# Independent Auditor's Report

To the Members of JSW Steel Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of JSW Steel Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



| 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 ₹ 2,056 crores. Further, the Company has also provided loans and/or guarantees to or on behalf of these subsidiaries and the joint venture amounting to ₹ 14,133 crores. These subsidiaries and joint venture have either been incurring losses or the investments made by them in the step down subsidiaries have been making losses.<br><br>The Company has also recognised impairment allowance of ₹ 386 crores during the year ended March 31, 2021 in respect of investments, loans / advances given to certain overseas subsidiaries, as described in note 50 of the standalone Ind AS financial statements.<br><br>Further, the Company has not recognised interest income of ₹ 368 crores during the year from some of its subsidiaries due to uncertainty of recoverability of such income.<br><br>Assessment of the recoverable amount of the investments in and loans/advances including interest thereon given to these subsidiaries and joint ventures and financial guarantees given on behalf of these subsidiaries has been identified as a key audit matter due to:<br>• Significance of the carrying amount of these balances.<br>• The assessment requires management to make significant estimates concerning the estimated future cash flows, qualitative assessments of the status of the project and its future depending on balance work to be performed or approvals to be received, associated discount rates and growth rates based on management's view of future business prospects including any possible impact arising out of the pandemic on these estimates.<br>• Changes to any of these assumptions could lead to material changes in the estimated recoverable amount, impacting both potential impairment charges and potential reversals of impairment taken in prior years. | Our audit procedures included the following:<br>• We obtained and read management's assessment for impairment.<br>• We performed test of controls over impairment process through inspection of evidence of performance of these controls.<br>• We assessed the impairment model prepared by the management and the assumptions used, with particular attention to the following:<br>– Benchmarking or assessing key assumptions used in the impairment models, including discount rates, risk free rate of return, long term growth rate and other key assumptions against external and internal data;<br>– assessing the cash flow forecasts including possible impact on account of global pandemic through analysis of actual past performance, and comparison to previous forecasts;<br>– testing the mathematical accuracy and performing sensitivity analyses of the models; and<br>– understanding the commercial prospects of the assets/ projects and comparison of assumptions with external data sources;<br>• We assessed the competence, capabilities and objectivity of the experts used by management in the process of evaluating impairment models.<br>• We assessed the conclusions reached by management and those charged with governance on account of various estimates and judgements including possible impact of pandemic.<br>• We assessed the compliance of the disclosures made in note 48 of the standalone Ind AS financial statements with the accounting standards. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recoverability of VAT deferral / refunds under the GST regime** (as described in note 30 of the standalone Ind AS financial statements) | |
| The Company's units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible and have been availing interest free VAT deferral loan / Net VAT refunds as an incentive under the incentive schemes notified by the State of Maharashtra and Karnataka.<br><br>The Company has recognised income in relation these grants being the difference between the net present value of these interest free loans granted to the Company and the nominal value of such loans to the extent of SGST collected by the Company in respect of sales eligible for such grants, eligible incentive of Net SGST paid, as applicable in accordance with the industrial promotion subsidy schemes and notifications issued by the State of Maharashtra and Karnataka.<br><br>The amount of incentive recognised during the year amounts to ₹ 462 crores and cumulative balance of these receivables amount to ₹ 2,510 crores.<br><br>We considered VAT deferral / refund incentive as a Key audit matter due to:<br>• Significance of amount accrued during the year and carrying amount of these receivables as at March 31, 2021.<br>• Significant judgement involved in assessment of the eligibility of incentive under the new GST regime. | Our audit procedures included the following:<br>• We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the recognition and measurement of government grants and income accruing therefrom.<br>• We read eligibility certificates in respect of VAT deferral / refund incentives available to the Company.<br>• We read the notification issued by the Government of Maharashtra (GoM) and Government of Karnataka (GoK) in respect of eligibility of VAT deferral / refund under the GST regime, guidelines for certification of the eligible incentive amount, modalities for sanction and disbursement of incentives.<br>• We read letter dated October 18, 2019 issued by Director of Industries of Maharashtra for in-principle approval for issuance of eligibility certificate and letter dated March 19, 2021 by the Company for submission of appraisal report to Director of Industries of Maharashtra for availing incentive under PSI 2007 scheme.<br>• We read the legal opinion obtained by the management for assessing the impact of new eligibility conditions and formula for determination of incentives based on latest Government Resolution issued by GoM including assessing the amounts withheld by the GoM on eligibility of certain duties which were refundable in the erstwhile VAT regime but have been denied in the new GST regime.<br>• We involved specialists to assist us in reviewing and evaluating the management's assessment of latest Government Resolution issued by GoM.<br>• We tested the calculation of incentives accrued for the year ended March 31, 2021. |
| **Capital Expenditure in respect of property, plant and equipment and capital work in progress** (as described in notes 4 and 5 of the standalone Ind AS financial statements) | |
| The Company has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plant and equipment and capital work in progress in notes 4 and 5 of the standalone Ind AS financial statements.<br><br>The Company is in the process of executing various projects for expansions of existing capacity across the locations. These projects take a substantial period of time to get ready for intended use.<br><br>We considered Capital expenditure as a Key audit matter due to:<br>• Significance of amount incurred on such items during the year ended March 31, 2021.<br>• Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment.<br>• Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment | Our audit procedures included the following:<br>• We obtained an understanding of the Company's capitalisation policy and assessed for compliance with the relevant accounting standards.<br>• We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalisation of assets.<br>• We performed substantive testing on a sample basis for each element of capitalised costs including inventory issued to contractors for the purpose of these projects and physical verification performed by management alongwith reconciliation and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalised.<br>• In relation to borrowing costs we obtained the supporting calculations, verified the inputs to the calculation and tested the arithmetical accuracy of the model.<br>• We assessed accounting for costs incurred when projects are suspended or delayed for any reasons including the global pandemic.<br>• We obtained understanding on management assessment relating to progress of projects and their intention to bring the asset to its intended use. |



| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Accuracy and completeness of disclosure of related party transactions and compliance with the provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI (LODR) 2015')** (as described in note 44 of the standalone Ind AS financial statements) | |
| We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the standalone Ind AS financial statements as a key audit matter due to:<br>• the significance of transactions with related parties during the year ended March 31, 2021.<br>• Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015. | Our audit procedures in relation to the disclosure of related party transactions included the following:<br>• We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to capturing of related party transactions and management's process of ensuring all transactions and balances with related parties have been disclosed in the standalone Ind AS financial statements.<br>• We obtained an understanding of the Company's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors.<br>• We agreed the amounts disclosed with underlying documentation and read relevant agreements, evaluation of arms-length by management, on a sample basis, as part of our evaluation of the disclosure.<br>• We assessed management evaluation of compliance with the provisions of Section 177 and Section 188 of the companies Act 2013 and SEBI (LODR) 2015.<br>• We evaluated the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit. |
| **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 ₹ 3,675 crores in respect of disputed claims/ levies under various tax and legal matters and ₹ 3,035 crores towards Claims related to Forest development tax/ fee. In addition, the Company has assessed several claims as 'Remote' and hence are not required to be disclosed as contingent liabilities.<br><br>Taxation and litigation exposures have been identified as a key audit matter due to:<br>• Significance of these amounts and large number of disputed matters with various authorities.<br>• Significant judgement and assumptions required by management in assessing the exposure of each case to evaluate whether there is a need to set up a provision and measurement of exposures as well as the disclosure of contingent liabilities.<br><br>We focused on this matter because of the potential financial impact on the standalone Ind AS financial statements. Additionally, the treatment of taxation and litigation cases require significant judgement due to the complexity of the cases, timescales for resolution and involvement of various authorities. | Our audit procedures included the following:<br>• We obtained understanding, evaluated the design, and tested the operating effectiveness of the controls related to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities.<br>• We obtained details of legal and tax disputed matters and evaluation made by the management and assessed management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss.<br>• We read external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims.<br>• We involved tax specialists to assist us in evaluating tax positions taken by management.<br>• We assessed the relevant disclosures made in the standalone Ind AS financial statements for compliance in accordance with the requirements of Ind AS 37. |

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

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

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

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

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

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

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

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

Place of Signature: Mumbai
Date: May 21, 2021

# Annexure 1

**Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**

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

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

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

(i) leasehold land aggregating to ₹ 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, 2021 (₹ in crores) | |
|---|---|---|---|
| | | Gross Block | Net Block |
| Land located at Maharashtra | 12 | 9 | 9 |

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

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

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

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

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

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

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

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

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

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

* Net of amounts paid under protest.

The above table doesn't include cases decided in favour of the Company for which the department has preferred an appeal at higher levels amounting to ₹ 745 crores (net of amount paid under protest) and matters remanded back amounting to ₹ 227 crores (net of amount paid under protest).

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

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

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

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

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

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

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

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

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

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

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

Place of Signature: Mumbai
Date: May 21, 2021

# Annexure 2

**To the Independent Auditor's Report of even date on the standalone financial statements of JSW Steel Limited**

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

We have audited the internal financial controls with reference to standalone financial statements of JSW Steel Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditor's Responsibility

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

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

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

## Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

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

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

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

## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

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

Place of Signature: Mumbai
Date: May 21, 2021

# Standalone Balance Sheet

As at 31 March 2021

₹ in crores

| | | Notes | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|---|---|
| I | **ASSETS** | | | |
| | **Non-current assets** | | | |
| | (a) Property, plant and equipment | 4 | 46,167 | 46,117 |
| | (b) Capital work-in-progress | 5 | 28,914 | 23,810 |
| | (c) Right-of-use assets | 6 | 4,161 | 4,102 |
| | (d) Intangible assets | 7 | 1,614 | 323 |
| | (e) Intangible assets under development | 7 | 128 | 331 |
| | (f) Investments in subsidiaries, associates and joint ventures | 8 | 6,676 | 4,757 |
| | (g) Financial assets | | | |
| | (i) Investments | 9 | 5,782 | 1,242 |
| | (ii) Loans | 10 | 5,382 | 8,705 |
| | (iii) Derivative assets | 17 | 110 | - |
| | (iv) Other financial assets | 11 | 1,971 | 562 |
| | (h) Current tax assets (net) | | 230 | 340 |
| | (i) Other non-current assets | 12 | 2,394 | 2,378 |
| | **Total non-current assets** | | **103,529** | **92,667** |
| | **Current assets** | | | |
| | (a) Inventories | 13 | 10,692 | 9,623 |
| | (b) Financial assets | | | |
| | (i) Trade receivables | 14 | 3,333 | 3,166 |
| | (ii) Cash and cash equivalents | 15 | 11,121 | 3,438 |
| | (iii) Bank balances other than (ii) above | 16 | 625 | 7,963 |
| | (iv) Loans | 10 | 733 | 321 |
| | (v) Derivative assets | 17 | 86 | 275 |
| | (vi) Other financial assets | 11 | 1,348 | 2,794 |
| | (c) Other current assets | 12 | 1,765 | 1,795 |
| | **Total current assets** | | **29,703** | **29,375** |
| | **Total assets** | | **133,232** | **122,042** |
| II | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| | (a) Equity share capital | 18 | 302 | 301 |
| | (b) Other equity | 19 | 46,675 | 38,061 |
| | **Total equity** | | **46,977** | **38,362** |
| | **Non-current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 20 | 39,551 | 39,247 |
| | (ii) Lease liabilities | 6 | 2,413 | 2,716 |
| | (iii) Derivative liabilities | 27 | 57 | 130 |
| | (iv) Other financial liabilities | 21 | 1,173 | 1,308 |
| | (b) Provisions | 22 | 753 | 322 |
| | (c) Deferred tax liabilities(net) | 23 | 3,095 | 1,315 |
| | (d) Other non-current liabilities | 24 | 2,173 | 3,048 |
| | **Total non-current liabilities** | | **49,215** | **48,086** |
| | **Current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 25 | 1,285 | 6,813 |
| | (ii) Trade payables | 26 | | |
| | (a) Total outstanding, dues of micro and small enterprises | | 205 | 56 |
| | (b) Total outstanding, dues of creditors other than micro and small enterprises | | 11,945 | 13,298 |
| | (iii) Derivative liabilities | 27 | 96 | 189 |
| | (iv) Lease liabilities | 6 | 925 | 773 |
| | (v) Other financial liabilities | 28 | 18,550 | 11,980 |
| | (b) Provisions | 22 | 243 | 64 |
| | (c) Other current liabilities | 29 | 3,254 | 2,302 |
| | (d) Current tax liabilities(net) | | 537 | 119 |
| | **Total current liabilities** | | **37,040** | **35,594** |
| | **Total liabilities** | | **86,255** | **83,680** |
| | **Total equity and liabilities** | | **133,232** | **122,042** |

