included in note 29.

25. Borrowings (current, at amortised cost)

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Working capital rupee loans from banks (secured)	2,930	730
Export Packing Credit in Rupee from Banks (unsecured)	-	69
Commercial papers (unsecured)	3,883	4,572
Total	**6,813**	**5,371**

BORROWING HAVE BEEN DRAWN AT FOLLOWING RATE OF INTEREST

₹ in crores

Particulars	Rates of interest
Cash Credit (CC)	8.25% p.a. to 9.25% p.a.
Commercial Papers (CP)	7.20% p.a. to 8.65% p.a.
Export Packing Credit (EPC)	6.40% p.a. to 7.90% p.a.

Working capital loans of ₹ 2,930 crores (31 March 2019 ₹ 730 crores) are secured by:

i) *pari passu* first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts/receivables of the Company, both present and future.

ii) *pari passu* second charge on movable properties and immovable properties forming part of the property, plant and equipment of the Company, both present and future except such properties as may be specifically excluded.

26. Trade payables

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Total outstanding, dues of micro and small enterprises	56	31

DISCLOSURE PERTAINING TO MICRO, SMALL AND MEDIUM ENTERPRISES (AS PER INFORMATION AVAILABLE WITH THE COMPANY):

₹ in crores

Description	As at 31 March 2020	As at 31 March 2019
Principal amount outstanding as at end of year	56	31
Principal amount overdue more than 45 days	-	-
Interest due and unpaid as at end of year	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year	*	-
Interest due and payable for the year of delay	*	-
Interest accrued and remaining unpaid as at end of year	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

*under legal evaluation

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
(b) Total outstanding, dues of creditors other than micro and small enterprises		
Acceptances	8,056	8,937
Other than acceptances	5,242	4,160
Total	**13,298**	**13,097**

Acceptances include credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. The arrangements are interest-bearing and are payable within one year.

Payables Other than acceptances are normally settled within 180 days.

Trade payables from related parties' details has been described in note 44.

27. Derivative Liabilities

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Current	Non-current	Current	Non-current
Forward Contracts	125	-	305	-
Commodity Contracts	61	-	-	-
Interest Rate Swaps	-	130	27	-
Currency Options	3	-	-	-
Total	**189**	**130**	**332**	**-**

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

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term debt (refer note 20)	5,109	10,315
Current maturities of finance lease obligation (refer note 20)	-	352
Current dues of other long-term liabilities(refer note 21)	1,124	708
Payables for capital projects		
Acceptances	2,511	1,252
Other than Acceptances	2,002	1,566
Interest accrued but not due on borrowings	633	424
Payables to employees	218	158
Unclaimed Matured debentures and accrued interest thereon	-	-
Unclaimed dividends	32	26
Unclaimed amount of sale proceeds of fractional shares	3	3
Others	348	667
Total	**11,980**	**15,471**

Acceptances include credit availed by the Company from Banks for payment to suppliers for capital items.

The arrangements are interest-bearing and are payable within one year.

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

29. Other current liabilities

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Advances from customers	1,487	990
Statutory liabilities	342	495
Export obligation deferred income	473	154
Total	**2,302**	**1,639**

Current portion of ₹ 1,010 crores (31 March 2019 ₹ 763 crores) relating to APSA. Refer note 24.

Export obligation deferred income represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment accounted for as government grant and accounted in revenue on fulfilment of export obligation.

30. Revenue from operations

₹ in crores

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products			
Domestic turnover		52,326	67,185
Export turnover		9,989	8,025
	A	62,315	75,210
Other operating revenues			
Government grant income			
Gain on fair value of deferred GST government loan		583	1,127
Export obligation deferred income amortization		140	160
Export benefits and entitlements income		297	242
Unclaimed liabilities written back		144	263
Miscellaneous income*		67	185
	B	1,231	1,977
Total	A+B	63,546	77,187
Government grant Income -VAT/ GST Incentive relating to earlier years (refer note a)		466	-
Fees for assignment of procurement contract (refer note b)		250	-
Total Revenue from operations		**64,262**	**77,187**

*includes income from scrap sales, CST incentive etc.

PRODUCT-WISE TURNOVER

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Tonnes	₹ in crores	Tonnes	₹ in crores
MS slabs	2,28,336	756	3,47,603	1,274
Hot rolled coils/steel plates/sheets	86,52,886	32,995	87,56,033	39,312
Galvanised coils/sheets	4,28,848	2,129	4,63,278	2,527
Cold rolled coils/sheets	18,42,608	8,328	20,68,763	10,603
Steel billets & blooms	4,02,306	1,553	4,28,573	1,728
Long rolled products	35,20,862	14,011	36,91,473	16,742
Others	-	2,543		3,024
Total		**62,315**		**75,210**

Notes:

a) **Incentives under the State Industrial Policy**

The Company units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible for incentives under the respective State Industrial Policy and have been availing incentives in the form of VAT deferral/CST refunds historically. The Company currently recognises income for such government grants based on the State Goods & Service Tax rates instead of VAT rates, in accordance with the relevant notifications issued by the State of Maharashtra and the State of Karnataka post implementation of Goods & Services Tax (GST).

a) During October 2019, the Company has received an in-principle approval for eligibility from the Government of Maharashtra in response to the application filed by the Company for incentive under PSI Scheme 2007 on its investment for expansion from 3.3 mtpa to 5 mtpa at Dolvi unit for the period beginning May 2016 onwards.

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

b) The State Government of Maharashtra (GOM) vide its Government Resolution (GR) dated 20 December 2018 issued the modalities for sanction and disbursement of incentives, under GST regime, and introduced certain new conditions / restrictions for accruing incentive benefits granted to the Company.

The management has evaluated the impact of other conditions imposed and has obtained legal advice on the tenability of these changes in the said scheme. Based on such legal advice, the Company has also made the representation to GOM and believes that said Incentives would continue to be made available to the Company under the GST regime, since the new conditions are not tenable legally and will contest these changes appropriately.

b) During the year, the Company received an amount of ₹ 250 crores as consideration from a vendor for assignment of its long-term supply contract in favor of a third party with same terms and conditions over the remaining term of the contract and have accordingly recognised one-time income in relation to the same.

c) Ind AS 115 Revenue from Contracts with Customers

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has assessed that impact of COVID 19 on its revenue stream due to disruption in supply chain, drop in demand, termination or deferment of contracts by customers etc. and have recognised revenue only when the control over the goods or services is transferred to the customer.

The Company sales to customers was affected in the last week of March 2020 as measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses in India, resulting in an economic slowdown.

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

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from contracts with customer – Sale of products (including shipping services)	62,315	75,210
Other operating revenue	1,947	1,977
Total revenue from operations	**64,262**	**77,187**
India	54,273	69,162
Outside India	9,989	8,025
Total revenue from operations	**64,262**	**77,187**
Timing of revenue recognition		
At a point in time	64,262	77,187
Total revenue from operations	**64,262**	**77,187**

CONTRACT BALANCES

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Trade Receivables (refer note 14)	3,166	6,770
Contract liabilities		
Advance from customers (refer note 24 and 29)	4,531	5,069

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

As at 31 March 2020, ₹ 153 crores (previous ₹ 82 crores) was recognised as provision for allowance for doubtful debts on trade receivables.

Contract liabilities include long term and short term advances received for sale of goods. The outstanding balances of these accounts decreased in due to adjustment against receivable balances. Long term advances are detailed in note 24.

Amount of revenue recognised from amounts included in the contract liabilities at the beginning of the year ₹ 990 crores (previous year ₹232 crores) and performance obligations satisfied in previous years ₹ NIL (previous year ₹ NIL).

Out of the total contract liabilities outstanding as on 31 March 2020, ₹ 1,487 crores (previous ₹ 990 crores) will be recognized by 31 March 2021 and remaining thereafter.

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REFUND LIABILITIES

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Arising from volume rebates and discount (included in Other Financial Liabilities- note 28)	305	637

The Company does not have any significant adjustments between the contracted price and revenue recognized in the statement of profit and loss account.

31. Other income

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest Income earned on financial assets that are not designated as FVTPL		
Loans to related parties	180	124
Bank deposits	305	14
Other Interest income	44	87
Gain on sale of current investments designated as FVTPL	4	12
Fair value gain arising from financial instruments designated as FVTPL	16	8
Unwinding of interest on financial assets carried at amortised cost	45	31
Guarantees/Standby letter of credit commission	3	3
Dividend income from investments in subsidiaries, associates and joint ventures	31	124
Provision for doubtful debts/loans/advances written back (net)	-	2
Others	*	-
Total	**628**	**405**

*₹ 0.40 crore

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

₹ in crores

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock			
Semi finished/finished goods		3,274	2,881
Work-in-progress		478	691
	A	**3,752**	**3,572**
Closing stock			
Semi finished/finished goods		3,365	3,274
Work-in-progress		414	478
	B	**3,779**	**3,752**
	C (A-B)	**(27)**	**(180)**

33. Employee benefits expense

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	1,282	1,229
Contribution to provident and other funds (refer note 41)	110	84
Expenses on employees stock ownership plan	30	44
Staff welfare expenses	74	78
Total	**1,496**	**1,435**

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

The scheme is a one-time scheme applicable only for certain permanent employees (Eligible Employee) of the Company. The Eligible Employee can purchase the Equity Shares from the open market by availing a loan provided by a bank / non-banking financial institution ("Lending Agency") identified by the Company to facilitate acquisition of Equity Shares by the Eligible Employees under the Plan. The plan provides that the Company shall service 75% of the total interest liability owed to the Lending Agency and the balance 25% will be borne by the Eligible Employee. The interest expense recognised in the financial statements during the year was ₹ 6 crores.