See accompanying notes to the Standalone Financial Statements

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

**For and on behalf of the 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: 21 May 2021

**LANCY VARGHESE**
Company Secretary
ICSI Membership No. FCS 9407

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

Place: Mumbai
Date: 21 May 2021



# Standalone Statement of Profit and Loss

For the year ended 31 March 2021

₹ in crores

| | | Notes | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|---|---|
| I | **Revenue from operations** | | 70,727 | 63,546 |
| | Fees for assignment of procurement contract | | - | 250 |
| | Government grant income – VAT/GST incentive relating to earlier years | | - | 466 |
| | **Total revenue from operations** | 30 | **70,727** | **64,262** |
| II | **Other income** | 31 | 669 | 628 |
| III | **Total income (I + II)** | | **71,396** | **64,890** |
| IV | **Expenses:** | | | |
| | Cost of materials consumed | | 28,743 | 33,073 |
| | Purchases of stock-in-trade | | 199 | 420 |
| | Changes in inventories of finished goods, work-in-progress and stock-in-trade | 32 | (872) | (27) |
| | Mining premium and royalties | | 6,972 | 651 |
| | Employee benefits expense | 33 | 1,501 | 1,496 |
| | Finance costs | 34 | 3,565 | 4,022 |
| | Depreciation and amortisation expense | 35 | 3,781 | 3,522 |
| | Other expenses | 36 | 14,925 | 16,132 |
| | **Total expenses** | | **58,814** | **59,289** |
| V | **Profit before exceptional items and tax (III-IV)** | | **12,582** | **5,601** |
| VI | **Exceptional items** | 53 | 386 | 1,309 |
| VII | **Profit before tax (V-VI)** | | **12,196** | **4,292** |
| VIII | **Tax expense/(credit):** | 23 | | |
| | Current tax | | 2,162 | 789 |
| | Deferred tax | | 1,641 | (1,788) |
| | | | **3,803** | **(999)** |
| IX | **Profit for the year (VII-VIII)** | | **8,393** | **5,291** |
| X | **Other comprehensive income** | | | |
| A | i) Items that will not be reclassified to profit or loss | | | |
| | (a) Re-measurements of the defined benefit plans | | 27 | (19) |
| | (b) Equity instruments through other comprehensive income | | 385 | (255) |
| | ii) Income tax relating to items that will not be reclassified to profit or loss | | (10) | 6 |
| | **Total (A)** | | **402** | **(268)** |
| B | i) Items that will be reclassified to profit or loss | | | |
| | (a) The effective portion of gains and loss on hedging instruments | | 369 | (719) |
| | (b) Changes in Foreign Currency Monetary Item translation difference account (FCMITDA) | | - | 87 |
| | ii) Income tax relating to items that will be reclassified to profit or loss | | (129) | 221 |
| | **Total (B)** | | **240** | **(411)** |
| | **Total Other comprehensive income / (loss) (A+B)** | | **642** | **(679)** |
| XI | **Total comprehensive income (IX + X)** | | **9,035** | **4,612** |
| XII | **Earnings per equity share of ₹ 1 each** | 38 | | |
| | Basic (in ₹) | | 34.92 | 22.03 |
| | Diluted (in ₹) | | 34.72 | 21.89 |

See accompanying notes to the Standalone Financial Statements

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

**For and on behalf of the 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: 21 May 2021

**LANCY VARGHESE**
Company Secretary
ICSI Membership No. FCS 9407

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

Place: Mumbai
Date: 21 May 2021

# Standalone Statement of Changes In Equity

For the year ended 31 March 2021

## A. Equity share capital

₹ in crores

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

@ = ₹ 0.07 crores

@@ = ₹ 0.34 crores

## B. Other equity

₹ in crores

| Particulars | Reserves and surplus | | | | | | | Items of Other Comprehensive Income/(Loss) (OCI) | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities premium reserve | Capital redemption reserve | Debenture redemption reserve | Retained earnings | Equity settled share based payment reserve | General reserve | Equity instruments through other comprehensive income | Effective portion of cash flow hedges | FCMITDA | |
| **Opening balance as at 1 April 2019** | **4,359** | **5,439** | **532** | **285** | **13,611** | **91** | **9,895** | **403** | **33** | **(56)** | **34,592** |
| Profit for the year | - | - | - | - | 5,291 | - | - | - | - | - | 5,291 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | (13) | - | - | (255) | (467) | 56 | (679) |
| Dividend including dividend distribution tax | - | - | - | - | (1,190) | - | - | - | - | - | (1,190) |
| Impact of ESOP trust consolidation | - | - | - | - | 10 | - | - | - | - | - | 10 |
| Recognition of share-based payments | - | - | - | - | - | 37 | - | - | - | - | 37 |
| Transfer to Capital redemption reserve | - | - | 242 | - | - | - | (242) | - | - | - | - |
| Transfer from Debenture redemption reserve | - | - | - | (285) | - | - | 285 | - | - | - | - |
| Transfer to general reserve after exercise of options | - | - | - | - | - | (6) | 6 | - | - | - | - |
| **Closing balance as at 31 March 2020** | **4,359** | **5,439** | **774** | **-** | **17,709** | **122** | **9,944** | **148** | **(434)** | **-** | **38,061** |
| Profit for the year | - | - | - | - | 8,393 | - | - | - | - | - | 8,393 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | 17 | - | - | 385 | 240 | - | 642 |
| Dividend including dividend distribution tax | - | - | - | - | (483) | - | - | - | - | - | (483) |
| Impact of ESOP trust consolidation | - | - | - | - | 42 | - | - | - | - | - | 42 |
| Recognition of share-based payments | - | - | - | - | - | 20 | - | - | - | - | 20 |
| Transfer to general reserve after exercise of options | - | - | - | - | - | (25) | 25 | - | - | - | - |
| **Closing balance As at 31 March 2021** | **4,359** | **5,439** | **774** | **-** | **25,678** | **117** | **9,969** | **533** | **(194)** | **-** | **46,675** |

As per our report of even date

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per **VIKRAM MEHTA**
Partner
Membership No.:105938

Place: Mumbai
Date: 21 May 2021

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

**RAJEEV PAI**
Chief Financial Officer

**SAJJAN JINDAL**
Chairman & Managing Director
DIN 00017762

**LANCY VARGHESE**
Company Secretary
ICSI Membership No. FCS 9407

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

Place: Mumbai
Date: 21 May 2021





# Standalone Statement of Cash Flows

For the year ended 31 March 2021

₹ in crores

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

# Standalone Statement of Cash Flows

For the year ended 31 March 2021 (Continued)

₹ in crores

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

## Reconciliations part of cash flows

₹ in crores

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

₹ in crores

| Particulars | 1 April 19 | Cash flows(net) | Foreign exchange (Gain)/Loss | Changes in fair values | New leases | Other | 31 March 20 |
|---|---|---|---|---|---|---|---|
| Borrowings (including Current maturities of long term borrowing included in other financial liabilities note 28) | 34,343 | 8,241 | 1,976 | (113) | - | (91)# | 44,356 |
| Lease liabilities (including Current maturities) | 3,990 | (503) | - | - | 481 | (479) | 3,489 |
| Borrowings (Current) | 5,371 | 1,443 | - | - | - | (1) | 6,813 |

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

Notes:

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

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

**For and on behalf of the 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: 21 May 2021

**LANCY VARGHESE**
Company Secretary
ICSI Membership No. FCS 9407

Place: Mumbai
Date: 21 May 2021

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## 1. General Information

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

The Company is an integrated manufacturer of diverse range of steel products with its manufacturing facilities located at Vijaynagar Works in Karnataka, Dolvi Works in Maharashtra and Salem works in Tamil Nadu. The Company has entered into long term lease arrangements of iron ore mines located at Odisha and Karnataka.

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

## 2. Significant Accounting policies

### I. Statement of compliance

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

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "financial statements").

These financial statements are approved for issue by the Board of Directors on 21 May, 2021.

### II. Basis of preparation and presentation

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope 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:

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

- 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**

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

**ii) Trade receivables**

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

**iii) Contract liabilities**

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

**iv) Refund liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to 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).



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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.

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

### Lease liabilities

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

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

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered

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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 / upto the date of settlement of such monetary item, whichever is earlier, but not beyond 31 March 2020 and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

**VI. Borrowing costs**

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

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

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

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

**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 fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.



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**VIII. Employee benefits**

Retirement benefit costs and termination benefits

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

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

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

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

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

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

Short-term and other long-term employee benefits

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

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

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

**IX. Share-based payment arrangements**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 38.

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

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

# Notes

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Current tax

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

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit and loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also 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 - 5 years |

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

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

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

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

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

### XII. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

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

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

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

### XIII. Mining Assets

Acquisition Costs

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

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

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for

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impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

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

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

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

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

#### Stripping cost

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

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

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

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

#### Site restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit and loss over the life of the asset through amortisation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements are reviewed periodically

The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of such provisions are set out in note 22.

### XIV. Impairment of Non-financial assets

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

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate



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that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

### XV. Inventories

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

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost of iron ore inventory includes cost of mining, bid premium, royalties and other manufacturing overheads. Cost of traded goods include purchase cost and inward freight.

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

### XVI. Provisions

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is 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. However, before a separate provision for an onerous contract is established, the Company recognises any write down that has occurred on assets dedicated to that contract. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

### 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

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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 classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are 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:




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- 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

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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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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.

## C. Derivative Instruments and Hedge Accounting

a) Derivative financial instruments

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

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

b) Embedded derivatives

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

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

held for trading or designated at fair value though profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit and loss, unless designated as effective hedging instruments.

c) Hedge accounting

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

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing 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.

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

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

(ii) Cash flow hedges

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

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit and loss in the years when the hedged item affects profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

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



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To the Standalone Financial Statements as at and for the year ended 31 March 2021

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**

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

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

## 3. Key sources of estimation uncertainty and critical accounting judgements

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

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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) **Provision for site restoration**

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

vi) **Taxes**

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

During the previous year, the Company has assessed the outstanding deferred tax liability, and written back an amount to the extent of ₹ 2,150 crores to the Statement of Profit and loss. This is arising from the re-measurement of deferred tax liability that is expected to reverse in future when the Company would migrate to the new tax regime. During the year, the Company has re-assessed the impact of the Ordinance and there is no significant change in the measurement arising of the said assessment.

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

The Company has assessed the possible impact of COVID-19 in assessing the recoverability of carrying amounts of Company's assets such as property, plant & equipment, investments and other assets etc., considering the various internal and external information up to the date of approval of these financial results and concluded that they are recoverable based on the estimate of values of the businesses and assets by independent external valuers which was based on cash flow projections, fair values and implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore and coal, mineable resources, and assumptions relating to operational performance including significant improvement in capacity utilisation and margins based on forecasts of demand in local markets, and capacity expansion/ availability of infrastructure facilities for mines. The Company continues to monitor any material changes to the future economic conditions.

## B) Critical accounting judgements

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

RIPL has developed a residential township in Vijayanagar, Karnataka on the land taken on lease from the Company for a period of 30 years and provides individual housing units on rent to the employees of the Company or other group companies. RIPL is not allowed to sub-let or assign its rights under the arrangement without prior written consent of the Company. Though the Company does not hold any ownership interest in RIPL, the Company has concluded that the Company has practical ability to direct the relevant activities of RIPL unilaterally, considering RIPL's dependency on the Company for funding significant portion of its operation through subscription to 73.94% of preference share capital amounting to ₹ 313 crore issued by RIPL and significant portion of RIPL's activities.



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To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

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

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

iii) **Joint control over JSW Ispat Special Products Limited (Formerly known as Monnet Ispat and Energy Limited)**

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

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

iv) **Joint control over Bhushan Power and Steel Limited**

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

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

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

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

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

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

Accordingly, the Company has 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.

vi) **Commitment under MDPA arrangement**

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

While determining the minimum production requirements of one of the mines for initial two

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## 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 | Tangibles Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost/deemed cost** | | | | | | | | | | |
| **At 31 March 2019** | **1,033** | **456** | **7,167** | **190** | **49,087** | **5,255** | **119** | **144** | **70** | **63,521** |
| Transfer Out to Right of use Assets | - | 456 | - | 190 | 14 | 5,255 | - | - | - | 5,915 |
| Additions | 24 | - | 233 | - | 1,614 | - | 7 | 17 | 21 | 1,916 |
| Deductions | 14 | - | 2 | - | 178 | - | 1 | 9 | - | 204 |
| Other adjustments (refer note c) | - | - | - | - | 298 | - | - | - | - | 298 |
| **At 31 March 2020** | **1,043** | **-** | **7,398** | **-** | **50,807** | **-** | **125** | **152** | **91** | **59,616** |
| Additions | 39 | - | 278 | - | 1,897 | - | 10 | 11 | 17 | 2,252 |
| Additions pursuant to business combination (refer note 50) | 40 | - | 95 | - | 715 | - | - | - | - | 850 |
| Deductions | - | - | 5 | - | 449 | - | - | 7 | 1 | 462 |
| Other adjustments (refer note c) | - | - | - | - | 58 | - | - | - | - | 58 |
| **At 31 March 2021** | **1,122** | **-** | **7,766** | **-** | **53,028** | **-** | **135** | **156** | **107** | **62,314** |
| **Accumulated depreciation** | | | | | | | | | | |
| **At 31 March 2019** | **-** | **19** | **1,147** | **94** | **9,297** | **1,228** | **52** | **46** | **38** | **11,921** |
| Transfer Out to Right of use Assets | - | 19 | - | 94 | 8 | 1,228 | - | - | - | 1,349 |
| Depreciation | - | - | 318 | - | 2,636 | - | 12 | 16 | 17 | 2,999 |
| Impairment | - | - | 3 | - | 77 | - | - | - | - | 80 |
| Deductions | - | - | - | - | 146 | - | 1 | 5 | - | 152 |
| **At 31 March 2020** | **-** | **-** | **1,468** | **-** | **11,856** | **-** | **63** | **57** | **55** | **13,499** |
| Depreciation | - | - | 316 | - | 2,705 | - | 12 | 15 | 15 | 3,063 |
| Deductions | - | - | 5 | - | 405 | - | - | 4 | 1 | 415 |
| **At 31 March 2021** | **-** | **-** | **1,779** | **-** | **14,156** | **-** | **75** | **68** | **69** | **16,147** |
| **Net book value** | | | | | | | | | | |
| **At 31 March 2021** | **1,122** | **-** | **5,987** | **-** | **38,872** | **-** | **60** | **88** | **38** | **46,167** |
| At 31 March 2020 | 1,043 | - | 5,930 | - | 38,951 | - | 62 | 95 | 36 | 46,117 |

**Notes:**

₹ in crores

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

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

d) Assets given on operating lease:

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

| Category of Asset | Area | Period |
|---|---|---|
| Land at Vijayanagar* | 754 acres | 5 years to 30 years |
| Land at Dolvi along with certain buildings | 178 acres | 15 years to 20 years |
| Land at Palwal | 6 acres | 15 years |
| Office Premises at Mittal Tower | 1,885 sq. feet | 24 months |
| Office Premises at CBD Belapur | 33,930 sq. feet | 5 years |
| Houses at Vijayanagar Township | 14,11,027 sq. feet (2,279 Houses) | 120 months |
| Building for Vijayanagar Sports Institute | 1,96,647 sq. feet | 10 years |
| Hospital premises at Vijayanagar | 81,500 sq. feet | 20 years |

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

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

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

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

*includes ₹ 16 crores of land classified as right-of-use assets in note 6.

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

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 2019** | **476** | **7** |
| Additions | - | - |
| **At 31 March 2020** | **476** | **7** |
| Additions | - | - |
| **At 31 March 2021** | **476** | **7** |
| **Accumulated depreciation** | | |
| **At 1 April 2019** | **64** | **2** |
| Depreciation | 16 | 1 |
| **At 31 March 2020** | **80** | **3** |
| Depreciation | 16 | 1 |
| **At 31 March 2021** | **96** | **4** |
| **Net book value** | | |
| **At 31 March 2021** | **380** | **3** |
| At 31 March 2020 | 396 | 4 |



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

**5.** Capital work in progress includes exchange fluctuation loss (including regarded as an adjustment to borrowing costs) of ₹ 46 crores (previous year ₹ 881 crores) and borrowing cost (net off interest income) of ₹ 720 crores (previous year ₹ 574 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** |
| Additions | - | - | 629 | 629 |
| Deductions | - | - | - | - |
| Depreciation expense | 4 | 17 | 549 | 570 |
| **At 31 March 2021** | **429** | **88** | **3,644** | **4,161** |

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

### Lease Liabilities

| Particulars | ₹ in crores |
|---|---|
| **At 1 April 2019 (Transferred from finance lease obligation)** | **3,990** |
| Additional leases (recognised pursuant to Ind AS 116 adoption) | 463 |
| **Lease liabilities on initial recognition as on 1 April 2019** | **4,453** |
| Additions | 18 |
| Interest accrued | 472 |
| Lease principal payments | (503) |
| Lease interest payments | (472) |
| Reversal | (479) |
| **At 31 March 2020** | **3,489** |
| Additions | 625 |
| Interest accrued | 351 |
| Lease principal payments | (776) |
| Lease interest payments | (351) |
| **At 31 March 2021** | **3,338** |

### Breakup of lease liabilities:

₹ in crores

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Less than 1 year | 1,240 | 1,105 |
| 1-5 years | 2,138 | 2,761 |
| More than 5 years | 1,177 | 883 |
| | **4,555** | **4,749** |

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

The Company has lease contracts for machinery that contains variable payments amounting to ₹ 452 crores (₹ 436 crores in 31 March 2020) shown under cost of material consumed/ other expenses.

The Company has recognised ₹ 7 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 gain of ₹ 1 crore on sale & leaseback transaction entered during the year. Both of amounts are being recognised as part of other expenses.

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

## 7. Intangible assets

₹ in crores

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

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

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## 8. Investments in subsidiaries, associates and joint ventures

| | Particulars | Paid up value | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|---|---|
| | | | 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 | 47,74,05,000 | 512 | 45,22,05,000 | 449 |
| | JSW Jharkhand Steel Limited | ₹ 10 each | 9,63,96,423 | 96 | 9,30,33,853 | 93 |
| | JSW Natural Resources Limited | USD 10 each | 13,65,500 | 4 | 13,65,500 | 4 |
| | JSW Steel(Netherlands) B.V. | Euro 1 each | 7,07,625 | 4 | 7,07,625 | 4 |
| | Periama Holdings, LLC | 0.1% interest in members' capital | NA | & | NA | & |
| | JSW Steel Coated Products Limited | ₹ 10 each | 80,00,50,000 | 2,064 | 80,00,50,000 | 2,064 |
| | Arima Holdings Limited | USD 100 each | 50,390 | *** | 50,390 | *** |
| | Erebus Limited | USD 100 each | 2,15,420 | $$$ | 2,15,420 | $$$ |
| | Nippon Ispat Singapore (Pte) Limited | SGD 1 each | 7,84,502 | - | 7,84,502 | - |
| | Peddar Realty Private Limited | ₹ 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 Utkal Steel Limited | ₹ 10 each | 9,34,64,400 | 97 | 4,97,49,000 | 50 |
| | Acero Junction Holdings, Inc. | USD 0.001 each | 100 | 536 | 100 | 536 |
| | JSW Steel Italy Piombino S.p.A. (Formerly known as Acciaierie e Ferriere di Piombino S.p.A.) | Euro 1 each | 93,600 | ^^ | 93,600 | ^^ |
| | GSI Lucchini S.p.A | Euro 1 each | 2,736 | && | 2,736 | && |
| | JSW One Platforms Limited (formerly known as JSW Retail Limited) | ₹ 10 each | 10,000 | ^ | 10,000 | ^ |
| | Vardhman Industries Limited | ₹ 10 each | 45,00,000 | 5 | 45,00,000 | 5 |
| | JSW Vallabh Tinplate Private Limited | ₹ 10 each | 3,82,56,827 | 65 | 2,50,19,600 | 30 |
| | Piombino Steel Limited (refer note 49) | ₹ 10 each | - | - | 77,95,786 | 8 |
| | JSW Vijayanagar Metallics Limited | ₹ 10 each | 49,71,000 | 5 | 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 | "" |
| | Creixent Special Steels Limited | ₹ 10 each | 48,00,000 | 25 | 48,00,000 | 25 |
| | JSW Ispat Special Products Limited (Formerly known as 'Monnet Ispat and Energy Limited') | ₹ 10 each | 399 | &&& | 399 | &&& |
| | Vijayanagar Minerals Private Limited | ₹ 10 each | 4,000 | @ | 4,000 | @ |
| | Piombino Steel Limited (refer note b & 49) | ₹ 10 each | 98,00,00,000 | 1,117 | - | - |
| **B** | **Investment in limited liability partnership firm** | | | | | |
| | **Unquoted subsidiary (at cost or deemed cost)** | | | | | |
| | Inversiones Eurosh Limitada (unquoted) | 5% Equity Interest in the capital | NA | ^^^ | NA | ^^^ |

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

| Particulars | | Paid up value | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|---|---|
| | | | No. of shares | ₹ in crores | No. of shares | ₹ in crores |
| **C** | **Investments in debentures of subsidiary companies at cost** | | | | | |
| | JSW Steel Coated Products Limited | 0.1% compulsorily convertible debentures of ₹ 52 each | 12,50,00,000 | 650 | - | - |
| **D** | **Investment in share warrants of Joint Venture** | | | | | |
| | Piombino Steel Limited (refer note 49) | Share warrants of ₹ 0.02 each exercisable within 5 years for 1 equity share against 1 warrant | 3,50,00,00,000 | 7 | - | - |
| | **Total** | | | **6,714** | | **4,794** |
| | Less: Aggregate amount of provision for impairment in the value of investments | | | (38) | | (37) |
| | | | | **6,676** | | **4,757** |
| | **Unquoted** | | | | | |
| | Aggregate carrying value | | | 6,676 | | 4,757 |

*** ₹ 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 2020 30,43,73,882 shares ) are pledged to the Amba River & Coke Limited (ARCL)'s banker.

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

## 9. Investments (non-current)

| Particulars | | Paid up value | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|---|---|
| | | | 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 | 750 | 8,53,63,090 | 364 |
| | 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 | $ |
| | | | | **764** | | **378** |
| **B** | **Investments in preference shares and Debentures** | **Terms** | | | | |
| | Unquoted- (at fair value through profit and loss) | | | | | |
| | Subsidiaries | | | | | |
| | JSW Steel(Netherlands) B.V. | 5% redeemable, non-cumulative of Euro 1 each | 3,99,00,250 | 217 | 3,99,00,250 | 217 |
| | JSW Realty & Infrastructure Private Limited | 10% redeemable, non-cumulative of ₹ 100 each | 1,99,15,000 | 103 | 1,99,15,000 | 99 |
| | JSW Realty & Infrastructure Private Limited | 10% redeemable, non-cumulative of ₹ 100 each(Series 1) | 50,00,000 | 39 | 50,00,000 | 37 |
| | JSW Realty & Infrastructure Private Limited | 10% redeemable, non-cumulative of ₹ 100 each(Series 2) | 53,00,000 | 30 | 53,00,000 | 29 |
| | JSW Realty & Infrastructure Private Limited | 10% redeemable, non-cumulative of ₹ 100 each | 2,14,000 | ** | 2,14,000 | 1 |
| | JSW Realty & Infrastructure Private Limited | 10% redeemable, non-cumulative of ₹ 100 each (Series 3) | 8,68,000 | 2 | - | - |
| | Vardhman Industries Limited | 10% p.a. Compulsorily convertible Debentures | 5,90,00,000 | 59 | 5,90,00,000 | 59 |
| | **Joint ventures** | | | | | |
| | Rohne Coal Company Private Limited | 1% non-cumulative of ₹ 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 | $$ | 71,52,530 | 3 |
| | Rohne Coal Company Private Limited | 1% Series-B non-cumulative of ₹ 10 each | 19,94,686 | 2 | 16,61,686 | 2 |
| | Piombino Steel Limited (refer note 49) | 6% optionally fully convertible, non-cumulative of ₹ 10 each for a term of 10 years | 4,10,00,00,000 | 4,100 | - | - |
| | | | | **4,553** | | **447** |
| **C** | **Investments in preference shares** | **Terms** | | | | |
| | **Unquoted- (at amortised cost)** | | | | | |
| | **Joint ventures** | | | | | |
| | Creixent Special Steels Limited | 0.01% redeemable, cumulative of ₹ 10 each | 17,19,69,200 | 232 | 17,19,69,200 | 206 |
| | Creixent Special Steels Limited | 0.01% redeemable, cumulative of ₹ 10 each | 19,83,00,410 | 233 | 19,83,00,410 | 211 |
| | JSW Ispat Special Products Limited (Formerly known as 'Monnet Ispat and Energy Limited') | 0.01% compulsorily convertible, non-cumulative of ₹ 10 each | 601 | @ | 601 | @ |
| | | | | **465** | | **417** |
| **D** | **Investments in Government securities (unquoted- Others) (at amortised cost)** | | | | | |
| | National Savings Certificates | | | ^^ | | ^^ |
| | (Pledged with commercial tax department) | | | | | |
| | **Total (A+B+C+D)** | | | **5,782** | | **1,242** |
| | **Quoted** | | | | | |
| | Aggregate book value | | | **750** | | **364** |
| | Aggregate market value | | | **750** | | **364** |
| | **Unquoted** | | | | | |
| | Aggregate carrying value | | | **5,032** | | **878** |
| | Investment at amortised cost | | | 465 | | 417 |
| | Investment at fair value through other comprehensive income | | | 764 | | 378 |
| | Investment at fair value through profit and loss | | | 4,553 | | 447 |

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## 10. Loans (Unsecured)

₹ in crores

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

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

### Movement in Allowance for doubtful loans

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

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

₹ in crores

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

# represents amounts below ₹ 0.50 crore

## 11. Others financial assets (Unsecured)

₹ in crores

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

### Movement in Allowance for doubtful receivables

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

## 12. Other assets

₹ in crores

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

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

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

## 13. Inventories

₹ in crores

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

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

### Details of Stock-in-transit

₹ in crores

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

## 14. Trade receivables

₹ in crores

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

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

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

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

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

Credit risk management regarding trade receivables has been described in note 43.6.