34. Finance costs

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest:		
Bonds and Debentures	727	796
Others	2,593	2,150
Dividend on redeemable preference shares	12	41
Interest on lease liabilities/finance lease obligations	472	510
Unwinding of interest on financial liabilities carried at amortised cost	27	18
Exchange differences regarded as an adjustment to borrowing costs	89	143
Other borrowing costs	98	126
Interest on Income Tax	4	5
Total	**4,022**	**3,789**

35. Depreciation and amortisation expense

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment	2,999	3,395
Amortisation of intangible assets	36	26
Depreciation of Right to use assets	487	-
Total	**3,522**	**3,421**

36. Other expenses

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Stores and spares consumed	3,098	3,590
Power and fuel	5,533	6,437
Rent	3	29
Repairs and maintenance		
Plant and machinery	1,010	1,284
Buildings	35	34
Others	18	27
Insurance	97	68
Rates and taxes	142	63
Carriage and freight	3,354	3,558
Jobwork and processing charges	604	760
Commission on sales	28	29
Net loss/(gain) on foreign currency transactions and translation#	679	490
Donations and contributions	56	24
CSR Expenditure	140	64
Fair value Loss arising from Financial instruments designated as FVTPL	17	18
Royalty and others – direct mining cost	651	272
Allowance for financial guarantee	376	-
Allowances for doubtful debts, loans and advances (net):		
Allowances for doubtful debts, loans and advances	93	132
Reversal for allowance for doubtful loans	(326)	-
Loss on sale of property, plant and equipment (net)	29	7
Miscellaneous expenses	1,146	856
Total	**16,783**	**17,742**

#including hedging cost of ₹ 307 crores (previous year ₹ 290 crores)

Note:

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

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fees (including limited reviews)	6	6
Tax audit fees	1	1
Fees for capital market transactions and other certifications*	3	2
Other services	#	#
Out of pocket expenses	#	#
Total	**10**	**9**

#represents amounts below ₹ 0.5 crore

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

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

b) Corporate Social Responsibility (CSR)

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

₹ in crores

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	In Cash	Yet to be Paid in Cash	In Cash	Yet to be Paid in Cash
(a) Gross amount required to be spent by the Company during the year	139		64	
(b) Amount spend on:				
(i) Construction/acquisition of assets	*	-	1	-
(ii) On purposes other than (i) above (for CSR projects)	121	19	54	9

*represents ₹ 0.14 crore

37. Research and development activities

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

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Manufacturing and other expenditure	30	33
Depreciation expense	14	13
Capital expenditure (including capital work-in-progress)	24	12

38. Earnings per share (EPS)

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/(Loss) attributable to equity shareholders (₹ in crores) (A)	5,291	8,121
Weighted average number of equity shares for basic EPS (B)	**2,40,21,45,868**	**2,40,46,25,681**
Effect of dilution:		
Weighted average number of treasury shares held through ESOP trust	1,50,74,572	1,25,94,759
Weighted average number of equity shares adjusted for the effect of dilution (C)	**2,41,72,20,440**	**2,41,72,20,440**
Basic EPS (Amount in ₹) (A/B)	22.03	33.77
Diluted EPS (Amount in ₹) (A/C)	21.89	33.60

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

39. Employee share based payment plans

ESOP SCHEME 2016

The Board of Directors of the Company at its meeting held on 29 January 2016, formulated the JSWSL EMPLOYEES STOCK OWNERSHIP PLAN 2016 ("ESOP Plan"). At the said meeting, the Board authorised the ESOP Committee for the superintendence of the ESOP Plan.

ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and its' subsidiaries in India.

Three grants would be made under ESOP plan 2016 to eligible employees on the rolls of the Company as at 1 April 2016, 1 April 2017 and 1 April 2018.

During the year the Company has made supplementary grants under the JSWSL Employee stock ownership Plan 2016 to its permanent employees who are on the rolls of the Company and its Indian subsidiaries as on 5 December 2019 and the same was approved by the ESOP committee in its meeting held on 5 December 2019.

The maximum value and share options that can be awarded to eligible employees is calculated by reference to certain percentage of individuals fixed salary compensation. 50% of the grant would vest at the end of the third year and 50% of the grant would vest at the end of the fourth year with a vesting condition that the employee is in continuous employment with the Company till the date of vesting.

The exercise price is determined by the ESOP committee at a certain discount to the primary market price on the date of grant.

A total of 2,86,87,000 options are available for grant to the eligible employees of the Company and a total of 31,63,000 options would be available for grant to the eligible employees of the Indian subsidiaries of the Company under the ESOP Plan.

These options are equity settled and are accounted for in accordance with the requirement applying to equity settled transactions.

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

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Average Fair value at grant date	Method of settlement
1st Grant	70,24,090	58,02,065	17 May 2016	17 May 2016 till 31 March 2020 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant)	103.65	67.48	Equity
2nd Grant	48,40,425	20,81,697	16 May 2017	16 May 2017 till 31 March 2020 (for 50% of the grant) and 16 May 2017 to 31 March 2021 (for remaining 50% of the grant)	161.36	104.04	Equity
3rd Grant	31,69,393	NIL	14 May 2018	14 May 2018 till 31 March 2021 (for 50% of the grant) and 14 May 2018 to 31 March 2022 (for remaining 50% of the grant)	263.24	167.15	Equity
Supplementary Grant	1,85,595	NIL	5 December 2019	up to 6 December 2020	207.84	91.07	Equity
	1,19,910			up to 6 December 2020 for 50% of the options granted and upto 31 March 2021 for remaining 50% of the options granted	207.84	92.55	
	55,002			up to 31 March 2021 for 50% of the options granted and upto 31 March 2022 for remaining 50% of the options granted	207.84	98.63	

The outstanding position as at 31 March 2020 is summarised below:

Particulars	ESOP 2016		
	1st Grant	2nd Grant	3rd Grant
Date of grant			
- original grant	17 May 2016	16 May 2017	14 May 2018
- supplementary grant	5 December 2019	5 December 2019	5 December 2019
Share Price on date of grant			
- original grant	129.56	201.70	329.05
- supplementary grant	259.80	259.80	259.80
Outstanding as on 1 April 2018	66,72,800	47,70,020	-
Transfer in	1,00,110	48,264	19,690
Transfer Out	4,29,270	2,20,726	13,027
Granted during the period	-	-	31,69,393
Forfeited during the period	23,640	-	-
Lapsed during the period	-	-	-
Exercised during the period	-	-	-
Outstanding as on 31 March 2019	63,20,000	45,97,558	31,76,056
Granted during the period*	1,85,595	1,19,920	55,002
Transfer in	28,370	31,678	8,329
Transfer Out	4,18,990	2,78,188	1,93,376
Forfeited during the period	1,27,315	1,87,655	1,32,092
Lapsed during the period	-	-	-
Exercised during the period	8,11,215	-	-
Outstanding as on 31 March 2020	51,76,445	42,83,313	29,13,919
of above – vested outstanding options	49,90,850	20,81,697	-
of above – unvested outstanding options	1,85,595	22,01,617	29,13,919
Vesting Period			
- Original	17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant)	16 May 2017 till 31 March 2020 (for 50% of the grant) and 16 May 2017 to 31 March 2021 (for remaining 50% of the grant)	14 May 2018/5 December 2019 till 31 March 2021 (for 50% of the grant) and 14 May 2018/5 December 2019 to 31 March 2022 (for remaining 50% of the grant)
- Supplementary	5 December 2019 to 6 December 2020 for the subsequent grants	5 December 2019 to 6 December 2020 for 50% of the options granted and upto 31st March, 2021 for remaining 50% of the options granted	
Exercise Period	4 years from vesting date	4 years from vesting date	4 years from vesting date

NOTES

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

Particulars	ESOP 2016		
	1st Grant	2nd Grant	3rd Grant
Weighted average remaining contract life			
- original grant	42 months	54 months	66 months
- Supplementary grant	57 months	59 months	66 months
Exercise price			
- Original grants	103.65	161.36	263.24
- Supplementary grants	207.84	207.84	207.84
Weighted average share price for shares exercised during the year	249.05	Not applicable	Not applicable
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:
Expected volatility	Volatility was calculated using standard deviation of daily change in stock price	Volatility was calculated using standard deviation of daily change in stock price	Volatility was calculated using standard deviation of daily change in stock price.
Original grants	The volatility used for valuation is 39.23 % for options with 3 years vesting and 39.62 % with 4 years vesting	The volatility used for valuation is 33.76 % for options with 3 years vesting and 37.43 % with 4 years vesting	The volatility used for valuation is 33.23 % for options with 3 years vesting and 33.28 % with 4 years vesting
Supplementary grants	The volatility used for valuation is 32.30 % for options with 1 year vesting	The volatility used for valuation is 32.30 % for options with 1 year vesting and 32.10% with 1.32 years vesting	The volatility used for valuation is 32.10 % for options with 1.32 years vesting and 32.21% with 2.32 years vesting
Expected option life	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2
Expected dividends			
Original grants	₹ 1.10 per share	₹ 0.75 per share	₹ 2.25 per share
Supplementary grants	₹ 4.10 per share	₹ 4.10 per share	₹ 4.10 per share
Risk-free interest rate	Zero coupon sovereign bond yields were utilised with maturity equal to expected term of the option	Zero coupon sovereign bond yields were utilised with maturity equal to expected term of the option	Zero coupon sovereign bond yields were utilised with maturity equal to expected term of the option
Original grants	The rate used for calculation is 7.36% (for 3 years vesting) & 7.44% (for 4 years vesting)	The rate used for calculation is 6.87% (for 3 years vesting) & 6.96% (for 4 years vesting)	The rate used for calculation is 7.85% (for 3 years vesting) & 7.92% (for 4 years vesting)
Supplementary grants	The rate used for calculation is 5.67% (for 1 year vesting)	The rate used for calculation is 5.67% (for 1 year vesting) & 5.76% (for 1.32 years vesting)	The rate used for calculation is 5.76% (for 1.32 years vesting) & 6.02% (for 2.32 years vesting)
The method used and the assumptions made to incorporate the effects of expected early exercise	Black-Scholes Options pricing model	Black-Scholes Options pricing model	Black-Scholes Options pricing model
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield		

*as part of supplementary grants

40. Segment reporting

The Company is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker for assessment of Company's performance and resource allocation.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below

a) REVENUE FROM OPERATIONS

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Domestic	54,273	69,162
Export	9,989	8,025
Total	**64,262**	**77,187**

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

b) NON-CURRENT ASSETS

All non-current assets other than financial instruments of the Company are located in India.

c) CUSTOMER CONTRIBUTING MORE THAN 10% OF REVENUE

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
JSW Steel Coated Products Limited	8,635	10,128

41. Employee benefits

a) DEFINED CONTRIBUTION PLAN

The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs.

Company's contribution to provident fund & family pension scheme recognised in statement of profit and loss of ₹ 57 crores (31 March 2019: ₹ 49 crores) (included in note 33).

Contribution towards Company owned trust is detailed in Defined benefit plans

b) DEFINED BENEFIT PLANS

The Company sponsors funded defined benefit plans for all qualifying employees. The level of benefits provided depends on the member's length of service and salary at retirement age.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days' salary for each year of service until the retirement age of 58, 60 and 62, without any payment ceiling. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The fund is managed by JSW Steel limited Employee Gratuity Trust and it is governed by the Board of trustees. The Board of trustees are responsible for the administration of the plan assets and for defining the investment strategy.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Government securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the value of the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

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The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2020 by Independent, Qualified Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(i) Gratuity:

₹ in crores

	For the year ended 31 March 2020	For the year ended 31 March 2019	
	Funded	Funded	Unfunded
a) Liability recognised in the balance sheet			
i) Present value of obligation			
Opening balance	**243**	**205**	**2**
Service cost	16	14	#
Interest cost	18	16	#
Actuarial loss on obligation	19	15	#
Benefits paid	(10)	(10)	-
Liability in	#	3	-
Liability transfer	-	(2)	-
Closing balance	**286**	**241**	**2**
Less:			
ii) Fair value of plan assets			
Opening balance	77	74	
Interest Income	5	6	
Actuarial (loss)/gain on plan assets	#	#	
Employers' contribution	-	3	
Benefits paid	(7)	(6)	
Closing balance	**75**	**77**	
Amount recognised in balance sheet (refer note 22)	**211**	**164**	**2**
b) Expenses recognised in statement of profit and loss			
Service cost	16	14	
Interest cost	18	16	
Expected return on plan assets	(5)	(5)	
Component of defined benefit cost recognised in statement of profit and loss	**29**	**25**	**-**
Remeasurement of net defined benefit liability			
- Actuarial (gain)/loss on defined benefit obligation	19	15	#
- Return on plan assets (excluding interest income)	#	#	
Component of defined benefit cost recognised in other comprehensive income	**19**	**15**	**#**
Transferred to preoperative expenses	#	(2)	-
Total	**48**	**38**	**#**
c) Actual return on plan assets	**5**	**6**	**-**
d) Break up of plan assets:			
(i) ICICI Prudential Life Insurance Co. Limited (ICICI)			
Balanced fund	3	3	
Debt fund	3	#	
Short-term debt fund	#	#	
Group Short Term Debt Fund III	-	3	
(ii) HDFC Standard Life Insurance Co. Limited (HDFC)			
Defensive managed fund	#	#	
Secure managed fund	7	6	
Stable managed fund	-	#	
(iii) SBI Life Insurance Co. Limited – Cap assured fund (SBI)	44	47	
(iv) LIC of India – Insurer managed fund (LIC)	17	18	
Total	**75**	**77**	

represents amounts below ₹ 0.5 crores

During the year, entire unfunded liabilities have been funded.

e) Principal actuarial assumptions:

₹ in crores

	Valuation as at 31 March 2020	Valuation as at 31 March 2019	
	Funded	Funded	Unfunded
Discount rate	**6.84%**	**7.79%**	**7.79% -7.88%**
Expected rate(s) of salary increase	6%	6%	6%
Expected return on plan assets	6.84%	7.79%	-
Attrition rate	2%	2%	2%
Mortality rate during employment	Indian assured lives mortality (2006-2008)		

f) Experience adjustments:

₹ in crores

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Defined benefit obligation	286	243	196	175	143
Plan assets	75	77	65	53	50
Surplus/(deficit)	(211)	(166)	(131)	(122)	(93)
Experience adjustments on plan liabilities – Loss/(gain)	19	15	3	17	3
Experience adjustments on plan assets – Gain/(loss)	#	#	#	#	#

represents amounts below ₹ 0.50 crore

g) The Company expects to contribute ₹ 39 crores (previous year ₹ 37 crores) to its gratuity plan for the next year.

h) The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2019: 10 years).

i) In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

j) Expected return on plan assets is based on expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

k) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

l) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

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

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation	286	243
Plan assets	75	77
- net liability/(asset) arising from defined benefit obligation	**211**	**166**

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and attrition. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(23)	26	(19)	22
Future salary growth (1% movement)	26	(23)	22	(19)
Attrition rate (1% movement)	2	(2)	3	(3)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

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

Fund Allocation

Particulars	SBI	HDFC	ICICI	LIC
As on 31 March 2020	**58.69%**	**9.83%**	**8.39%**	**23.09%**
As on 31 March 2019	60.79%	8.50%	7.57%	23.14%

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Category of assets average percentage allocation fund wise as on 31 March 2020

Particulars	SBI	HDFC	ICICI	LIC
Government securities	-	44.57%	34.14%	20%
Debt	92.51%	51.43%	51.81%	Balance invested in approved investments as specified in schedule 1 of IRDA guidelines
Equity	6.39%	0.14%	8.12%	
Others	1.10%	3.85%	5.93%	

Maturity analysis of projected benefit obligation

₹ in crores

Particulars	Less than a year	Between 1 to 5 years	Over 5 years	Total
As at 31 March 2020				
Projected benefit payable	23	81	487	591
As at 31 March 2019				
Projected benefit payable	19	67	451	537

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

(ii) Provident fund:

Provident Fund for certain eligible employees is managed by the Company through JSW Steel Employees Provident Fund Trust, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The Company makes monthly contributions to provident fund managed by trust for qualifying employees. The Trustees of JSW Steel Employees Provident Fund Trust are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and the relevant provisions prescribed under the law.

The members of the Provident Fund Trust are entitled to the rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The shortfall, if any, is made good by the Company in the year in which it arises.

As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the Company as at 31 March 2020 is 8.50%.

Out of the total contribution made for Provident Fund in Defined Contribution Plan, ₹ 27 crores (previous year ₹ 20 crores) is made to the JSW Steel Employees Provident Fund Trust.

The funds of the Trust have been invested under various securities in accordance with the rules prescribed by the Government of India.

The Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and interest rate guarantee shortfall of ₹ 4 crores (Previous year – ₹ 1 crore) is recognised in the Statement of Profit and Loss.

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

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Total plan assets @	588	505
Total plan liabilities @	593	499
Discount rate	6.84%	7.79%
Rate of return on assets	8.49%	8.55%
Guaranteed rate of return	8.50%	8.65%

@ JSW Steel Employees Provident Fund Trust as at 31 March 2020 as per the unaudited financial statements

(iii) Other long-term benefits:

(a) Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. Employee are entitled to encash leave while serving in the Company at the rate of daily salary, as per current accumulation of leave days.

(b) Long Service Award

The Company has a policy to recognise the long service rendered by employees and celebrate their long association with the Company. This scheme is called – Long Association of Motivation, Harmony & Excitement(LAMHE). The award is paid at milestone service completion years of 10, 15, 20 and 25 years.

42. Financial Instruments

42.1 CAPITAL RISK MANAGEMENT

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Long-term borrowings	39,247	27,666
Current maturities of long-term debt	5,109	10,315
Current maturities of finance lease obligation	-	352
Short-term borrowings	6,813	5,371
Less: Cash and cash equivalent	(3,438)	(5,366)
Less: Bank balances other than cash and cash equivalents	(7,963)	(447)
Net debt	**39,768**	**37,891**
Total equity	**38,362**	**34,893**
Gearing ratio	**1.04**	**1.09**

(i) Equity includes all capital and reserves of the Company that are managed as capital.

(ii) Debt is defined as long and short term borrowings (excluding derivatives and financial guarantee contracts), as described in notes 20 and 25.

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42.2 CATEGORIES OF FINANCIAL INSTRUMENTS

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2020

₹ in crores

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relationship	Total carrying value	Total fair value
Financial assets						
Investments	417	378	447	-	1,242	1,250
Trade receivables	3,166	-	-	-	3,166	3,166
Cash and cash equivalents	3,438	-	-	-	3,438	3,438
Bank balances other than cash and cash equivalents	7,963	-	-	-	7,963	7,963
Loans	9,026	-	-	-	9,026	9,026
Derivative Assets	-	-	275	-	275	275
Other financial assets	3,356	-	-	-	3,356	3,356
Total	**27,366**	**378**	**722**	**-**	**28,466**	**28,474**
Financial liabilities						
Long term Borrowings*	44,356	-	-	-	44,356	45,039
Lease Liabilities	3,489	-	-	-	3,489	3,720
Short-term Borrowings	6,813	-	-	-	6,813	6,813
Trade payables	13,354	-	-	-	13,354	13,354
Derivative liabilities	-	-	78	241	319	319
Other financial liabilities	8,179	-	-	-	8,179	8,179
Total	**76,191**	**-**	**78**	**241**	**76,510**	**77,193**

* including current maturities of long-term debt

As at 31 March 2019

₹ in crores

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relationship	Total carrying value	Total fair value
Financial assets						
Investments	374	633	410	-	1,417	1,418
Trade receivables	6,770	-	-	-	6,770	6,770
Cash and cash equivalents	5,366	-	-	-	5,366	5,366
Bank balances other than cash and cash equivalents	447	-	-	-	447	447
Loans	7,811	-	-	-	7,811	7,811
Derivative Assets	#	-	148	81	229	229
Other financial assets	2,692	-	-	-	2,692	2,692
Total	**23,460**	**633**	**558**	**81**	**24,732**	**24,732**
Financial liabilities						
Long-term borrowings *	38,333	-	-	-	38,333	39,120
Short-term borrowings	5,371	-	-	-	5,371	5,371
Trade payables	13,128	-	-	-	13,128	13,128
Derivative liabilities	-	-	296	36	332	332
Other financial liabilities	5,834	-	-	-	5,834	5,834
Total	**62,666**	**-**	**296**	**36**	**62,998**	**63,785**

* including current maturities of long-term debt and finance lease obligations

represents amounts below ₹ 0.5 crore

43. Fair value hierarchy of financial instruments

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short-term nature.

A significant part of the financial assets is classified as Level 1 and Level 2. The fair value of these assets is marked to an active market or based on observable market data which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in equity instruments, debt securities and derivatives, accordingly, any material volatility is not expected.

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019	Level	Valuation techniques and key inputs
Quoted investments in equity shares measured at FVTOCI	364	619	1	Quoted bid prices in an active market
Unquoted investments in equity shares measured at FVTOCI	9	9	3	Net Asset value of share arrived has been considered as fair value
Unquoted investments in equity shares measured at FVTOCI	5	5	3	Cost is approximate estimate of fair value
Non-current investments in unquoted compulsory convertible debentures measured at FVTPL	59	-	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Non-current investments in unquoted preference shares measured at FVTPL	388	410	3	Discounted cash flow - Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks
Derivative Assets	275	229	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Derivative Liabilities	319	332		

SENSITIVITY ANALYSIS OF LEVEL 3:

Particulars	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate of 8.85 %	0.50%	0.50% Increase (decrease) in the discount would decrease (increase) the fair value by ₹ 5 crores (₹ 5 crores)
Investments in unquoted equity shares	NAV method	Cost is approximate estimate of fair value	-	No sensitivity in the fair value of the investments.