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

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

## 15. Cash and cash equivalents

₹ in crores

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## 16. Bank balance other than cash and cash equivalents

₹ in crores

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

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

## 17. Derivative Assets

₹ in crores

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

## 18. Equity share capital

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|---|---|
| | Number of Shares | | Amount (₹ in crores) | |
| **Share Capital** | | | | |
| **(a) Authorised:** | | | | |
| Equity shares of the par value of ₹ 1 each | 60,150,000,000 | 60,150,000,000 | 6,015 | 6,015 |
| **(b) Issued and subscribed** | | | | |
| (i) Outstanding at the beginning of the year, fully paid-up | 2,417,220,440 | 2,417,220,440 | 242 | 242 |
| (ii) Less: Treasury shares held under ESOP Trust (refer note below) | (11,454,094) | (14,816,254) | (1) | (2) |
| (iii) Outstanding at the end of the year, fully paid-up | 2,405,766,346 | 2,402,404,186 | 241 | 240 |
| **(c) Equity shares forfeited (amount originally paid-up)** | | | 61 | 61 |
| **Total** | | | **302** | **301** |

**a) NOTE FOR SHARES HELD UNDER ESOP TRUST:**

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

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

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

### Movement in treasury shares

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|---|---|
| | Number of shares | | Amount (₹ in crores) | |
| **Shares of ₹ 1 each fully paid-up held under ESOP Trust** | | | | |
| **Equity shares as at 1 April** | 14,816,254 | 15,508,976 | 2 | 2 |
| Changes during the year | (3,362,160) | (692,722) | * | @ |
| Equity shares as at 31 March | 11,454,094 | 14,816,254 | 1 | 2 |

@ ₹ (0.07) crores * ₹ (0.34) 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 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | No of shares | % of shares | No of shares | % of shares |
| **Equity shares** | | | | |
| JFE Steel International Europe BV | 362,583,070 | 15.00% | 36,25,83,070 | 15.00% |
| JSW Techno Projects Management Ltd | 26,44,54,220 | 10.94% | 25,70,51,220 | 10.63% |
| JSW Holdings Limited | 18,14,02,230 | 7.50% | 18,14,02,230 | 7.50% |
| Vividh Finvest Private Limited | 143,370,690 | 5.93% | 14,33,70,690 | 5.93% |

**d) SHARES 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

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

## 19. Other equity

₹ in crores

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

**(i) General reserve**

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year.

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

**(ii) Retained Earnings**

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

**(iii) Equity Instruments through other comprehensive income**

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

**(iv) Effective portion of cash flow hedges**

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit and loss only when the hedged transaction affects the profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

**(v) Equity settled share based payment reserve**

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

**(vi) Capital reserve**

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

**(vii) Capital redemption reserve**

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

**(viii) Securities Premium**

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




# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021




## 20. Borrowings (at amortised cost)

₹ in crores

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

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| **A. Bonds/Debentures** | | | | | |
| **Bonds (Unsecured)** | | | | | |
| 2,941 | - | 3,016 | - | 5.375% Repayable on 04.04.2025 | |
| 3,675 | - | 3,769 | - | 5.95% Repayable on 18.04.2024 | |
| 3,675 | - | 3,769 | - | 5.25% Repayable on 13.04.2022 | - |
| **10,291** | **-** | **10,554** | **-** | | |
| **Debentures(secured)** | | | | | |
| 1,000 | - | 1,000 | - | 8.90% secured NCDs of ₹ 10,00,000 each are redeemable in four tranches<br>a. ₹ 250 crores on 23.01.2027<br>b. ₹ 250 crores on 23.01.2028<br>c. ₹ 250 crores on 23.01.2029 and<br>d. ₹ 250 crores on 23.01.2030. | First pari passu charge on property, plant and equipments related to Cold Rolling Mill 1 and 2 complex located at Vijayanagar Works, Karnataka (other than specifically carved out). |
| 2,000 | - | 2,000 | - | 8.79% secured NCDs of ₹ 10,00,000 each are redeemable in four tranches<br>a. ₹ 500 crores on 18.10.2026<br>b. ₹ 500 crores on 18.10.2027<br>c. ₹ 500 crores on 18.10.2028 and<br>d. ₹ 500 crores on 18.10.2029. | First pari-passu charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra (other than specifically carved out). |
| 4,000 | - | - | - | 8.5% secured NCD of ₹ 10,00,000 each redeemable in bullet payment on 12.10.2027, with provision of put/call option on 10.10.2025 | First Pari Passu Charge on moveable and immoveable fixed assets of the following:<br>- Salem Works<br>- Cold Rolling Mill #1 & #2 at Vijayanagar Works, Karnataka<br>- Upto 3.8 MTPA Steel Plant" at Vijayanagar Works, Karnataka |
| 670 | 330 | 1,000 | - | 10.34% secured NCDs of ₹ 10,00,000 each are redeemable in three tranches<br>a.₹ 330 crores on 18.1.2022<br>b.₹ 330 crores on 18.1.2023<br>c.₹ 340 crores on 18.1.2024 | First pari passu charge on property, plant and equipments related to 2.8 MTPA expansion project located at Vijayanagar Works, Karnataka and a flat at Vasind, Maharashtra. |
| 1,000 | - | 1,000 | - | 10.02% secured NCDs of ₹ 10,00,000 each are redeemable in two tranches<br>a.₹ 500 crores on 20.05.2023<br>b. ₹ 500 crores on 19.07.2023 | First pari passu charge on 3.8 MTPA property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra. |
| **8,670** | **330** | **5,000** | **-** | | |

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| **Debentures (Unsecured)** | | | | | |
| - | 1,000 | - | - | Bullet payment on 03.09.2021 with put/call option on 15.06.2021 | |
| **-** | **1,000** | **-** | **-** | | |
| **B. Term Loans** | | | | | |
| **Rupee Term Loans From Banks (Secured)** | | | | **Weighted average interest cost as on 31 March 2021 is 8.03%** | |
| 2,961 | 156 | 709 | - | 12 quarterly installments of ₹ 38.96 crores each from 30.06.2021-31.03.2024<br>04 quarterly installments of ₹ 194.8 crores each from 30.06.2024-31.03.2025<br>08 quarterly installments of ₹ 233.77 crores each from 30.06.2025 - 31.03.2027 | First pari passu charge on expansion project at Dolvi Works, Maharashtra from 5 MTPA to 10 MTPA capacity (other than specifically carved out) . |
| 187 | 42 | 219 | 31 | 21 Quarterly installments of ₹ 10.41 crores each from 30.06.2021 - 30.06.2026 and last installment of ₹ 10.57 crore on 30.09.2026. | First pari passu charge on property, plant and equipments related to new 5 MTPA Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka. |
| 354 | 86 | 418 | 86 | 20 equal quarterly installments of ₹ 21.43 crores each from 30.06.2021 to 31.3.2026 and last installment of ₹ 11.06 crores on 30.06.2026 | Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019. First pari-passu charge on property, plant and equipments of 1.5 MTPA coke oven plant (i.e. Phase I under erstwhile Dolvi Coke Projects Ltd) at Dolvi Works, Maharashtra |
| 225 | 25 | - | - | 4 quarterly installments of ₹ 6.25 crores each from 30.06.2021-31.03.2022<br>4 quarterly installments of ₹ 9.37 crores each from 30.06.2022-31.03.2023<br>4 quarterly installments of ₹ 12.50 crores each from 30.06.2023-31.03.2024<br>4 quarterly installments of ₹ 15.62 crores each from 30.06.2024-31.03.2025<br>4 quarterly installments of ₹ 18.75 crores each from 30.06.2025-31.03.2026 | First charge on 5 MTPA Hot Strip Mill at Vijayanagar Works in Karnataka |
| 319 | 75 | 393 | 66 | 5 quarterly installments of ₹ 18.75 crores each from 30.06.2021-30.06.2022<br>12 quarterly installments 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). |
| 300 | 100 | 400 | 100 | 16 quarterly installments of ₹ 25 crores each from 30.06.2021-31.03.2025 | First pari passu charge on property, plant and equipments related to new 5 MTPA Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka. |
| 380 | 120 | 470 | 105 | 12 quarterly installments of ₹ 30 crores each from 30.06.2021 to 31.03.2024<br>4 quarterly installments of ₹ 35 crores each from 30.06.2024 to 31.03.2025 | Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019. First charge on entire immovable and movable fixed assets located at Salav works (erstwhile JSW Steel Salav Limited), Maharashtra. |
| 300 | 100 | 375 | 100 | 16 quarterly installments of ₹ 25 crores each from 30.06.2021-31.03.2025 | First pari passu charge on property, plant and equipments situated at Salem Works, Tamil Nadu. |
| - | - | 563 | 75 | 02 Quarterly instalments of ₹ 18.75 crores each from 27.07.2020 - 27.10.2020<br>16 Quarterly instalments of ₹ 37.50 crores each from 27.01.2021 - 27.10.2024 - repaid in Oct 2020 | First pari-passu charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra. |
| 614 | 192 | 758 | 192 | 4 quarterly installments of ₹ 48 crores each from 30.06.2021 - 31.03.2022<br>9 quarterly installments of ₹ 64 crores each from 30.06.2022 - 30.06.2024<br>1 quarterly instalment of ₹ 38.35 crores on 30.09.2024. | First charge on entire movable and immovable property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/machinery procured out of proceeds of ECA/ECB/FCL) both present and future. |



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| 225 | 94 | 319 | 75 | 1 quarterly installments of ₹ 18.75 crores on 30.06.2021 12 quarterly installments 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 | 16 Quarterly instalment of ₹ 50 crores each from 30.06.2020 - 31.03.2024 - repaid in Oct 2020 | First charge on 3.2 MTPA expansion property, plant and equipments situated at Vijayanagar Works Karnataka |
| 750 | 250 | 938 | 93 | 04 Quarterly installments of ₹ 62.50 crores each from 30.04.2021 - 31.01.2022<br>08 Quarterly installments of ₹ 93.75 crores each from 31.04.2022 - 31.1.2024 | First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra. |
| 588 | 149 | 700 | 150 | 5 quarterly instalments of ₹ 37.5 crores each from 30.06.2021 - 30.06.2022<br>4 quarterly instalments of ₹ 43.75 crores each from 30.09.2022 - 30.06.2023<br>2 quarterly instalments of ₹ 187.5 crores each from 30.09.2023 - 31.12.2023 | First pari passu charge on 3.8 MTPA upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka. |
| 88 | 49 | 125 | 50 | 11 Quarterly instalments of ₹ 12.5 crores each from 30.06.2021 - 31.12.2023. | First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra. |
| 150 | 100 | 225 | 100 | LTMR+0.30%: 10 quarterly installments of ₹ 25 crores each from 01.06.2021-01.09.2023 | First charge on 3.2 MTPA expansion property, plant and equipments situated at Vijayanagar Works Karnataka |
| 699 | 463 | 1,164 | - | 1 quarterly instalment on 30.6.2021 of 113.65 crore<br>3 quarterly installments of ₹ 116.40 crores each from 30.09.2021-31.03.2022<br>4 quarterly installments 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. |
| 950 | 350 | 1,250 | 200 | 2 Quarterly instalments of ₹ 50 crores each from 30.06.2021 - 30.09.2021<br>4 Quarterly instalments of ₹ 125 crores each from 31.12.2021 - 30.09.2022<br>2 Quarterly instalments of ₹ 350 crores each from 31.12.2022- 31.03.2023. | First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra. |
| 262 | 163 | 388 | 150 | 2 quarterly instalments of ₹ 37.5 crores each from 30.06.2021 - 30.09.2021<br>4 quarterly instalments of ₹ 43.75 crores each from 31.12.2021 - 30.09.2022<br>2 quarterly instalments of ₹ 87.5 crores each from 31.12.2022 - 31.03.2023. | First pari passu charge on 3.8MTPA upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka. |
| 62 | 63 | 109 | 63 | 08 quarterly installments of ₹ 15.625 crores each from 30.06.2021-31.03.2023 | First pari passu charge on 3.8 MTPA property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out). |
| - | 45 | 90 | 160 | 1 quarterly installments of ₹ 45 crores on 30.06.2021 | First charge on 3.2 MTPA expansion property, plant and equipments (other than assets specifically carved out) situated at Vijayanagar Works Karnataka |
| - | - | - | 375 | 2 quarterly installments of ₹ 37.50 crores each from 30.06.2020-30.09.2020<br>2 quarterly installments 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 |
| **9,414** | **2,622** | **10,213** | **2,371** | | |