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENT

₹ in crores

Particulars	Amount
Balance as at 1 April 2018	**358**
Additions made during the period	103
Allowance for loss	(2)
Gain recognised in the statement of profit and loss	(35)
Balance as at 31 March 2019	**424**
Additions made during the period	2
Allowance for loss	(40)
Gain recognised in the statement of profit and loss	16
Balance as at 31 March 2020	**402**

DETAILS OF FINANCIAL ASSETS/LIABILITIES MEASURED AT AMORTISED COST BUT FAIR VALUE DISCLOSED IN CATEGORY-WISE

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019	Level	Valuation techniques and key inputs
Loans				Discounted cash flow on observable Future cash flows are based on terms of discounted at a rate that reflects market risks
Carrying value	9,026	7,811	2	
Fair value	9,026	7,811		
Investments				Discounted cash flow on observable Future cash flows are based on terms of discounted at a rate that reflects market risks
Carrying value	417	374	2	
Fair value	425	375		
Long Term Borrowing				Discounted cash flow on observable Future cash flows are based on terms of discounted at a rate that reflects market risks
Carrying value	44,356	38,333	2	
Fair value	45,039	39,120		

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

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

₹ in crores

Particulars	Underlying	Nature of Risk being Hedged	31-Mar-20			31-Mar-19		
			Asset	Liability	Net Fair Value	Asset	Liability	Net Fair Value
Cash Flow Hedges								
Designated & Effective Hedges								
Forwards Currency Contracts	Highly probable Forecast Sales	Exchange rate movement risk	-	(49)	(49)	59	-	59
Interest rate Swap	Long-term Foreign currency borrowings	Interest rate Risk	-	(130)	(130)	20	(27)	(7)
Commodity Contract		Price Risk	-	(61)	(61)	6	-	6
Designated & Ineffective hedges								
Forwards Currency Contracts	Highly probable Forecast Sales	Exchange rate movement risk	-	(33)	(33)	100	-	100
Fair Value Hedges								
Designated Hedges								
Forwards Currency Contracts	Highly probable Forecast Sales	Exchange rate movement risk	213	(3)	210	4	(304)	(300)
Non-Designated Hedges								
Forwards Currency Contracts	Trade payables & Acceptance	Exchange rate movement risk	16	(0)	16	-	-	-
Forwards Currency Contracts	Long-term Foreign currency borrowings	Exchange rate movement risk	-	(1)	(1)	-	-	-
Forwards Currency Contracts	Loans and advance	Exchange rate movement risk	-	(37)	(37)	-	-	-
Interest rate Swap	Long-term Foreign currency borrowings	Interest rate Risk	1	-	1	-	-	-
Options Contract	Trade payables & Acceptance	Exchange rate movement risk	15	(3)	12	1	(0)	1
			245	(317)	(72)	190	(331)	(141)
Cancellation of forwards Contracts			30	(2)	28	39	(1)	38
Total			275	(319)	(44)	229	(332)	(103)

DETAILS OF NON-DERIVATIVE FINANCIAL INSTRUMENTS DESIGNATED AS HEDGING INSTRUMENTS DURING THE YEAR:

Cash Flow hedges	31 March 2020	
	Value in USD Mio	Fair Value ₹ in Crs
Long term borrowings	638	(333)
Acceptances	328	(118)
	966	(451)

43.1 FINANCIAL RISK MANAGEMENT

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

› Market risk

› Credit risk; and

› Liquidity risk

43.2 MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimise the effects of these risks by using derivative and non-derivative financial instruments to hedge risk exposures. The use of financial derivatives and non-derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

43.3 FOREIGN CURRENCY RISK MANAGEMENT

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency.

In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts, options and other non-derivative financial instruments like long-term foreign currency borrowings and acceptances. At any point in time, the Company hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months using derivative instruments. Forecasted sales beyond the period of 6 months are hedged using non-derivative financial instruments basis the tenure of the specific long term foreign currency borrowings. In respect of imports and other payables, the Company hedges its payables as when the exposure arises. Short term exposures are hedged progressively based on their maturity.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The Company basis its assessment believes that the probability of the occurrence of the forecasted sales transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting year are as follows:

Currency exposure as at 31 March 2020

₹ in crores

Particulars	USD	EURO	INR	JPY	Other	Total
Financial assets						
Non-current investments	-	217	1,025	-	-	1,242
Loans	7,848	85	1,080	-	13	9,026
Trade receivables	263	21	2,882	-	-	3,166
Cash and cash equivalents	-	-	3,438	-	-	3,438
Bank balances other than cash and cash equivalents	-	-	7,963	-	-	7,963
Derivative assets	275	-	-	-	-	275
Other financial assets	202	2	3,152	-	-	3,356
Total financial assets	**8,588**	**325**	**19,540**	**-**	**13**	**28,466**
Financial liabilities						
Long-term borrowings	21,686	929	16,099	533	-	39,247
Lease liabilities	-	-	3,489	-	-	3,489
Short-term borrowings	-	-	6,813	-	-	6,813
Trade payables	8,607	40	4,674	31	2	13,354
Derivative liabilities	319	-	-	-	-	319
Other financial liabilities	4,588	2,061	6,342	234	63	13,288
Total financial liabilities	**35,200**	**3,030**	**37,417**	**798**	**65**	**76,510**

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Currency exposure as at 31 March 2019

₹ in crores

Particulars	USD	EURO	INR	JPY	Other	Total
Financial assets						
Non-current investments	-	254	1,163	-	-	1,417
Loans	7,253	2	546	-	10	7,811
Trade receivables	808	272	5,690	-	-	6,770
Cash and cash equivalents	-	-	5,366	-	-	5,366
Bank balances other than cash and cash equivalents	-	-	447	-	-	447
Derivative Assets	228	-	1	-	-	229
Other financial assets	637	-	2,055	-	-	2,692
Total financial assets	**8,926**	**528**	**15,268**	**-**	**10**	**24,732**
Financial liabilities						
Long-term borrowings	11,298	268	15,686	414	-	27,666
Short-term borrowings	-	-	5,371	-	-	5,371
Trade payables	9,831	71	3,193	32	1	13,128
Derivative liabilities	332	-	-	-	-	332
Other financial liabilities	6,961	1,502	7,554	463	21	16,501
Total financial liabilities	**28,422**	**1,841**	**31,804**	**909**	**22**	**62,998**

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

₹ in crores

Particulars	Increase (strengthening of INR)		Decrease (weakening of INR)	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Receivable				
USD/INR	(70)	(90)	70	90
Payable				
USD/INR	274	208	(274)	(208)

The forward exchange contracts entered into by the Company and outstanding are as under:

As at	Nature	No. of Contracts	Type	US$ Equivalent (Millions)	INR Equivalent (crores)	MTM of Option (₹ in crores)
31 March 2020	**Assets**	125	Buy	886	6,683	229
		-	Sell	-	-	-
	Liabilities	10	Buy	118	886	(4)
		27	Sell	398	3,003	(119)
31 March 2019	Assets	20	Buy	190	1,311	4
		48	Sell	503	3,481	159
	Liabilities	125	Buy	1,207	8,351	(304)
		0	Sell	-	-	-

Currency options to hedge against fluctuations in changes in exchange rate:

As at	Nature	No. of Contracts	US$ Equivalent (Millions)	INR Equivalent (crores)	MTM (₹ in crores)
31 March 2020	**Assets**	20	317	2,390	15
	Liabilities	1	15	113	(3)
31 March 2019	Assets	3	40	277	1
	Liabilities	1	10	69	(0)

Unhedged currency risk position:

I) Amounts receivable in foreign currency

	As at 31 March 2020		As at 31 March 2019	
	US$ equivalent (Millions)	INR Equivalent (crores)	US$ equivalent (Millions)	INR Equivalent (crores)
Trade receivables	38	284	156	1080
Balances with banks	-	-		
- in Fixed deposit account	-	-	-	-
- in Current account	-	-	-	-
Advances/Loans to subsidiaries	894	6,736	1,142	7,902

II) Amounts payable in foreign currency

	As at 31 March 2020		As at 31 March 2019	
	US$ equivalent (Millions)	INR Equivalent (crores)	US$ equivalent (Millions)	INR Equivalent (crores)
Loans payable	3,352	25,266	2,467	17,579
Acceptances	-	-	21	147
Trade payables	-	-	7	47
Payable for capital projects	332	2,502	334	2,307
Interest accrued but not due on borrowings	59	446	38	265
Other provisions	116	871	75	516

43.4 COMMODITY PRICE RISK:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company is subject to fluctuations in prices for the purchase of iron ore, coking coal, ferro alloys, zinc, scrap and other raw material inputs. The Company purchased primarily all of its iron ore and coal requirements at prevailing market rates during the year ended 31 March 2020.

The Company aims to sell the products at prevailing market prices. Similarly, the Company procures key raw materials like iron ore and coal based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.

Commodity hedging is used primarily as a risk management tool to secure the future cash flows in case of volatility by entering into commodity forward contracts.

Hedging commodity is based on its procurement schedule and price risk. Commodity hedging is undertaken as a risk offsetting exercise and, depending upon market conditions hedges, may extend beyond the financial year. The Company is presently hedging maximum up to 100% of its consumption.

The following table details the Company’s sensitivity to a 5% movement in the input price of iron ore and coking coal. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5% and vice-versa.

₹ in crores

Commodity	Increase for the year ended		Decrease for the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Iron ore lumps/fines	514	611	(514)	(611)
Coal/Coke	920	1,178	(920)	(1,178)

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The commodity forward contracts entered into by the Company and outstanding at the year-end are as under:

As at	Nature	No. of Contracts	Commodity Name	Quantity (Iron Ore, Coking Coal – MT) (Brent Crude – Mio Barrels)	US$ Equivalent of notional value (Millions)	INR equivalent (crores)	MTM of Commodity contract (₹ in crores)
31 March 2020	**Assets**						
	Liabilities	**20**	**Liquified Natural Gas**	**9,702,000**	**37**	**281**	**(56)**
31 March 2019	Assets	1	BRENT CRUDE	45,000	2	17	4
	Liabilities						

The commodity option contracts entered into by the Company and outstanding at the year-end are as under:

As at	Nature	No. of Contracts	Commodity Name	US$ Equivalent of notional value (Millions)	INR equivalent (crores)	MTM of Commodity contract (₹ in crores)
31 March 2020	**Assets**					
31 March 2019	Assets	6	COKING COAL	9	65	#

represents amounts below ₹ 0.5 crore

43.5 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Company hedges up to 20% of interest risk in US dollars. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short-term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Fixed rate borrowings	20,459	20,231
Floating rate borrowings	24,209	18,310
Total gross borrowings	**44,668**	**38,541**
Less: Upfront fees	(312)	(208)
Total borrowings (refer note 20)	**44,356**	**38,333**

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31 March 2020 would decrease/increase by ₹ 242 crores (for the year ended 31 March 2019: decrease/increase by ₹ 183 crores). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

The following table details the nominal amounts and remaining terms of interest rate swap contracts outstanding at the year-end.

As at	Nature	No. of Contracts	US$ Equivalent of notional value (Millions)	MTM of IRS (₹ in crores)
31 March 2020	**Assets**	**3**	**60**	**1**
	Liabilities	**22**	**335**	**(130)**
31 March 2019	Assets	13	220	20
	Liabilities	15	245	(27)

43.6 CREDIT RISK MANAGEMENT:

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets, financial guarantees and derivative financial instruments. The Company has assessed the change in counterparty credit risk due to COVID 19 and believe that the same are fully recoverable.