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

| As at 31 March 2021 | | As at 31 March 2020 | | 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 2021 is 3.66%** | |
| 423 | 94 | 530 | 97 | 20 equal quarterly installments of ₹ 23.62 crores each from 30.06.2021 to 31.03.2026. 1 installment of ₹ 44.95 crores on 30.06.2026. | Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 01.04.2019. First pari-passu charge on property, plant and equipments of 1.5 MTPA coke oven plant (i.e. Phase I under erstwhile Dolvi Coke Projects Ltd) at Dolvi Works, Maharashtra |
| **423** | **94** | **530** | **97** | | |
| **Total Term Loan-Secured** | | | | | |
| **9,837** | **2,716** | **10,743** | **2,468** | | |
| **Rupee Term Loans From Banks (Unsecured)** | | | | **Weighted average interest cost as on 31 March 2021 is 7.41%** | |
| 300 | - | - | - | 3 quarterly instalments of ₹ 100 crores each from 28.06.2023 to 28.12.2023 | |
| - | 75 | 30 | 120 | 2 quarterly instalments of ₹ 25 crores each from 20.06.2021 to 20.09.2021<br>01 quarterly instalment of ₹ 25 crores on 20.11.2021 | |
| - | 750 | 750 | - | 1 instalment of ₹ 250 crores on 05.04.2021 and 1 installment of ₹ 500 crore on 05.09.2021 | |
| - | - | - | 250 | 1 instalment of ₹ 250 crores each on 20.05.2020 | |
| **300** | **825** | **780** | **370** | | |
| **Foreign Currency Term Loans From Banks (Unsecured)** | | | | **Weighted average interest cost as on 31 March 2021 is 2.63%** | |
| 290 | 34 | 286 | 15 | 19 equal semi-annual installment of ₹ 17.06 crores from 31.08.2021 to 31.08.2030 | |
| 199 | 25 | 176 | 20 | 18 equal semi-annual installment of ₹ 12.44 crores from 31.08.2021 to 28.02.2030 | |
| 170 | 21 | 142 | 16 | 18 equal semi-annual installment of ₹ 10.63 crores from 30.06.2021 to 31.12.2029 | |
| 342 | 46 | 294 | 34 | 17 equal semi-annual installment of ₹ 22.83 crores from 30.06.2021 to 30.06.2029 | |
| 151 | 22 | 181 | 23 | 15 equal semi-annual installments of ₹ 6.21 crores from 25.06.2021 to 25.06.2028 and 1 installment of ₹ 2.56 crores on 25.12.2028<br>15 equal semi-annual installment of ₹ 5.07 crores from 25.06.2021 to 25.06.2028 and 1 installment of ₹ 1.76 crores on 25.12.2028 | |
| 301 | 50 | 364 | 52 | 14 equal semi-annual installments of ₹ 12.92 crores from 27.09.2021 to 25.03.2028 and 1 installment of ₹ 0.23 crore on 25.09.2028.<br>14 equal semi-annual installment of ₹ 11.95 crores from 27.09.2021 to 25.03.2028 and 1 installment of ₹ 2.57 crores on 25.09.2028. | |
| 209 | 37 | 116 | 37 | 13 equal semi-annual installments of ₹ 18.17 crores from 08.08.2021 to 08.08.2027 and 1 installment of ₹ 9.38 crores on 06.02.2028 | |
| 47 | 9 | 54 | 9 | 12 semi annual installments of ₹4.70 crores each from 31.07.2021 to 31.01.2027 | - |
| 149 | 32 | 186 | 33 | 11 equal semi-annual installments of ₹ 16.01 crores from 25.06.2021 to 25.06.2026 and 1 installment of ₹ 5.14 crores on 25.12.2026 | |



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| 69 | 21 | 91 | 21 | 6 half yearly instalments of ₹ 3.32 crores each from 31.07.2021 to 31.01.2024.<br>7 half yearly instalments of ₹ 1.34 crores each from 30.04.2021 to 30.04.2024<br>10 semi annual installments of ₹2.12 crores each from 25.06.2021 to 25.03.2026<br>10 semi annual installments of ₹2.21 crores each from 25.06.2021 to 25.3.2026.<br>11 semi annual installments of ₹1.56 crores each from 25.06.2021 to 25.06.2026. | |
| 1,838 | - | 1,885 | - | 2 annual installments of ₹ 612.48 crores from 19.03.2024 to 19.03.2025 and 1 installment of ₹ 612.66 crores on 19.03.2026 | |
| 54 | 13 | 69 | 14 | 10 semi annual installments of ₹ 4.60 crores each from 23.07.2021 to 23.01.2026<br>10 semi annual installments of ₹2.15 crores each from 06.08.2021 to 07.02.2026 | |
| 875 | - | 786 | - | 1 installment of ₹ 269.57 crores on 28.12.2023<br>2 annual installments of ₹ 269.49 crores from 28.12.2024 to 28.12.2025 for USD Loans<br>1 installment of ₹ 22.12 crores on 22.01.2024 and<br>2 annual installments of ₹ 22.11 crores from 22.01.2025 to 22.01.2026 for JPY loans | |
| 551 | - | 565 | - | 4 equal installment of ₹ 137.82 crores from 19.10.2022 to 19.10.2025 | |
| 919 | - | 942 | - | 4 annual installments of ₹ 229.70 crores from 16.07.2022 to 16.07.2025 | |
| 294 | - | 302 | - | 4 annual installments of ₹ 73.50 crores from 12.07.2022 to 12.07.2025 | |
| 30 | 108 | 141 | 111 | Repayable ₹98 crores on 13.8.2021<br>7 equal semi annual instalments of ₹5.02 crores each from 27.09.2021 to 25.09.2024 and 1 semi annual instalment of ₹ 4.49 crores on 25.03.2025 | |
| 108 | 37 | 150 | 39 | 7 equal semi annual instalments of ₹ 6.03 crores each from 09.07.2021 to 09.07.2024 and 1 semi annual instalment of ₹ 5.31 crores on 09.01.2025<br>7 equal semi annual instalments of ₹ 12.68 crores each from 09.07.2021 to 09.07.2024 and 1 semi annual instalment of ₹ 9.19 crores on 09.01.2025 | |
| 1,158 | 386 | 1,583 | - | 4 annual installments of ₹ 385.90 crores from 12.10.2021 to 12.10.2024 | |
| 735 | - | 754 | - | Repayable on 05.04.2024 | |
| 141 | 90 | 300 | 218 | 5 half yearly instalments of ₹ 39.07 crores each from 30.04.2021 to 30.04.2023<br>6 half yearly instalments of ₹ 5.95 crores each from 18.09.2021 to 18.03.2024. | |
| 28 | 14 | 43 | 14 | 6 half yearly instalments of ₹ 7.04 crores each from 30.09.2021 to 31.03.2024 | |
| 28 | 14 | 43 | 14 | 6 half yearly instalments of ₹ 7 crores each from 26.08.2021 to 28.02.2024 | |

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| 157 | 81 | 246 | 84 | 6 half yearly instalments of ₹ 17.15 crores each from 19.07.2021 to 19.01.2024. 5 half yearly instalments of ₹ 23.42 crores each from 19.07.2021 to 19.07.2023 and 1 half yearly instalment of ₹ 17.79 crores on 19.01.2024. | |
| 21 | 10 | 30 | 10 | 6 equal semi annual installments of ₹5.15 crores each from 15.06.2021 to 15.12.2023. | |
| 257 | 405 | 678 | - | Repayable in three tranches<br>a. ₹367.52. crores on 21.2.2022<br>b. ₹36.75 crores on 06.03.2022<br>c. ₹257.27 crores on 03.07.2022 | |
| - | 270 | 277 | 260 | Repayable of ₹270 crores on 27.4.2021 | |
| - | - | - | 1,131 | 3 Repayable of ₹ 365.27 crores on 21.3.2021 | |
| **9,121** | **1,725** | **10,684** | **2,155** | | |
| **Total Term Loan-Unsecured** | | | | | |
| **9,421** | **2,550** | **11,464** | **2,525** | | |
| **C. Acceptance for Capital Projects more than 1 year** | | | | | |
| **Acceptance – Secured** | | | | | |
| 567 | 56 | 633 | - | Repayment of 10 cases 2021-22 - ₹ 55.53 crores on various dates.<br>Repayment of 78 cases 2022-23 - ₹ 566.97 crores on various dates | First pari-passu charge on movable fixed assets of 1.5 MTPA Coke Oven Plant (Phase 2) at Dolvi Works, Maharashtra. |
| - | 10 | 8 | 61 | Repayment of 04 cases in 2021-22 - ₹ 10.45 crores on various dates. | First pari passu charge on expansion project at Dolvi Works, Maharashtra from 5 MTPA to 10 MTPA capacity (other than specifically carved out) |
| 9 | - | 9 | - | Repayment of ₹ 9.45 crores on 01.08.2022 | First pari-passu charge on movable fixed assets of 1.5 MTPA Coke Oven Plant (Phase 2) at Dolvi Works, Maharashtra. |
| **576** | **66** | **650** | **61** | | |
| **Acceptance – Unsecured** | | | | | |
| 132 | 147 | 268 | 101 | Repayment of 39 cases in 2021-22 - ₹ 147.44 crores on various dates<br>Repayment of 24 cases in 2022-23 - ₹ 132.43 crores on various dates | |
| 464 | 198 | 661 | 14 | Repayment of 59 cases in 2021-22 - ₹ 197.97 crores on various dates<br>Repayment of 121 cases in 2022-23 - ₹ 461.74 crores on various dates<br>Repayment of 02 cases in 2023-24 - ₹ 2.28 crores on various dates | |
| **596** | **345** | **929** | **115** | | |



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

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

₹ in crores

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

### Movements in allowances for financial guarantees

₹ in crores

| Particulars | Amount |
|---|---|
| **As at 1 April 2019** | **516** |
| Additional provision created during the year | 376 |
| Release of financial guarantees | (57) |
| Exchange fluctuations | 38 |
| **As at 31 March 2020** | **873** |
| Release of financial guarantees (refer note 10) | (264) |
| Exchange fluctuations | (4) |
| **As at 31 March 2021** | **605** |

## 22. Provisions

₹ in crores

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

**a) Movement of restoration liabilities provision during the year**

₹ in crores

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

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

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

₹ in crores

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

## 23. Income tax

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

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

MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT for the fiscal year 2020-21 is charged at 15% plus a surcharge and education cess. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

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

**A. Income tax expense**

₹ in crores

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

₹ in crores

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

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

During the previous year ended 31 March 2020, Company had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. Based on the detailed assessment carried out the management, deferred tax liabilities on temporary differences expected to reverse during the period in which the Company would be under the new tax regime and accordingly applied the new rate for measuring the said deferred tax liabilities in accordance with the requirements of IND AS 12 - 'Income Taxes". This had resulted in reversal of deferred tax liabilities amounting to ₹2150 crores in FY 2019-20. During the year, the Company has re-assessed the impact of the Ordinance and there is no significant change.

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

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

₹ in crores

| Deferred tax balance in relation to | As at 31-Mar-19 | Recognised / reversed through profit and loss | Recognised in / reclassified from other comprehensive income | As at 31-Mar-20 |
|---|---|---|---|---|
| Property, plant and equipment | (10,253) | 2,043 | - | (8,210) |
| Carried forward business loss/ unabsorbed depreciation | 391 | (391) | - | - |
| Cash flow hedges / FCMITDA | 14 | - | 221 | 235 |
| Provisions for employee benefit/ loans and advances and guarantees | 629 | 511 | 6 | 1,146 |
| Lease liabilities | 1,393 | (174) | - | 1,219 |
| Others | 79 | 20 | - | 99 |
| MAT credit entitlement | 4,416 | (220) | - | 4,196 |
| **Total** | **(3,331)** | **1,788** | **227** | **(1,315)** |

Deferred tax asset on long term capital losses of ₹ 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 ₹ 665 crores expiring in fiscal year 2024-25 has not been recognised in the absence of probable future taxable capital gains.

## 24. Other liabilities (Non-current)

₹ in crores

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

Advance from customer includes amount outstanding relating to a five year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. for supply of Steel Products. In March 2018, Duferco S.A had provided an interest bearing advance amount of US $ 700 million under this agreement. The advance and interest will be adjusted by export of steel products to Duferco S.A . Current portion of ₹ 1,010 crores (31 March 2020 ₹ 1,010 crores) has been included in note 29.

## 25. Borrowings (current, at amortised cost)

₹ in crores

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

Borrowing have been drawn at following rate of interest

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

Working capital loans from banks of ₹ 785 crores (31 March 2020 ₹ 2,930 crores) are secured by:

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

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

## 26. Trade payables

₹ in crores

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

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

₹ in crores

| Description | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Principal amount outstanding as at end of year (refer note i) | 243 | 56 |
| Principal amount overdue more than 45 days | 18 | - |
| Interest due and unpaid as at end of year | # | - |
| Interest paid to the supplier | - | - |
| Payments made to the supplier beyond the appointed day during the year | 443 | * |
| Interest due and payable for the period of delay | 7 | * |
| Interest accrued and remaining unpaid as at end of year | - | - |
| Amount of further interest remaining due and payable in succeeding year | - | - |

*under legal evaluation #less than ₹ 0.50 crore

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

₹ in crores

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

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

Payables Other than acceptances are normally settled within 180 days.

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

## 27. Derivative Liabilities

₹ in crores

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

₹ in crores

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

*less than 0.50 crore

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

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

## 29. Other current liabilities

₹ in crores

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

Advance from customers includes ₹ 1,010 crores (31 March 2020 ₹ 1,010 crores) relating to current portion of APSA. Refer note 24.

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## 30. Revenue from operations

₹ in crores

| Particulars | | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|---|
| **Sale of products** | | | |
| Domestic turnover | | 54,732 | 52,326 |
| Export turnover | | 14,726 | 9,989 |
| | A | **69,458** | **62,315** |
| **Other operating revenues** | | | |
| Government grant income | | | |
| Grant income recognised under PSI 2007 scheme (refer note a) | | 220 | 87 |
| Deferred Income GST government/ Sales Tax Loan | | 242 | 496 |
| Export obligation deferred income amortisation | | 239 | 140 |
| Export benefits and entitlements income | | 370 | 297 |
| Unclaimed liabilities written back | | 62 | 144 |
| Miscellaneous income* | | 136 | 67 |
| | B | 1,269 | 1,231 |
| | A+B | **70,727** | **63,546** |
| Government grant Income -VAT/ GST Incentive relating to earlier years (refer note a) | | - | 466 |
| Fees for assignment of procurement contract (refer note b) | | - | 250 |
| **Total Revenue from operations** | | **70,727** | **64,262** |

*includes income from scrap sales, CST incentive etc.