Moreover, given the diverse nature of the Company's business trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer (other than the Group Companies) accounted for 10% or more of the trade receivables in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties. In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. The assessment is carried out considering the segment of customer, impact seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable. Basis this assessment, the allowance for doubtful trade receivables as at 31 March 2020 is considered adequate.

Movements in allowances for bad and doubtful debts

₹ in crores

Particulars	Amount
As at 1 April 2018	**78**
Additional Allowance	4
As at 31 March 2019	**82**
Additional Allowance	71
As at 31 March 2020	**153**

For current investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Company's mutual fund and bond investments. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 28,466 crores as at 31 March 2020 and ₹ 24,732 crores as at 31 March 2019, being the total carrying value of trade receivables, balances with bank, bank deposits, current investments, loans and other financial assets.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. The Company based on past experiences does not expect any material loss on its receivables and hence no provision is deemed necessary on account of expected credit loss ('ECL').

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach (i.e. lifetime expected credit loss model) for impairment of trade receivables/contract assets. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

For all other financial assets, if credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used.

43.7 LIQUIDITY RISK MANAGEMENT

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity

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management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment Years and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting year. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Liquidity exposure as at 31 March 2020

₹ in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non-current investments	-	67	1,175	1,242
Loans	321	8,680	25	9,026
Trade receivables	3,166	-	-	3,166
Cash and cash equivalents	3,438	-	-	3,438
Bank balances other than cash and cash equivalents	7,963	-	-	7,963
Derivative assets	275	-	-	275
Other financial assets	2,794	562	-	3,356
Total financial assets	**17,957**	**9,309**	**1,200**	**28,466**
Financial liabilities				
Long-term borrowings	-	30,179	9,068	39,247
Lease liabilities	773	2,142	574	3,489
Short-term borrowings	6,813	-	-	6,813
Trade payables	13,354	-	-	13,354
Derivative liabilities	189	130	-	319
Other financial liabilities	11,979	1,302	7	13,288
Total financial liabilities	**33,108**	**33,815**	**9,587**	**76,510**
Interest pay out liability	2,240	6,326	1,236	9,802

Liquidity exposure as at 31 March 2019

₹ in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non-current investments	-	#	1,417	1,417
Loans	136	7,640	35	7,811
Trade receivables	6,770	-	-	6,770
Cash and cash equivalents	5,366	-	-	5,366
Bank balances other than cash and cash equivalents	447	0	-	447
Derivative Assets	229	-	-	229
Other financial assets	2,069	390	233	2,692
Total financial assets	**15,017**	**8,030**	**1,685**	**24,732**
Financial liabilities				
Long-term borrowings	366	22,386	4,914	27,666
Short-term borrowings	5,371	-	-	5,371
Trade payables	13,128	-	-	13,128
Derivative Liabilities	332	-	-	332
Other financial liabilities	15,471	1,023	7	16,501
Total financial liabilities	**34,668**	**23,409**	**4,921**	**62,998**
Interest pay out liability	3,511	4,393	241	8,145

represents amounts below ₹ 0.5 crores

The amount of guarantees/standby letter of credit given on behalf of subsidiaries included in Note 46 represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting year, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

Collateral

The Company has pledged part of its trade receivables, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered. (Refer note 20 and 25).

44. Related party disclosures as per Ind AS 24 :

A.	**Name of related parties**
1	**Subsidiaries**
	JSW Steel (Netherlands) B.V.
	JSW Steel (UK) Limited
	JSW Steel (USA) Inc.
	Periama Holdings, LLC
	Purest Energy, LLC
	Meadow Creek Minerals, LLC
	Hutchinson Minerals, LLC
	R.C. Minerals, LLC
	Keenan Minerals, LLC
	Peace Leasing, LLC
	Prime Coal, LLC
	Planck Holdings, LLC
	Rolling S Augering, LLC
	Periama Handling, LLC
	Lower Hutchinson Minerals, LLC
	Caretta Minerals, LLC
	JSW Panama Holdings Corporation
	Inversiones Eurosh Limitada
	Santa Fe Mining
	Santa Fe Puerto S.A.
	JSW Natural Resources Limited
	JSW Natural Resources Mozambique Limitada
	JSW ADMS Carvo Lda
	Nippon Ispat Singapore (PTE) Limited
	Erebus Limited
	Arima Holding Limited
	Lakeland Securities Limited
	JSW Steel Processing Centres Limited (merged with JSW Steel Limited w.e.f. 01.04.2019)
	JSW Bengal Steel Limited
	JSW Natural Resources India Limited
	JSW Energy (Bengal) Limited
	JSW Natural Resource Bengal Limited
	JSW Jharkhand Steel Limited
	Amba River Coke Limited
	JSW Steel Coated Products Limited
	Peddar Realty Private Limited
	JSW Steel (Salav) Limited (merged with JSW Steel Limited w.e.f. 01.04.2019)
	Dolvi Minerals & Metals Private Limited (merged with JSW Steel Limited w.e.f. 01.04.2019)
	Dolvi Coke Projects Limited (merged with JSW Steel Limited w.e.f. 01.04.2019)
	JSW Industrial Gases Private Limited
	JSW Realty & Infrastructure Private Limited
	JSW Steel Italy S.r.l.
	JSW Utkal Steel Limited
	Hasaud Steel Limited
	Creixent Special Steels Limited (ceased w.e.f. 27.08.2018)
	Milloret Steel Limited (ceased w.e.f. 31.08.2018)
	Acero Junction Holdings, Inc. (w.e.f. 15.06.2018)
	JSW Steel USA Ohio, Inc. (w.e.f. 15.06.2018)
	JSW Steel Italy Piombino S.p.A. (formerly known as Aferpi S.p.A.) (w.e.f. 24.07.2018)
	Piombino Logistics S.p.A.- A JSW Enterprise (formerly known as Piombino Logistics S.p.A.) (w.e.f. 24.07.2018)
	GSI Lucchini S.p.A. (w.e.f. 24.07.2018)
	JSW Retail Limited (w.e.f. 20.09.2018)
	Makler Private Limited (w.e.f. 06.06.2019)
	Piombino Steel Limited (w.e.f. 06.06.2019)
	JSW Vijayanagar Metallics Limited (w.e.f. 24.12.2019)
	Vardhman Industries Limited (w.e.f. 31.12.2019)
	JSW Vallabh Tinplate Private Limited (w.e.f. 31.12.2019)
2	**Joint Ventures**
	Vijayanagar Minerals Private Limited
	Rohne Coal Company Private Limited
	JSW Severfield Structures Limited
	Gourangdih Coal Limited
	GEO Steel LLC (ceased w.e.f. 28.01.2020)
	JSW Structural Metal Decking Limited
	JSW MI Steel Service Centre Private Limited
	JSW Vallabh Tinplate Private Limited (ceased w.e.f. 31.12.2019)

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A.	**Name of related parties**
	Accialtalia S.p.A. (ceased w.e.f. 16.04.2018)
	Creixent Special Steels Limited (w.e.f. 28.08.2018)
	Monnet Ispat & Energy Limited (w.e.f. 31.08.2018)
3	**Key Management Personnel**
	Mr. Sajjan Jindal (Non-Independent Executive Director)
	Mr. Seshagiri Rao M V S (Non-Independent Executive Director)
	Dr. Vinod Nowal (Non-Independent Executive Director)
	Mr. Jayant Acharya (Non-Independent Executive Director)
	Mr. Rajeev Pai (Chief Financial Officer)
	Mr. Lancy Varghese (Company Secretary)
4	**Independent Non-Executive Director**
	Mr. Ganga Ram Baderiya – Nominee Director, KSIIDC
	Mr. Hiroyuki Ogawa – Nominee Director, JFE Steel Corporation
	Mrs. Punita Kumar Sinha
	Mr. Malay Mukherjee
	Mr. Haigreve Khaitan
	Mr. Seturaman Mahalingam
	Mrs. Nirupama Rao
	Mr. Harsh Charandas Mariwala
5	**Relatives of Key Management Personnel**
	Mrs. Savitri Devi Jindal
	Mr. Prithvi Raj Jindal
	Mr. Naveen Jindal
	Mrs. Nirmala Goyal
	Mrs. Urmila Bhuwalka
	Mrs. Seema Jajodia
	Mrs. Sangita Jindal
	Mrs. Tarini Jindal Handa
	Mrs. Tanvi Shete
	Mr. Parth Jindal
6	**Other Related Parties**
	JSW Energy Limited
	JSW Energy (Barmer) Limited (formerly known as Raj West Power Limited)
	JSW Power Trading Company Limited (formerly known JSW Green Energy Limited)
	JSW Hydro Energy Limited (formerly known as Himachal Baspa Power Company Limited)
	JSW Energy (Kutehr) Limited
	JSW Solar Limited
	Jindal Stainless Limited
	JSL Lifestyle Limited
	Jindal Saw Limited
	Jindal Saw USA LLC
	Jindal Tubular (India) Limited
	Jindal Urban Waste Management Limited
	Jindal Rail Infrastructure Limited
	Jindal Steel & Power Limited
	India Flysafe Aviation Limited
	JSW Infrastructure Limited
	JSW Jaigarh Port Limited
	South West Port Limited
	JSW Dharamatar Port Private Limited
	JSW Paradip Terminal Private Limited
	Jaigarh Digni Rail Limited
	JSW Cement Limited
	JSW Cement, FZE
	South West Mining Limited
	JSW Projects Limited
	JSW IP Holdings Private Limited
	JSoft Solutions Limited
	Reynold Traders Private Limited
	JSW Techno Projects Management Limited
	JSW Global Business Solutions Limited
	Everbest Consultancy Services Private Limited
	Jindal Industries Private Limited
	JSW Foundation
	Jindal Technologies & Management Services Private Limited
	Epsilon Carbon Private Limited
	JSW Living Private Limited
	JSW International Tradecorp Pte. Limited
	Jindal Education Trust

A.	**Name of related parties**
	JSW Paints Private Limited
	Toshiba JSW Power System Private Limited
	MJSJ Coal Limited
	JSW Bengaluru Football Club Private Limited
	JSW Shipping & Logistics Private Limited (formerly known as Utkarsh Advisory Services Private Limited)
	Epsilon Aerospace Private Limited
	Neotrex Steel Wires Private Limited
	Neotrex Steel Private Limited
	Khaitan & Company
	Vinar Systems Private Limited (ceased w.e.f. 31.05.2018)
	Eurokids International Private Limited
	J Sagar Associates
	Danta Enterprises Private Limited
	Glebe Trading Private Limited
	JSW Holdings Limited
	JSW Investments Private Limited
	JSW Logistics Infrastructure Private Limited
	Sahyog Holdings Private Limited
	Virtuous Tradecorp Private Limited
	S K Jindal and Sons HUF
	P R Jindal HUF
7	**Post-Employment Benefit Entity**
	JSW Steel EPF Trust
	JSW Steel Group Gratuity Trust
	JSW Steel Limited Employee Gratuity Fund