### Product-wise turnover

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

**Notes:**

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

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

During October 2019, the Company has received an in-principle approval for eligibility from the Government of Maharashtra in response to the application filed by the Company for incentive under PSI Scheme 2007 on its investment for expansion from 3.3 MTPA to 5 MTPA at Dolvi unit for the period beginning May 2016 onwards. The Company has submitted the required documentation with the State Government for issuance of the Eligibility Certificate and expects to receive the same basis the modalities declared by the Government. Accordingly, the Company has recognised grant income amounting to ₹ 220 crores for the year ended 31 March 2021. The cumulative amount receivable towards the same is ₹ 772 crores as at 31 March 2021.

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

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

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

### Contract Balances

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

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

As at 31 March 2021 ₹ 192 crores (previous ₹ 153 crores) was recognised as provision for allowance for doubtful debts on trade receivables.

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

Amount of revenue recognised from amounts included in the contract liabilities at the beginning of the year ₹ 1,487 crores (previous year ₹990 crores) and performance obligations satisfied in previous years ₹ NIL (previous year ₹ NIL).

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

### Refund liabilities

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

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

## 31. Other income

₹ in crores

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

*₹ 0.40 crore

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

₹ in crores

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

## 33. Employee benefits expense

₹ in crores

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

The Company in the previous year launched a one-time scheme ('Samruddhi') applicable only for certain permanent employees (Eligible Employee) of the Company. The Eligible Employee can purchase the Equity Shares from the open market by availing a loan provided by a bank / non-banking financial institution ("Lending Agency") identified by the Company to facilitate acquisition of Equity Shares by the Eligible Employees under the Plan. The plan provides that the Company shall service 75% of the total interest liability owed to the Lending Agency and the balance 25% will be borne by the Eligible Employee. The interest expense recognised in the financial statements during the year was ₹ 11 crores. (₹ 6 crores in 31 March 2020).

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## 34. Finance costs

₹ in crores

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

## 35. Depreciation and amortisation expense

₹ in crores

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

## 36. Other expenses

₹ in crores

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

# including hedging cost of ₹ 279 crores (previous year ₹ 307 crores)



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

**Note:**

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

₹ in crores

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

*includes ₹ 0.33 crore (31 March 2020 ₹ 0.53 crore) pertaining to previous year

#represents amounts below ₹ 0.5 crore

### b) Corporate Social Responsibility (CSR)

The Company has incurred an amount of ₹ 165 crores (31 March 2020 ₹ 140 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 2021 | | For the year ended 31 March 2020 | |
|---|---|---|---|---|
| | In-Cash | Yet to be Paid in Cash | In-Cash | Yet to be Paid in Cash |
| (a) Gross amount required to be spent by the Company during the year | 165 | | 139 | |
| (b) Amount spent on: | | | | |
| (i) Construction / acquisition of assets | - | - | * | - |
| (ii) On purposes other than (i) above (for CSR projects) | 67 | 98 | 121 | 19 |

*represents ₹ 0.14 crore

## 37. Research and development activities

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

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

## 38. Earnings per share (EPS)

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Profit attributable to equity shareholders (₹ in crores) (A) | 8,393 | 5,291 |
| **Weighted average number of equity shares for basic EPS (B)** | **2,40,38,12,821** | **2,40,21,45,868** |
| Effect of dilution: | | |
| Weighted average number of treasury shares held through ESOP trust | 1,34,07,619 | 1,50,74,572 |
| **Weighted average number of equity shares adjusted for the effect of dilution (C)** | **2,41,72,20,440** | **2,41,72,20,440** |
| Basic EPS (Amount in ₹) (A/B) | 34.92 | 22.03 |
| Diluted EPS (Amount in ₹) (A/C) | 34.72 | 21.89 |

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

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

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

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

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

| Particulars | ESOP 2016 | | |
|---|---|---|---|
| | 1st Grant | 2nd Grant | 3rd Grant |
| Date of grant<br>-original grant<br>-supplementary grant | 17 May 2016<br>5 December 2019 | 16 May 2017<br>5 December 2019 | 14 May 2018<br>5 December 2019 |
| Share Price on date of grant<br>-original grant<br>-supplementary grant | 129.56<br>259.80 | 201.70<br>259.80 | 329.05<br>259.80 |
| Average fair value on date of grant<br>-original grant<br>-supplementary grant | 67.48<br>91.07 | 104.04<br>92.55 | 167.15<br>98.63 |
| Outstanding as on 1 April 2019 | 63,20,000 | 45,97,558 | 31,76,056 |
| Granted during the period* | 1,85,595 | 1,19,920 | 55,002 |
| Transfer in | 28,370 | 31,678 | 8,329 |
| Transfer Out | 4,18,990 | 2,78,188 | 1,93,376 |
| Forfeited during the period | 1,27,315 | 1,87,655 | 1,32,092 |
| Lapsed during the period | - | - | - |
| Exercised during the period | 8,11,215 | - | - |
| Outstanding as on 31 March 2020 | 51,76,445 | 42,83,313 | 29,13,919 |
| Transfer in | 12,360 | 8,394 | 6,108 |
| Transfer Out | 29,100 | 23,247 | 16,284 |
| Forfeited during the period | 64,225 | 46,219 | 67,460 |
| Lapsed during the period | - | - | - |
| Exercised during the period | 21,95,900 | 6,61,064 | 9,303 |
| **Outstanding as on 31 March 2021** | **28,99,580** | **35,61,177** | **28,26,980** |
| of above - vested outstanding options | 28,99,580 | 35,61,177 | 14,13,490 |
| of above - unvested outstanding options | - | - | 14,13,490 |
| Vesting Period<br>- Original | 17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant) | 16 May 2017 till 31 March 2020 (for 50% of the grant) and 16 May 2017 to 31 March 2021 (for remaining 50% of the grant) | 14 May 2018/ 5 December 2019 till 31 March 2021 (for 50% of the grant) and 14 May 2018/ 5 December 2019 to 31 March 2022 (for remaining 50% of the grant) |
| - Supplementary | 5 December 2019 to 6 December 2020 for the subsequent grants | 5 December 2019 to 6th December 2020 for 50% of the options granted and upto 31 March, 2021 for remaining 50% of the options granted | |
| Exercise Period | 4 years from vesting date | 4 years from vesting date | 4 years from vesting date |
| Weighted average remaining contract life<br>– original grant<br>– Supplementary grant | 30 months<br>45 months | 42 months<br>47 months | 54 months<br>54 months |
| Exercise price<br>– Original grants<br>– Supplementary grants | 103.65<br>207.84 | 161.36<br>207.84 | 263.24<br>207.84 |
| Weighted average share price for shares exercised during the year | 291.79 | 291.79 | 291.79 |
| A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: | The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are: | The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are: | The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are: |
| Expected volatility | Volatility was calculated using standard deviation of daily change in stock price. | Volatility was calculated using standard deviation of daily change in stock price. | Volatility was calculated using standard deviation of daily change in stock price. |

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

| Particulars | ESOP 2016 | | |
|---|---|---|---|
| | 1st Grant | 2nd Grant | 3rd Grant |
| Original grants | The volatility used for valuation is 39.23 % for options with 3 year vesting and 39.62 % with 4 years vesting | The volatility used for valuation is 33.76 % for options with 3 year vesting and 37.43 % with 4 years vesting | The volatility used for valuation is 33.23 % for options with 3 year vesting and 33.28 % with 4 years vesting |
| Supplementary grants | The volatility used for valuation is 32.30 % for options with 1 year vesting | The volatility used for valuation is 32.30 % for options with 1 year vesting and 32.10% with 1.32 years vesting | The volatility used for valuation is 32.10 % for options with 1.32 year vesting and 32.21% with 2.32 years vesting |
| Expected option life | The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + 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<br>– Original grants<br>– Supplementary grants | <br>₹ 1.10 per share<br>₹ 4.10 per share | <br>₹ 0.75 per share<br>₹ 4.10 per share | <br>₹ 2.25 per share<br>₹ 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 years vesting) | The rate used for calculation is 5.67% (for 1 years vesting) & 5.76% (for 1.32 years vesting) | The rate used for calculation is 5.76% (for 1.32 years vesting) & 6.02% (for 2.32 years vesting) |
| The method used and the assumptions made to incorporate the effects of expected early exercise | Black-Scholes Options pricing model | Black-Scholes Options pricing model | Black-Scholes Options pricing model |
| How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility | The following factors have been considered:<br>(a) Share price<br>(b) Exercise prices<br>(c) Historical volatility<br>(d) Expected option life<br>(e) Dividend Yield | | |
| Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition | | | |

*as part of supplementary grants



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## 40. Segment reporting

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

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

### a) Revenue from operations

₹ in crores

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

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

### b) Non-current assets

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

### c) Customer contributing more than 10% of Revenue

₹ in crores

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

## 41. Employee benefits

### a) Defined contribution plan

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

Company's contribution to provident fund & family pension scheme recognised in statement of profit and loss of ₹ 46 crores (31 March 2020: ₹ 57 crores) (included in note 33).

Contribution towards Company owned trust is detailed in Defined benefit plans

### b) Defined benefit plans

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

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

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

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

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2021 by Independent, Qualified Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

## (i) Gratuity:

₹ in crores

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| | Funded | Funded |
| **a) Liability recognised in the balance sheet** | | |
| **i) Present value of obligation** | | |
| Opening balance | 286 | 243 |
| Service cost | 19 | 16 |
| Interest cost | 20 | 18 |
| Actuarial loss on obligation | (27) | 19 |
| Benefits paid | (21) | (10) |
| Liability in | 2 | # |
| Liability transfer | # | - |
| Closing balance | **279** | **286** |
| **Less:** | | |
| **ii) Fair value of plan assets** | | |
| Opening balance | 75 | 77 |
| Interest Income | 6 | 5 |
| Actuarial (loss)/gain on plan assets | # | # |
| Employers' contribution | 7 | - |
| Benefits paid | (14) | (7) |
| Closing balance | **74** | **75** |
| Amount recognised in balance sheet(refer note 22) | **205** | **211** |
| **b) Expenses recognised in statement of profit and loss** | | |
| Service cost | 19 | 16 |
| Interest cost | 20 | 18 |
| Expected return on plan assets | (6) | (5) |
| **Component of defined benefit cost recognised in statement of profit and loss** | **33** | **29** |
| **Remeasurement of net defined benefit liability** | | |
| -Actuarial (gain)/loss on defined benefit obligation | (27) | 19 |
| -Return on plan assets (excluding interest income) | # | # |
| **Component of defined benefit cost recognised in other comprehensive income** | **(27)** | **19** |
| Transferred to preoperative expenses | (1) | # |
| **Total** | **5** | **48** |
| **c) Actual return on plan assets** | 5 | 5 |



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

₹ in crores

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| | Funded | Funded |
| **d) Break up of plan assets:** | | |
| (i) ICICI Prudential Life Insurance Co. Limited (ICICI) | | |
| Balanced fund | 3 | 3 |
| Debt fund | 3 | 3 |
| Short term debt fund | # | # |
| Group Short Term Debt Fund III | - | - |
| (ii) HDFC Standard Life Insurance Co. Limited (HDFC) | | |
| Defensive managed fund | 7 | # |
| Secure managed fund | 8 | 7 |
| Stable managed fund | - | - |
| (iii) SBI Life Insurance Co. Limited – Cap assured fund (SBI) | 37 | 44 |
| (iv) LIC of India – Insurer managed fund (LIC) | 16 | 17 |
| **Total** | **74** | **75** |

# represents amounts below ₹ 0.5 crores

During the year, entire unfunded liabilities have been funded.

### e) Principal actuarial assumptions:

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

### f) Experience adjustments:

₹ in crores

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

# represents amounts below ₹ 0.50 crore

g) The Company expects to contribute ₹ 38 crores (previous year ₹ 39 crores) to its gratuity plan for the next year.

h) The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (31 March 2020: 10 years)

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

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

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

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

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

₹ in crores

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

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

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

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

Fund Allocation

| Particulars | SBI | HDFC | ICICI | LIC |
|---|---|---|---|---|
| **As on 31 March 2021** | **50.22%** | **20.14%** | **8.69%** | **20.95%** |
| As on 31 March 2020 | 58.69% | 9.83% | 8.39% | 23.09% |

Category of assets average percentage allocation fund wise as on 31 March 2021

| Particulars | SBI | HDFC | ICICI | LIC |
|---|---|---|---|---|
| Government securities | - | 47.74% | 35.97% | 20% |
| Debt | 87.70% | 37.31% | 38.73% | Balance invested in approved investments as specified in schedule 1 of IRDA guidelines |
| Equity | 6.87% | 10.38% | 7.36% | |
| Others | 5.43% | 4.57% | 17.94% | |



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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 2021** | | | | |
| Projected benefit payable | 40 | 91 | 363 | 494 |
| **As at 31 March 2020** | | | | |
| Projected benefit payable | 23 | 81 | 487 | 591 |

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

(ii) Provident fund:
Provident Fund for certain eligible employees was managed by the Company through JSW Steel Employees Provident Fund Trust, in line with the Provident Fund and Miscellaneous Provisions Act, 1952 till 31 December 2020. The Company made monthly contributions to provident fund managed by trust for qualifying employees. The Trustees of JSW Steel Employees Provident Fund Trust are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and the relevant provisions prescribed under the law.

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

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

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

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

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

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

(iii) Other long term benefits:

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

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.