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B. Transactions with related parties for year ended

₹ in crores

Particulars	Subsidiaries		Joint ventures		Other related parties^		Total	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Purchase of goods/power & fuel/services/branding expenses								
Amba River Coke Limited	3,655	4,971	-	-	-	-	3,655	4,971
JSW Energy Limited	-	-	-	-	2,174	2,609	2,174	2,609
JSW International Tradecorp Pte. Limited	-	-	-	-	13,348	16,300	13,348	16,300
Others	296	304	84	106	1,746	1,794	2,126	2,204
Total	**3,951**	**5,275**	**84**	**106**	**17,268**	**20,703**	**21,303**	**26,084**
Reimbursement of expenses incurred on our behalf by								
JSW Retail Limited	13	2	-	-	-	-	13	2
JSW Steel Coated Products Limited	5	-	-	-	-	-	5	-
Amba River Coke Limited	5	-	-	-	-	-	5	-
JSW MI Steel Service Center Private Limited	-	-	-	1	-	-	-	1
JSW Energy Limited	-	-	-	-	3	3	3	3
Others	1	-	-	-	1	-	2	-
Total	**24**	**2**	**-**	**1**	**4**	**3**	**28**	**6**
Sales of goods/power & fuel/services/assets								
JSW Steel Coated Products Limited	8,635	10,128	-	-	-	-	8,635	10,128
Others	1,778	637	792	873	2,532	3,128	5,102	4,638
Total	**10,413**	**10,765**	**792**	**873**	**2,532**	**3,128**	**13,737**	**14,766**
Other income/interest income/dividend income								
JSW Steel Coated Products Limited	12	50	-	-	-	-	12	50
Amba River Coke Limited	48	49	-	-	-	-	48	49
Acero Junction Holdings, Inc.	95	25	-	-	-	-	95	25
JSW Industrial Gases Private Limited	22	125	-	-	-	-	22	125
Others	2	-	20	11	52	35	74	46
Total	**179**	**249**	**20**	**11**	**52**	**35**	**251**	**295**
Liabilities written back								
JSW Steel Coated Products Limited	-	3	-	-	-	-	-	3
JSW MI Steel Service Center Private Limited	-	-	-	3	-	-	-	3
South West Port Limited	-	-	-	-	-	3	-	3
Jindal Saw Limited	-	-	-	-	-	3	-	3
JSW Projects Limited	-	-	-	-	-	3	-	3
JSW Infrastructure Limited	-	-	-	-	-	11	-	11
Others	-	-	-	-	-	1	-	1
Total	**-**	**3**	**-**	**3**	**-**	**21**	**-**	**27**
Purchase of assets								
JSW Severfield Structures Limited	-	-	762	416	-	-	762	416
Jindal Steel & Power Limited	-	-	-	-	238	228	238	228
JSW Cement Limited	-	-	-	-	228	124	228	124
Others	84	19	16	6	121	17	221	42
Total	**84**	**19**	**778**	**422**	**587**	**369**	**1,449**	**810**

₹ in crores

Particulars	Subsidiaries		Joint ventures		Other related parties^		Total	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Capital/revenue advances given								
Amba River Coke Limited	400	300	-	-	-	-	400	300
Jindal Steel & Power Limited	-	-	-	-	200	-	200	-
JSW Dharamatar Port Private Limited					200	-	200	-
Others	13	3	-	-	-	-	13	3
Total	**413**	**303**	**-**	**-**	**400**	**-**	**813**	**303**
Capital/revenue advances received back								
Amba River Coke Limited	400	-	-	-	-	-	400	-
Jindal Steel & Power Limited	-	-	-	-	200	-	200	-
Others	13	-	-	-	-	-	13	-
Total	**413**	**-**	**-**	**-**	**200**	**-**	**613**	**-**
Security deposits given/(received back)								
JSW Shipping & Logistics Private Limited	-	-	-	-	116	60	116	60
India Flysafe Aviation Limited	-	-	-	-	(10)	(11)	(10)	(11)
Total	**-**	**-**	**-**	**-**	**106**	**49**	**106**	**49**
Lease deposits received								
JSW Realty & Infrastructure Private Limited	-	3	-	-	-	-	-	3
JSW Cement Limited	-	-	-	-	-	11	-	11
Total	**-**	**3**	**-**	**-**	**-**	**11**	**-**	**14**
Lease and other advances refunded								
Amba River Coke Limited	-	100	-	-	-	-	-	100
JSW Infrastructure Limited	-	-	-	-	-	53	-	53
Total	**-**	**100**	**-**	**-**	**-**	**53**	**-**	**153**
Donation/ CSR expenses								
JSW Foundation	-	-	-	-	72	25	72	25
Total	**-**	**-**	**-**	**-**	**72**	**25**	**72**	**25**
Recovery of expenses incurred by us on their behalf								
JSW Steel Coated Products Limited	91	73	-	-	-	-	91	73
JSW Cement Limited	-	-	-	-	45	43	45	43
JSW International Tradecorp Pte. Limited	-	-			119	-	119	-
Others	21	28	5	19	46	50	72	97
Total	**112**	**101**	**5**	**19**	**210**	**93**	**327**	**213**
Investments/share application money given								
JSW Steel Coated Products Limited	750	-	-	-	-	-	750	-
Creixent Special Steels Limited	-	5	-	370	-	-	-	375
JSW Realty & Infrastructure Private Limited	2	103	-	-	-	-	2	103
Others	187	48	1	38	-	-	188	86
Total	**939**	**156**	**1**	**408**	**-**	**-**	**940**	**564**
Investments /share application money refunded								
Rohne Coal Company Private Limited	-	-	*	-	-	-	*	-
Total	**-**	**-**	*****	**-**	**-**	**-**	*****	**-**
Sale of investment								
Hasaud Steel Limited	*	-	-	-	-	-	*	-
Total	*****	**-**	**-**	**-**	**-**	**-**	*****	**-**

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

₹ in crores

Particulars	Subsidiaries		Joint ventures		Other related parties^		Total	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Interest expenses								
JSW Steel Coated Products Limited	18	-	-	-	-	-	18	-
Amba River Coke Limited	-	1	-	-	-	-	-	1
Total	18	1	-	-	-	-	18	1
Guarantees and collaterals provided by the company on behalf								
JSW Steel (Netherlands) B.V.	1,037	323	-	-	-	-	1,037	323
JSW Steel (USA) Inc.	97	913	-	-	-	-	97	913
Acero Junction Holdings, Inc.	569	983	-	-	-	-	569	983
JSW Steel Italy Piombino S.p.A.	472	589	-	-	-	-	472	589
Others	-	25	-	-	-	-	-	25
Total	2,175	2,833	-	-	-	-	2,175	2,833
Guarantees and collaterals released								
JSW Steel (USA) Inc.	-	363	-	-	-	-	-	363
JSW Steel (Netherlands) B.V.	-	582	-	-	-	-	-	582
Periama Holdings, LLC	-	343	-	-	-	-	-	343
Total	-	1,288	-	-	-	-	-	1,288
Provision for loans & advances written back to profit & loss								
JSW Steel (Netherlands) B.V.	326	-	-	-	-	-	326	-
Total	326	-	-	-	-	-	326	-
Provision for corporate guarantee								
JSW Steel (Netherlands) B.V.	376	-	-	-	-	-	376	-
Total	376	-	-	-	-	-	376	-
Provision for loans & advances/interest receivable								
Periama Holdings, LLC	377	-	-	-	-	-	377	-
Inversiones Eurosh Limitada	814	-	-	-	-	-	814	-
Total	1,191	-	-	-	-	-	1,191	-
Adjustment of receivable/(payable)								
JSW Steel Coated Products Limited	605	110	-	-	-	-	605	110
Total	605	110	-	-	-	-	605	110
Lease interest cost								
Amba River Coke Limited	206	290	-	-	-	-	206	290
JSW Industrial Gases Private Limited	18	-	-	-	-	-	18	-
JSW Projects Limited	-	-	-	-	132	156	132	156
JSW Techno Projects Management Limited	-	-	-	-	84	54	84	54
JSW Jaigarh Port Limited	-	-	-	-	4	-	4	-
JSW Dharamatar Port Private Limited	-	-	-	-	13	-	13	-
Total	224	290	-	-	233	210	457	500
Lease liabilities/finance lease obligations repayments								
Amba River Coke Limited	190	80	-	-	-	-	190	80
JSW Industrial Gases Private Limited	27	-	-	-	-	-	27	-
JSW Projects Limited	-	-	-	-	228	204	228	204
JSW Techno Projects Management Limited	-	-	-	-	17	8	17	8
JSW Jaigarh Port Limited	-	-	-	-	2	-	2	-
JSW Dharamatar Port Private Limited	-	-	-	-	7	-	7	-
Total	217	80	-	-	254	212	471	292

₹ in crores

Particulars	Subsidiaries		Joint ventures		Other related parties^		Total	
	FY 2019-20	FY 2018-19	**FY 2019-20**	FY 2018-19	**FY 2019-20**	FY 2018-19	**FY 2019-20**	FY 2018-19
Redemption/sale of Shares								
Amba River Coke Limited	-	12	-	-	-	-	-	12
JSW Steel Coated Products Limited	-	38	-	-	-	-	-	38
Total	**-**	**50**	**-**	**-**	**-**	**-**	**-**	**50**
Loans given								
JSW Steel (Netherlands) B.V.	83	779	-	-	-	-	83	779
Periama Holdings, LLC	723	975	-	-	-	-	723	975
Acero Junction Holdings, Inc.	596	1,406	-	-	-	-	596	1,406
Others	130	32	90	125	-	-	220	157
Total	**1,532**	**3,192**	**90**	**125**	**-**	**-**	**1,622**	**3,317**
Dividend paid								
JSW Holdings Limited	-	-	-	-	73	57	73	57
JSW Techno Projects Management Limited	-	-	-	-	101	74	101	74
Sahyog Holdings Private Limited	-	-	-	-	46	35	46	35
Others	-	-	-	-	98	77	98	77
Total	**-**	**-**	**-**	**-**	**318**	**243**	**318**	**243**
Loans given received back								
JSW Steel (Netherlands) B.V.	1,193	-	-	-	-	-	1,193	-
Acero Junction Holdings, Inc.	-	580	-	-	-	-	-	580
Periama Holdings, LLC	6	274	-	-	-	-	6	274
Others	35	12	-	-	2	11	37	23
Total	**1,234**	**866**	**-**	**-**	**2**	**11**	**1,236**	**877**

^ Includes relatives of Key Management Personnel, *Less than ₹ 0.50 crores

Notes:

1. The Company makes monthly contributions to provident fund managed by JSW Steel EPF Trust for qualifying Vijayanagar employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Company contributed ₹ 22 crores. (FY 2018-19: ₹ 20 crores)

2. The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). During the year, the Company did not contribute. (FY 2018-19: ₹ 3 crores)

3. In view of the uncertainty involved in collectability, interest income of ₹ 531 crores have not been recognised on loan provided to certain overseas subsidiaries.

4. During the year, JSW Steel Limited has transferred environment clearance certificate issued for its slag grinding & mixing unit to JSW Cement Limited for no consideration.

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

Compensation to key management personnel:

₹ in crores

Nature of Transaction	FY 2019-20	FY 2018-19
Short-term employee benefits	56	86
Post-employment benefits	1	1
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total Compensation to key management personnel	**57**	**87**

Notes:

1. As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.
2. The Company has recognised an expenses of ₹ 3 crores (previous year ₹ 4 crores) towards employee stock options granted to Key Managerial Personnel. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not been exercised.
3. Dividend paid to key management personnel is ₹ 0.18 crores (FY 2018-19: ₹ 0.14 crores), not included above.
4. The Independent Non-Executive Directors are paid remuneration by way of commission and sitting fees. The commission payable to the Non-Executive Directors is based on the number of meetings of the Board attended by them and their Chairmanship/Membership of Audit Committee during the year, subject to an overall ceiling of 1% of the net profits approved by the Members. The Company pays sitting fees at the rate of ₹ 20,000/- for each meeting of the Board and sub-committees attended by them. The amount paid to them by way of commission and sitting fees during FY 2019-20 is ₹ 3 crores (FY 2018-19 is ₹ 3 crores), which is not included above.

Terms and conditions

Sales:

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended 31st March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

Purchases:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are based on made on normal commercial terms and conditions and market rates.

Loans to overseas subsidiaries:

The Company had given loans to subsidiaries for general corporate purposes. The loan balances as on 31 March 2020 was ₹ 8,979 crores (As on 31 March 2019: ₹ 7,978 crores). These loans are unsecured and carry an interest rate ranging from LIBOR + 395-615 basis points and repayable within a period of three years.

Guarantees to subsidiaries:

Guarantees provided to the lenders of the subsidiaries are for availing term loans and working capital facilities from the lender banks.

The transactions other than mentioned above are also in the ordinary course of business and at arms' length basis.

C. Amount due to/from related parties

₹ in crores

Particulars	Subsidiaries		Joint ventures		Other related parties		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Party's Name								
Trade payables								
JSW Energy Limited	-	-	-	-	306	214	306	214
JSW International Tradecorp Pte. Limited	-	-	-	-	1321	1241	1321	1241
Others	50	82	115	7	378	199	543	288
Total	**50**	**82**	**115**	**7**	**2,005**	**1,654**	**2,170**	**1,743**
Advance received from customers								
JSW Steel Coated Products Limited	147	-	-	-	-	-	147	-
JSW Steel Italy Piombino S.p.A.	-	1	-	-	-	-	-	1
Others	*	-	3	-	2	*	5	*
Total	**147**	**1**	**3**	**-**	**2**	*****	**152**	**1**
Lease & other deposits received								
JSW Severfield Structures Limited	-	-	13	13	-	-	13	13
JSW Energy Limited	-	-	-	-	11	11	11	11
JSW Cement Limited	-	-	-	-	11	11	11	11
Others	13	13	-	-	17	16	30	29
Total	**13**	**13**	**13**	**13**	**39**	**38**	**65**	**64**
Trade receivables								
Peddar Realty Private Limited	110	155	-	-	-	-	110	155
JSW Steel Coated Products Limited	-	700	-	-	-	-	-	700
JSW Vallabh Tinplate Private Limited	53	-	-	66	-	-	53	66
JSW MI Steel Service Center Private Limited	-	-	44	41	-	-	44	41
Epsilon Carbon Private Limited	-	-	-	-	101	115	101	115
Others	-	12	-	22	43	77	43	111
Total	**163**	**867**	**44**	**129**	**144**	**192**	**351**	**1,188**
Share application money given								
JSW Bengal Steel Limited	63	-	-	-	-	-	63	-
JSW Utkal Steel Limited	38	-	-	-	-	-	38	-
Others	*	-	*	*	-	-	*	*
Total	**101**	**-**	*****	*****	**-**	**-**	**102**	*****
Capital/revenue advances (including other receivables)								
Amba River Coke Limited	21	445	-	-	-	-	21	445
JSW Projects Limited	-	-	-	-	49	49	49	49
JSW Dharamatar Port Private Limited	-	-	-	-	200	-	200	-
Others	16	-	63	67	16	50	95	117
Total	**37**	**445**	**63**	**67**	**265**	**99**	**365**	**611**
Loan and advances given								
Periama Holdings, LLC	6,134	4,936	-	-	-	-	6,134	4,936
JSW Steel (Netherlands) B.V.	267	1,318	-	-	-	-	267	1,318
Acero Junction Holdings, Inc.	1,509	799	-	-	-	-	1,509	799
Others	1,069	925	216	125	13	14	1,298	1,064
Total	**8,979**	**7,978**	**216**	**125**	**13**	**14**	**9,208**	**8,117**

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

₹ in crores

Particulars	Subsidiaries		Joint ventures		Other related parties		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Interest receivable								
Inversiones Eurosh Limitada	209	192	-	-	-	-	209	192
Periama Holdings, LLC	431	396	-	-	-	-	431	396
Acero Junction Holdings, Inc.	116	19	-	-	-	-	116	19
Others	36	29	-	-	11	-	47	29
Total	**792**	**636**	**-**	**-**	**11**	**-**	**803**	**636**
Allowances for loans & advances given/interest receivable								
JSW Steel (Netherlands) B.V.	207	476	-	-	-	-	207	476
Periama Holdings, LLC	377	-	-	-	-	-	377	-
Inversiones Eurosh Limitada	1,011	197	-	-	-	-	1,011	197
Others	4	3	-	-	-	-	4	3
Total	**1,599**	**676**	**-**	**-**	**-**	**-**	**1,599**	**676**
Security & other deposits given								
JSW Shipping & Logistics Private Limited	-	-	-	-	175	59	175	59
India Flysafe Aviation Limited	-	-	-	-	193	203	193	203
Total	**-**	**-**	**-**	**-**	**368**	**262**	**368**	**262**
Lease liabilities/ finance lease obligations								
Amba River Coke Limited	1,364	2,032	-	-	-	-	1,364	2,032
JSW Industrial Gases Private Limited	185	-	-	-	-	-	185	-
JSW Projects Limited	-	-	-	-	1,052	1,280	1,052	1,280
JSW Techno Projects Management Limited	-	-	-	-	550	567	550	567
JSW Jaigarh Port Limited	-	-	-	-	46	-	46	-
JSW Dharamatar Port Private Limited	-	-	-	-	138	-	138	-
Total	**1,549**	**2,032**	**-**	**-**	**1,786**	**1,847**	**3,335**	**3,879**
Guarantees and collaterals provided by the company on behalf								
JSW Steel (Netherlands) B.V.	1,582	518	-	-	-	-	1,582	518
Periama Holdings, LLC	503	922	-	-	-	-	503	922
JSW Steel (USA) Inc.	1,033	488	-	-	-	-	1,033	488
Acero Junction Holdings, Inc.	1,658	968	-	-	-	-	1,658	968
JSW Steel Italy Piombino S.p.A.	985	396	-	-	-	-	985	396
Others	146	143	-	-	-	-	146	143
Less : Loss allowance against aforesaid	(873)	(516)	-	-	-	-	(873)	(516)
Total	**5,034**	**2,919**	**-**	**-**	**-**	**-**	**5,034**	**2,919**

*Less than ₹ 0.50 crores

Note:

1. The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). As on 31 March 2020, the fair value of plan assets was as ₹ 75 crores. (As at 31 March 2019: ₹ 68 crores).

45. Contingent liabilities:

(i) DISPUTED CLAIMS/LEVIES (EXCLUDING INTEREST, IF ANY) IN RESPECT OF:

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Excise Duty	481	452
Customs Duty	467	456
Income Tax	32	19
Sales Tax/VAT/Special Entry tax	1,433	1,251
Service Tax	685	644
Miscellaneous	-	3
Levies by local authorities – Statutory	53	53
Levies relating to Energy/Power Obligations	277	208
Claims by suppliers and other parties	46	60
Total	**3,474**	**3,146**

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

b) Customs duty cases includes disputes pertaining to import of Iron ore fines and lumps under different chapter headings, utilisation of SHIS licences for clearance of imported equipment, payment of customs duty Steam Coal through Krishnapatnam Port and anti-dumping duty on Met Coke used in Corex.

c) Sales Tax/VAT/Special Entry tax cases includes disputes pertaining to demand of special entry tax in Karnataka and demand of cess by department of transport in Goa.

d) Service Tax cases includes disputes pertaining to availment of service tax credit on ineligible services, KKC amount paid but no credit availed, denial of credit distributed as an ISD, service tax on railway freight not taken as per prescribed documents.

e) Income Tax cases includes disputes pertaining to transfer pricing and other matters.

f) Levies by local authorities – Statutory cases includes disputes pertaining to payment of water charges and enhanced compensation.

g) Levies relating to Energy/Power Obligations cases includes disputes pertaining to uninterrupted power charges by Karnataka Power Transmission Company Ltd., belated payment surcharge, claims for the set off of renewable power obligations against the power generated in its captive power plants and dues relating to additional surcharge imposed on captive consumption by Maharashtra State Electricity Distribution Company Ltd.

h) Claims by Suppliers and other parties includes quality claims issues raised by suppliers and others.

i) There are several other cases which has been determined as remote by the Company and hence not been disclosed above.

(ii) FOREST DEVELOPMENT TAX/FEE:

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Claims related to Forest Development Tax/Fee	2,588	2,160
Amount paid under protest	920	920

In response to a petition filed by the iron ore mine owners and purchasers (including the Company) contesting the levy of Forest Development Tax (FDT) on iron ore on the ground that the State does not have jurisdiction to legislate in the field of major minerals which is a central subject, the Honourable High Court of Karnataka vide its judgement dated 3 December 2015 directed refund of the entire amount of FDT collected by Karnataka State Government on sale of iron ore by private lease operators and National Mineral Development Corporation Limited (NMDC). The Karnataka State Government has filed an appeal before the Supreme Court of India ("SCI"). SCI has not granted stay on the judgement but stayed refund of FDT. The matter is yet to be heard by SCI. Based on merits of the case and supported by a legal opinion, the Company has not recognised provision for FDT of ₹ 1,043 crores (including paid under protest – ₹ 665 crores) and treated it as a contingent liability.

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The State of Karnataka on 27 July 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI, and based on merits of the case duly supported by a legal opinion and a favourable order from the High Court, the Company has not recognised provision for FDF amount of ₹ 1,545 crores (including paid under protest – ₹ 255 crores) pertaining to the private lease operators & NMDC and treated it as contingent liability.

46. Financial guarantees

The Company has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its group companies.