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

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

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

### 42.2 Categories of financial instruments

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

#### As at 31 March 2021

₹ in crores

| Particulars | Amortised cost | Fair value through other comprehensive income | Fair value through profit and loss | Derivatives in hedging relationship | Total carrying value | Total fair value |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Investments | 465 | 764 | 4,553 | - | 5,782 | 5,793 |
| Trade receivables | 3,333 | - | - | - | 3,333 | 3,333 |
| Cash and cash equivalents | 11,121 | - | - | - | 11,121 | 11,121 |
| Bank balances other than cash and cash equivalents | 625 | - | - | - | 625 | 625 |
| Loans | 6,115 | - | - | - | 6,115 | 6,115 |
| Derivative Assets | - | - | 11 | 185 | 196 | 196 |
| Other financial assets | 3,319 | - | - | - | 3,319 | 3,319 |
| **Total** | **24,978** | **764** | **4,564** | **185** | **30,491** | **30,502** |
| **Financial liabilities** | | | | | | |
| Long term Borrowings # | 46,470 | - | - | - | 46,470 | 46,610 |
| Lease Liabilities | 3,338 | | - | - | 3,338 | 3,523 |
| Short term Borrowings | 1,285 | - | - | - | 1,285 | 1,285 |
| Trade payables | 12,150 | - | - | - | 12,150 | 12,150 |
| Derivative liabilities | - | - | 14 | 139 | 153 | 153 |
| Other financial liabilities | 12,804 | - | - | - | 12,804 | 12,804 |
| **Total** | **76,047** | **-** | **14** | **139** | **76,200** | **76,525** |



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

#### 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** | **77,424** |

# including current maturities of long term debt

## 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 2021 | As at 31 March 2020 | Level | Valuation techniques and key inputs |
|---|---|---|---|---|
| Quoted investments in equity shares measured at FVTOCI | 750 | 364 | 1 | Quoted bid prices in an active market |
| Unquoted investments in equity shares measured at FVTOCI | 9 | 9 | 3 | Net Asset value of share arrived has been considered as fair value |
| Unquoted investments in equity shares measured at FVTOCI | 5 | 5 | 3 | Cost is approximate estimate of fair value |
| Non-current investments in unquoted compulsory convertible debentures measured at FVTPL | 59 | 59 | 2 | Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). |
| Non-current investments in unquoted optionally fully convertible debentures measured at FVTPL | 4,100 | - | 2 | Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). |
| Non-current investments in unquoted preference shares measured at FVTPL | 394 | 388 | 3 | Discounted cash flow - Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks |
| Derivative Assets | 196 | 275 | 2 | Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). |
| Derivative Liabilities | 153 | 319 | | |

# Notes

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### 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 2019** | **424** |
| Additions made during the period | 2 |
| Allowance for loss | (40) |
| Gain recognised in the statement of profit and loss | 16 |
| **Balance as at 31 March 2020** | **402** |
| Additions made during the period | 2 |
| Allowance for loss | (2) |
| Gain recognised in the statement of profit and loss | 6 |
| **Balance as at 31 March 2021** | **408** |

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

₹ in crores

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

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





# Notes

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

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

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

**Movement in cash flow hedge:**

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

### 43.1 Financial risk management

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

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

- Market risk
- Credit risk; and
- Liquidity risk

### 43.2 Market risk

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

The Company seeks to 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.



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

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

**Currency exposure as at 31 March 2021**

₹ in crores

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

**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** |

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

# Notes

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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 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| **Receivable** | | | | |
| USD/INR | (57) | (70) | 57 | 70 |
| **Payable** | | | | |
| USD/INR | 227 | 274 | (227) | (274) |

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

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

| As at | Nature | No. of Contracts | US$ equivalent (Million) | INR equivalent (crores) | MTM of Option (₹ in crores) |
|---|---|---|---|---|---|
| 31 March 2021 | Assets | 14 | 545 | 4,006 | 110 |
| | Liabilities | 16 | 307 | 2,257 | (7) |
| 31 March 2020 | Assets | 20 | 317 | 2,390 | 15 |
| | Liabilities | 1 | 15 | 113 | (3) |

### Unhedged currency risk position:

I) Amounts receivable in foreign currency

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

II) Amounts payable in foreign currency

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




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### 43.4 Commodity price risk:

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

The Company is subject to fluctuations in prices for the purchase of iron ore, coking coal, ferro alloys, zinc, scrap and other raw material inputs. The Company purchased primarily all of its iron ore and coal requirements at prevailing market rates during the year ended 31 March 2021.

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

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

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

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

₹ in crores

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

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

| As at | Nature | No. of Contracts | Commodity Name | Quantity Natural Gases - BTMU | US$ Equivalent of notional value (Millions) | INR equivalent (crores) | MTM of Commodity contract (₹ in crores) |
|---|---|---|---|---|---|---|---|
| 31-Mar-21 | Assets | - | - | - | - | - | - |
| | Liabilities | - | - | - | - | - | - |
| 31-Mar-20 | Assets | - | - | - | - | - | - |
| | Liabilities | 20 | Liquified Natural Gas | 9,702,000 | 37 | 281 | (56) |

### 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.

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

₹ in crores

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

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

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2021 would decrease / increase by ₹ 212 crores (for the year ended 31 March 2020: decrease / increase by ₹ 242 crores). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings

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

| As at | Nature | No. of Contracts | US$ Equivalent of notional value (Millions) | MTM of IRS (₹ in crores) |
|---|---|---|---|---|
| 31 March 2021 | Assets | 2 | 50 | 1 |
| | Liabilities | 22 | 335 | (85) |
| 31 March 2020 | Assets | 3 | 60 | 1 |
| | Liabilities | 22 | 335 | (130) |

### 43.6 Credit risk management:

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

The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets, financial guarantees and derivative financial instruments.

Moreover, given the diverse nature of the Company's business trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer (other than the Group Companies) accounted for 10% or more of the trade receivables in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties. The assessment is carried out considering the segment of customer, impact seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable. Basis this assessment, the allowance for doubtful trade receivables as at 31 March 2021 is considered adequate.

#### Movements in allowances for bad and doubtful debts

₹ in crores

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



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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 ₹ 30,491 crores as at 31 March 2021 and ₹ 28,466 crores as at 31 March 2020, being the total carrying value of trade receivables, balances with bank, bank deposits, current investments, loans and other financial assets.

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

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

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

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

### 43.7 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has acceptances in line with supplier's financing arrangements which might invoke liquidity risk as a result of liabilities being concentrated with few financial institutions instead of a diverse group of suppliers. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

### Liquidity exposure as at 31 March 2021

₹ in crores

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

### 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 |
| Current investments | - | - | - | - |
| Loans | 321 | 8,680 | 25 | 9,026 |
| Trade receivables | 3,166 | - | - | 3,166 |
| Cash and cash equivalents | 3,438 | - | - | 3,438 |
| Bank balances other than cash and cash equivalents | 7,963 | - | - | 7,963 |
| Derivative assets | 275 | - | - | 275 |
| Other financial assets | 2,794 | 562 | - | 3,356 |
| **Total financial assets** | **17,957** | **9,309** | **1,200** | **28,466** |
| **Financial liabilities** | | | | |
| Long term borrowings | - | 30,179 | 9,068 | 39,247 |
| Lease liabilities | 773 | 2,142 | 574 | 3,489 |
| Short term borrowings | 6,813 | - | - | 6,813 |
| Trade payables | 13,354 | - | - | 13,354 |
| Derivative liabilities | 189 | 130 | - | 319 |
| Other financial liabilities | 11,979 | 1,302 | 7 | 13,288 |
| **Total financial liabilities** | **33,108** | **33,753** | **9,649** | **76,510** |
| Interest payout liability | 2,240 | 6,326 | 1,236 | 9,802 |

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

### Collateral

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## 44. Related party disclosures as per Ind AS 24:

| | |
|---|---|
| **A.** | **Name of related parties** |
| **1** | **Subsidiaries** |
| | JSW Steel (Netherlands) B.V. |
| | JSW Steel (UK) Limited |
| | JSW Steel (USA), Inc. |
| | Periama Holdings, LLC |
| | Purest Energy, LLC |
| | Meadow Creek Minerals, LLC |
| | Hutchinson Minerals, LLC |
| | R.C. Minerals, LLC |
| | Keenan Minerals, LLC |
| | Peace Leasing, LLC |
| | Prime Coal, LLC |
| | Planck Holdings, LLC |
| | Rolling S Augering, LLC |
| | Periama Handling, LLC |
| | Lower Hutchinson Minerals, LLC |
| | Caretta Minerals, LLC |
| | JSW Panama Holdings Corporation |
| | Inversiones Eurosh Limitada |
| | Santa Fe Mining |
| | Santa Fe Puerto S.A. |
| | JSW Natural Resources Limited |
| | JSW Natural Resources Mozambique Limitada |
| | JSW ADMS Carvao Limitada |
| | Nippon Ispat Singapore (PTE) Limited |
| | Erebus Limited |
| | Arima Holdings Limited |
| | Lakeland Securities Limited |
| | JSW Bengal Steel Limited |
| | JSW Natural Resources India Limited |
| | JSW Energy (Bengal) Limited |
| | JSW Natural Resource Bengal Limited |
| | JSW Jharkhand Steel Limited |
| | Amba River Coke Limited |
| | JSW Steel Coated Products Limited |
| | Peddar Realty Private Limited |
| | JSW Industrial Gases Private Limited |
| | JSW Realty & Infrastructure Private Limited |
| | JSW Steel Italy S.r.l. |
| | JSW Utkal Steel Limited |
| | Hasaud Steel Limited |
| | Acero Junction Holdings, Inc. |
| | JSW Steel USA Ohio, Inc. |
| | JSW Steel Italy Piombino S.p.A. |
| | Piombino Logistics S.p.A.- A JSW Enterprise |
| | GSI Lucchini S.p.A. |
| | JSW One Platforms Limited (formerly known as JSW Retail Limited) |
| | Makler Private Limited (w.e.f. 06.06.2019,upto 25.03.2021) |
| | Piombino Steel Limited (w.e.f. 06.06.2019,upto 26.03.2021) |
| | JSW Vijayanagar Metallics Limited (w.e.f. 24.12.2019) |
| | Vardhman Industries Limited (w.e.f. 31.12.2019) |
| | JSW Vallabh Tinplate Private Limited (w.e.f. 31.12.2019) |
| | Asian Color Coated Ispat Limited (w.e.f. 27.10.2020) |
| | JSW Retail and Distribution Limited (w.e.f. 15.03.2021) |
| **2** | **Joint Ventures** |
| | Vijayanagar Minerals Private Limited |
| | Rohne Coal Company Private Limited |

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

| | |
|---|---|
| **A.** | **Name of related parties** |
| | JSW Severfield Structures Limited |
| | Gourangdih Coal Limited |
| | GEO Steel LLC (ceased w.e.f. 28.01.2020) |
| | JSW Structural Metal Decking Limited |
| | JSW MI Steel Service Center Private Limited |
| | JSW Vallabh Tinplate Private Limited (ceased w.e.f. 31.12.2019) |
| | Creixent Special Steels Limited |
| | JSW Ispat Special Products Limited (formerly known as Monnet Ispat & Energy Limited) |
| | Piombino Steel Limited (w.e.f. 27.03.2021) |
| | Bhushan Power & Steel Limited (w.e.f. 27.03.2021) |
| **3** | **Key Management Personnel** |
| | Mr. Sajjan Jindal (Non-Independent Executive Director) |
| | Mr. Seshagiri Rao M V S (Non-Independent Executive Director) |
| | Dr. Vinod Nowal (Non-Independent Executive Director) |
| | Mr. Jayant Acharya (Non-Independent Executive Director) |
| | Mr. Rajeev Pai (Chief Financial Officer) |
| | Mr. Lancy Varghese (Company Secretary) |
| **4** | **Independent Non-Executive Director** |
| | Mr. Gangaram Baderiya - Nominee Director, KSIIDC (upto 23.10.2020) |
| | Mr. M.S.Srikar - Nominee Director, KSIIDC (w.e.f. 23.10.2020) |
| | Mr. Hiroyuki Ogawa - Nominee Director, JFE Steel Corporation |
| | Dr. (Mrs.) Punita Kumar Sinha |
| | Mr. Malay Mukherjee |
| | Mr. Haigreve Khaitan |
| | Mr. Seturaman Mahalingam |
| | Mrs. Nirupama Rao |
| | Mr. Harsh Charandas Mariwala |
| **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. Sarika Jhunjhnuwala |
| | Mrs. Saroj Bhartia |
| | Mrs. Sangita Jindal |
| | Mrs. Tarini Jindal Handa |
| | Mrs. Tanvi Shete |
| | Mr. Parth Jindal |
| | Mrs. Shanti Acharya |
| | Mrs. Esther Varghese |
| **6** | **Other Related Parties** |
| | JSW Energy Limited |
| | JSW Energy (Barmer) Limited |
| | JSW Power Trading Company Limited |
| | JSW Hydro Energy Limited |
| | JSW Energy (Kutehr) Limited |
| | JSW Solar Limited |
| | Jindal Stainless Limited |
| | Jindal Stainless (Hisar) Limited |
| | Jindal Stainless Steelway Limited |
| | JSL Lifestyle Limited |
| | Jindal Saw Limited |
| | JITF Urban Infrastructure Limited |
| | Jindal Tubular (India) Limited |
| | Jindal Urban Waste Management Limited |
| | Jindal Rail Infrastructure Limited |