Refer below for details of financial guarantees issued:

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Guarantees	5,278	2,386
Standby letter of credit facility	503	922
Less: Loss allowance against aforesaid	(873)	(516)
Total	**4,908**	**2,792**

47. Commitments

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	11,789	15,025

OTHER COMMITMENTS:

(a) The Company from time to time provides need based support to subsidiaries and joint ventures entity towards capital and other requirements.

(b) The Company has entered into a five-year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. ("DSA") for supply of Steel Products. Duferco S.A. has provided an interest bearing advance amount of US $700 million under this agreement, secured by committed export of steel products to Duferco S.A. Out of this US $590 million is pending towards fulfilment.

(c) The Company has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports within the stipulated year. Such export obligations at year end aggregate to

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Export promotion capital goods scheme	15,225	10,146

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

48. In assessing the carrying amounts of Investments in and loans/advances (net of impairment loss/loss allowance) to certain subsidiaries and a joint ventures and financial guarantees to certain subsidiaries (listed below), the Company considered various factors as detailed there against and concluded they are recoverable.

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

(a) INVESTMENT, LOANS AND FINANCIALS GUARANTEES AS PER TABLE BELOW:

As at 31 March 2020	JSW Steel (Netherlands) B.V. ("NBV")	Periama Holdings LLC ("PHL")	Acero Junction Holdings LLC ("Acero")	JSW Steel Italy Piombino S.p.A. ("JSIP")	GSI Lucchini S.p.A. ("GSI")
Investments	221	-	536	*	*
Loans (including interest accrued)	68	6,189	1,625	85	-
Financial Guarantees	711	1,536	1,658	985	20

As at 31 March 2019	JSW Steel (Netherlands) B.V. ("NBV")	Periama Holdings LLC ("PHL")	Acero Junction Holdings LLC ("Acero")	JSW Steel Italy Piombino S.p.A. ("JSIP")	GSI Lucchini S.p.A. ("GSI")
Investments	259	-	536	*	*
Loans (including interest accrued)	848	5,332	818	85	-
Financial Guarantees	-	1,410	968	396	16

*represents ₹ 0.19 crores

Estimate of values of the businesses and assets by independent external values based on cash flow projections/implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore and coal, mineable resources, and assumptions relating to discount rate, future margins, increase in operational performance on account of committed capital expenditure and significant improvement in capacity utilisation and margins based on forecasts of demand in local markets, availability of infrastructure facilities for mines and the likely impact of COVID-19 on the said operations.

(b) Equity shares of JSW Bengal Steel Limited, a subsidiary (carrying amount of investments: ₹ 446 crores as at 31 March 2020 ₹ 446 crores as at 31 March 2019 and share application money of ₹ 62 crores as at 31 March 2020; Nil as at 31 March 2019) - Evaluation of the status of its integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal by the said subsidiary and the plans for commencing construction of the said complex.

(c) Equity shares of JSW Jharkhand Steel Limited, a subsidiary (carrying amount: ₹ 93 crores as at 31 March 2020; ₹ 88 crores as at 31 March 2019 and share application money of ₹ 1 crore as at 31 March 2020; Nil as at 31 March 2019) - Evaluation of the status of its integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand by the said subsidiary and the plans for commencing construction of the said complex.

(d) Equity shares of Peddar Realty Private Limited (PRPL), a subsidiary (carrying amount of investments: ₹ 24 crores as at 31 March 2020; ₹ 24 crores as at 31 March 2019, and receivable of ₹ 110 crores as at 31 March 2020; ₹ 155 crores as at 31 March 2019) -Valuation by an independent valuer of the residential complex in which PRPL holds interest.

(e) Investment of ₹ 4 crores (₹ 4 crores as at 31 March 2019) and loan of ₹ 163 crores (₹ 147 crores as at 31 March 2019) relating to JSW Natural Resources Mozambique Limitada and JSW ADMS Carvo Limitada (step down subsidiaries) - Assessment of minable reserves by independent experts based on the plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities, and infrastructure is developed.

(f) Equity shares of JSW Severfield Structures Limited, a joint venture (carrying amount: ₹ 198 crores as at 31 March 2020; ₹ 198 crores as at 31 March 2019) - Cash flow projections approved by the said JV which are based on estimates and assumptions relating to order book, capacity utilisation, operational performance, market prices of materials, inflation, terminal value, etc.

NOTES

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

(g) Preference shares of JSW Realty & Infrastructure Private Limited, a subsidiary (carrying amount: ₹ 166 crores as at 31 March 2020; ₹ 150 crores as at 31 March 2019 and loans of ₹ 16 crores as at 31 March 2020; Nil as at 31 March 2019) - Estimates of value of business based on the cash flow projections approved by the Management. The assessments include significant assumptions relating to operational performance, expansion, rentals and other charges, inflation and terminal value.

(h) Equity and Preference shares of, Creixent Special Steels Limited, a joint venture, (carrying amount: ₹ 442 crores as at 31 March 2020; ₹ 399 crores as at 31 March 2019) and loan of ₹ 1 crore as at 31 March 2020; Nil as at 31 March 2019) - Estimates of value of business based on the cash flow projections approved by the management. The assessments include significant assumptions such as expansion, capacity utilization, operational performance, future margins, discount rates, and terminal value.

49. Pursuant to the Corporate insolvency resolution process under the Insolvency Bankruptcy Code, the resolution plan submitted by the Company for Vardhman Industries Limited (VIL) was approved, by the Hon'ble National Company Law Tribunal (NCLT), New Delhi, by its order dated 19 December 2018 and as clarified by its order dated 16 April 2019 and by the Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated 4 December 2019 and as clarified by its order dated 11 December 2019.

The Company completed the acquisition of VIL on 31 December 2019 by infusing ₹ 63.50 crores in VIL and has been issued equity shares and compulsorily convertible debentures (CCDs) by VIL in lieu thereof. Accordingly, VIL has become a wholly owned subsidiary of the Company.

VIL is mainly engaged in the manufacturing and marketing of Colour Coated Coils & Sheets and has a production capacity of 3,000 tonnes per month with manufacturing facility located at Rajpura, Patiala (Punjab).

50. The Company submitted the Resolution Plan in respect of Bhushan Power and Steel Limited (BPSL), a company currently undergoing insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code. The Committee of Creditors (CoC) approved the Resolution Plan and the Resolution Professional issued the Letter of Intent to the Company on 11 February 2019, which was duly accepted by the Company. The Resolution Plan is approved by the National Company Law Tribunal (NCLT) vide its order dated 5 September 2019, and subsequently an appeal preferred by the Company has been allowed by the National Company Law Appellate Tribunal (NCLAT) vide its order 17 February 2020. The erstwhile promoters and few operation creditors preferred an Appeal before the Hon'ble Supreme Court against the NCLAT order. The said Appeals along with the Petition of CoC are pending before the Hon'ble Supreme Court for adjudication.

51. Exceptional items for the year ended 31 March 2020 includes impairment provision of:

Particulars	Inversiones Eurosh Limitada	JSW Netherlands B.V. (NBV)	Periama Holdings LLC ("PHL")	Total
Allowance on doubtful loans	605	-	-	605
Allowance on doubtful interest receivables	209	-	377	586
Fair value Loss on preference shares designated as FVTPL	-	38	-	38
	814	**38**	**377**	**1,229**
Impairment on property plant & equipment	-	-	-	80
Total				**1,309**

(a) ₹ 852 crores relating to overseas subsidiaries towards the value of investments made and loans given and interest accrued thereon based on the overall assessment of recoverable value considering increased uncertainty in restarting the Iron ore mining operations at Chile on account of COVID 19 outbreak.

(b) ₹ 377 crores on interest receivables from an overseas subsidiary in USA based on the assessment of recoverable value of the US operations. The said assessment includes significant assumptions such as discount rate, increase in operational performance on account of committed capital expenditure, mining production, future margins, and the likely impact of COVID 19 on the said operations; and

(c) ₹ 80 crores towards identified items of property, plant and equipment of the Company.

52. During the quarter ended 30 September 2019, the Mumbai Bench of the National Company Law Tribunal (NCLT), through its order dated 6 June 2019 and the Ahmedabad Bench of the NCLT, through its order dated 14 August 2019, had approved the scheme of Amalgamation of its wholly-owned subsidiaries, Dolvi Minerals and Metals Private Limited, Dolvi Coke Projects Limited, JSW Steel Processing Centre Limited, and JSW Steel (Salav) Limited with the Company. All these subsidiaries are in the business of manufacture of steel, raw materials required for making steel and other ancillary services. Accordingly, the Company had accounted for the merger under the pooling of interest method retrospectively for all periods presented as prescribed in IND AS 103 – Business Combinations of entities under common control. The previous period/year numbers have been accordingly restated. The Impact of the merger on these financial statements is as under:

₹ in crores

Particulars	Net Assets acquired	Consideration paid/Investments made	Capital Reserve
Dolvi Minerals and Metals Private Limited ('DMMPL')	350	399	(49)
Capital reserve on additional stake acquisition of DMMPL in 2019-20	-	-	(87)
JSW Steel Processing Centre Limited ('SPCL')	50	50	-
JSW Steel (Salav) Limited	1,335	424	911
Total Capital reserve recognised on merger			**774**

This resulted in restatement of financial statement, the changes in major heads are as below:

₹ in crores

Particulars	As at 31 March 2019	
	Reported	Restated
Property Plant and equipment	49,245	51,600
Borrowings including current maturities of long-term borrowings and short-term borrowings	41,937	43,703
Total Equity	35,162	34,893

₹ in crores

Particulars	Year ended 31 March 2019	
	Reported	Restated
Revenue from operations	76,727	77,187
Profit before tax	11,817	11,707
Profit after tax	8,259	8,121

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

54. Events occurring after balance sheet

On 22 May 2020 the board of directors recommended a final dividend of ₹ 2.00 per equity share be paid to shareholders for financial year 2019-20, which is subject to approval by the shareholders at the Annual General Meeting to be held on 23 July 2020. If approved, the dividend would result in a cash outflow of ₹ 483 crores.

55. Standards issued but not yet effective

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

56. Additional information

A) C.I.F. VALUE OF IMPORTS:

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
- Capital goods	**4,382**	3,345
- Raw materials (including power and fuel)	**15,444**	22,198
- Stores & spare parts	**872**	1,330
- Traded Goods	**-**	12

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B) EXPENDITURE IN FOREIGN CURRENCY:

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest and finance charges	1,370	1,168
Ocean freight	490	387
Technical know-how	27	64
Commission on sales	18	17
Legal & professional fees	28	7
Others	48	75

C) EARNINGS IN FOREIGN CURRENCY:

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
F.O.B. value of exports	9,580	7,699
Interest Income	97	-

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

For and on behalf of Board of Directors

per VIKRAM MEHTA
Partner
Membership No.: 105938

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

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