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

| | |
|---|---|
| **A.** | **Name of related parties** |
| | Jindal Steel & Power Limited |
| | India Flysafe Aviation Limited |
| | JSW Infrastructure Limited |
| | JSW Jaigarh Port Limited |
| | South West Port Limited |
| | JSW Dharamatar Port Private Limited |
| | JSW Paradip Terminal Private Limited |
| | Jaigarh Digni Rail Limited |
| | JSW Cement Limited |
| | JSW Cement, FZE |
| | South West Mining Limited |
| | JSW Projects Limited |
| | BMM Ispat Limited (w.e.f. 27.10.2020) |
| | JSW IP Holdings Private Limited |
| | JSoft Solutions Limited (merged with Everbest Consultancy Services Private Limited) |
| | Reynold Traders Private Limited |
| | JSW Techno Projects Management Limited |
| | JSW Global Business Solutions Limited |
| | Everbest Consultancy Services Private Limited |
| | Jindal Industries Private Limited |
| | JSW Foundation |
| | Inspire Institute of Sports |
| | Jindal Technologies & Management Services Private Limited |
| | Epsilon Carbon Private Limited |
| | JSW Living Private Limited |
| | JSW International Tradecorp Pte. Limited |
| | Jindal Education Trust |
| | JSW Paints Private Limited |
| | Toshiba JSW Power System Private Limited |
| | MJSJ Coal Limited |
| | JSW Bengaluru Football Club Private Limited |
| | JSW Shipping & Logistics Private Limited (formerly known as Utkarsh Advisory Services Private Limited) |
| | Neotrex Steel Wires Private Limited |
| | Neotrex Steel Private Limited |
| | JSW Minerals Trading Private Limited |
| | Khaitan & Company |
| | Eurokids International Private Limited |
| | J Sagar Associates |
| | Shiva Cement Limited |
| | Tehkhand Waste to Electricity Projects Limited |
| | Encorp Powertrans Private Limited |
| | Nourish Organic Foods Private Limited |
| | Brahmani River Pellets Limited |
| | Danta Enterprises Private Limited |
| | Glebe Trading Private Limited |
| | JSW Holdings Limited |
| | JSW Investments Private Limited |
| | JSW Logistics Infrastructure Private Limited |
| | JTPM Metal Traders Private Limited |
| | Sahyog Holdings Private Limited |
| | Virtuous Tradecorp Private Limited |
| | S K Jindal and Sons HUF |
| | P R Jindal HUF |
| **7** | **Post-Employment Benefit Entity** |
| | JSW Steel EPF Trust (ceased w.e.f. 31.12.2020) |
| | JSW Steel Group Gratuity Trust |
| | JSW Steel Limited Employee Gratuity Fund |

# Notes
To the Standalone Financial Statements as at and for the year ended 31 March 2021

**B. Transactions with related parties for year ended**

₹ in crores

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



# Notes
To the Standalone Financial Statements as at and for the year ended 31 March 2021

₹ in crores

| Particulars | Subsidiaries | | Joint ventures | | Other related parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 |
| **Capital/revenue advances given** | | | | | | | | |
| Amba River Coke Limited | 238 | 400 | - | - | - | - | 238 | 400 |
| JSW Energy Limited | - | - | - | - | 81 | - | 81 | - |
| Jindal Steel & Power Limited | - | - | - | - | - | 200 | - | 200 |
| JSW Dharamatar Port Private Limited | - | - | - | - | - | 200 | - | 200 |
| Others | - | 13 | - | - | - | - | - | 13 |
| **Total** | **238** | **413** | **-** | **-** | **81** | **400** | **319** | **813** |
| **Capital/revenue advances received back** | | | | | | | | |
| Amba River Coke Limited | - | 400 | - | - | - | - | - | 400 |
| Jindal Steel & Power Limited | - | - | - | - | - | 200 | - | 200 |
| Others | - | 13 | - | - | - | - | - | 13 |
| **Total** | **-** | **413** | **-** | **-** | **-** | **200** | **-** | **613** |
| **Security deposits given/(received back)** | | | | | | | | |
| JSW Shipping & Logistics Private Limited | - | - | - | - | 71 | 116 | 71 | 116 |
| India Flysafe Aviation Limited | - | - | - | - | (10) | (10) | (10) | (10) |
| **Total** | **-** | **-** | **-** | **-** | **61** | **106** | **61** | **106** |
| **Donation/ CSR expenses** | | | | | | | | |
| JSW Foundation | - | - | - | - | 73 | 72 | 73 | 72 |
| **Total** | **-** | **-** | **-** | **-** | **73** | **72** | **73** | **72** |
| **Recovery of expenses incurred by us on their behalf** | | | | | | | | |
| JSW Steel Coated Products Limited | 88 | 91 | - | - | - | - | 88 | 91 |
| JSW Cement Limited | - | - | - | - | 70 | 45 | 70 | 45 |
| JSW International Tradecorp Pte. Limited | - | - | | | 68 | 119 | 68 | 119 |
| Others@ | 10 | 21 | 6 | 5 | 53 | 46 | 69 | 72 |
| **Total** | **98** | **112** | **6** | **5** | **191** | **210** | **295** | **327** |
| **Investments/share application money given** | | | | | | | | |
| JSW Steel Coated Products Limited | 650 | 750 | - | - | - | - | 650 | 750 |
| Piombino Steel Limited | 5,079 | 8 | 137 | - | - | - | 5,216 | 8 |
| Others | 20 | 181 | * | 1 | - | - | 20 | 182 |
| **Total** | **5,749** | **939** | **137** | **1** | **-** | **-** | **5,886** | **940** |
| **Investments /share application money refunded** | | | | | | | | |
| Rohne Coal Company Private Limited | - | - | - | * | - | - | - | * |
| **Total** | **-** | **-** | **-** | ***** | **-** | **-** | **-** | ***** |
| **Sale of investment** | | | | | | | | |
| JSW Steel Coated Products Limited | - | * | - | - | - | - | - | * |
| **Total** | **-** | ***** | **-** | **-** | **-** | **-** | **-** | ***** |

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

₹ in crores

| Particulars | Subsidiaries | | Joint ventures | | Other related parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 |
| **Interest expenses** | | | | | | | | |
| JSW Steel Coated Products Limited | 37 | 18 | - | - | - | - | 37 | 18 |
| Amba River Coke Limited | 1 | - | - | - | - | - | 1 | - |
| **Total** | **38** | **18** | **-** | **-** | **-** | **-** | **38** | **18** |
| **Guarantees and collaterals provided by the company on behalf** | | | | | | | | |
| Periama Holdings, LLC | 6,890 | - | - | - | - | - | 6,890 | - |
| JSW Steel (Netherlands) B.V. | - | 1,037 | - | - | - | - | - | 1,037 |
| Acero Junction Holdings, Inc. | 150 | 569 | - | - | - | - | 150 | 569 |
| JSW Steel Italy Piombino S.p.A. | 22 | 472 | - | - | - | - | 22 | 472 |
| Makler Private Limited | 10,800 | - | - | - | - | - | 10,800 | - |
| Others | - | 97 | - | - | - | - | - | 97 |
| **Total** | **17,862** | **2,175** | **-** | **-** | **-** | **-** | **17,862** | **2,175** |
| **Guarantees and collaterals released** | | | | | | | | |
| Periama Holdings, LLC | 2,978 | - | - | - | - | - | 2,978 | - |
| Others | 327 | - | - | - | - | - | 327 | - |
| **Total** | **3,305** | **-** | **-** | **-** | **-** | **-** | **3,305** | **-** |
| **Provision for loans & advances written back to profit & loss** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | - | 326 | - | - | - | - | - | 326 |
| **Total** | **-** | **326** | **-** | **-** | **-** | **-** | **-** | **326** |
| **Provision for corporate guarantee** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | - | 376 | - | - | - | - | - | 376 |
| **Total** | **-** | **376** | **-** | **-** | **-** | **-** | **-** | **376** |
| **Provision for loans & advances/interest receivable** | | | | | | | | |
| Periama Holdings, LLC | 309 | 377 | - | - | - | - | 309 | 377 |
| Inversiones Eurosh Limitada | 4 | 814 | - | - | - | - | 4 | 814 |
| JSW Steel (Netherlands) B.V. | 77 | - | - | - | - | - | 77 | - |
| Others | * | - | - | - | - | - | * | - |
| **Total** | **390** | **1,191** | **-** | **-** | **-** | **-** | **390** | **1,191** |
| **Adjustment of receivable/(payable)** | | | | | | | | |
| JSW Steel Coated Products Limited | 1,079 | 605 | - | - | - | - | 1,079 | 605 |
| **Total** | **1,079** | **605** | **-** | **-** | **-** | **-** | **1,079** | **605** |
| **Lease interest cost** | | | | | | | | |
| Amba River Coke Limited | 101 | 206 | - | - | - | - | 101 | 206 |
| JSW Projects Limited | - | - | - | - | 105 | 132 | 105 | 132 |
| JSW Techno Projects Management Limited | - | - | - | - | 95 | 84 | 95 | 84 |
| Others | 15 | 18 | - | - | 19 | 17 | 34 | 35 |
| **Total** | **116** | **224** | **-** | **-** | **219** | **233** | **335** | **457** |



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

₹ in crores

| Particulars | Subsidiaries | | Joint ventures | | Other related parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 |
| **Lease liabilities repayments** | | | | | | | | |
| Amba River Coke Limited | 424 | 190 | - | - | - | - | 424 | 190 |
| JSW Projects Limited | - | - | - | - | 255 | 228 | 255 | 228 |
| Others | 29 | 27 | - | - | 28 | 26 | 57 | 53 |
| **Total** | **453** | **217** | **-** | **-** | **283** | **254** | **736** | **471** |
| **Loans given** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | 866 | 83 | - | - | - | - | 866 | 83 |
| Periama Holdings, LLC | 1,547 | 723 | - | - | - | - | 1,547 | 723 |
| Acero Junction Holdings, Inc. | 780 | 596 | - | - | - | - | 780 | 596 |
| JSW Steel Coated Products Limited | 900 | - | - | - | - | - | 900 | - |
| Others@ | 182 | 130 | 2 | 90 | - | - | 184 | 220 |
| **Total** | **4,275** | **1,532** | **2** | **90** | **-** | **-** | **4,277** | **1,622** |
| **Dividend paid** | | | | | | | | |
| JSW Holdings Limited | - | - | - | - | 36 | 73 | 36 | 73 |
| JSW Techno Projects Management Limited | - | - | - | - | 51 | 101 | 51 | 101 |
| Sahyog Holdings Private Limited | - | - | - | - | 22 | 46 | 22 | 46 |
| Others^ | - | - | - | - | 51 | 98 | 51 | 98 |
| **Total** | **-** | **-** | **-** | **-** | **160** | **318** | **160** | **318** |
| **Loans given received back** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | 52 | 1,193 | - | - | - | - | 52 | 1,193 |
| Periama Holdings, LLC | 5,725 | 6 | - | - | - | - | 5,725 | 6 |
| Others | 401 | 35 | - | - | 3 | 2 | 404 | 37 |
| **Total** | **6,178** | **1,234** | **-** | **-** | **3** | **2** | **6,181** | **1,236** |

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

**Notes:**

1. The transactions are inclusive of taxes wherever applicable.
2. The transactions are disclosed under various relationships (i.e. subsidiary, joint ventures and other related parties) based on the status of related parties on the date of transactions.
3. The Company makes monthly contributions to provident fund managed by JSW Steel EPF Trust for qualifying Vijayanagar employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Company contributed ₹ 16 crores (FY 2019-20: ₹ 22 crores).
4. The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). During the year, the Company contributed ₹ 7 crores (FY 2019-20: ₹ NIL).
5. In view of the uncertainty involved in collectability, revenue as interest income of ₹ 368 crores (FY 2019-20: ₹ 531 crores) have not been recognised on loan provided to certain overseas subsidiaries.
6. During FY 2019-20, JSW Steel Limited has transferred environment clearance certificate issued for its slag grinding & mixing unit to JSW Cement Limited for no consideration.

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## Compensation to key management personnel:

₹ in crores

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

**Notes:**

1. As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.
2. The Company has recognised an expenses of ₹ 2 crores (previous year ₹ 3 crores) towards employee stock options granted to Key Managerial Personnel. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not been exercised.
3. Dividend paid to key management personnel is ₹ 0.09 crores (FY 2019-20: ₹ 0.18 crores), not included above.
4. The Independent Non-Executive Directors are paid remuneration by way of commission and sitting fees. The commission payable to the Non-Executive Directors (in case of Nominee Director, the commission is paid to the respective institution to which the Nominee Director represents) is based on the number of meetings of the Board attended by them and their Chairmanship/Membership of Audit Committee during the year, subject to an overall ceiling of 1% of the net profits approved by the Members. The Company pays sitting fees at the rate of ₹ 20,000 for each meeting of the Board and sub-committees attended by them. The amount paid to them by way of commission and sitting fees during FY 2020-21 is ₹ 3 crores (FY 2019-20 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 March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

**Purchases:**

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

**Loans to overseas subsidiaries:**

The Company had given loans to subsidiaries for general corporate purposes. The loan balance as on March 31, 2021 was ₹ 6,719 crores (As on March 31, 2020: ₹ 8,979 crores). These loans are unsecured and carry an interest rate ranging from LIBOR + 350-615 basis points and repayable within a period of three years.

**Guarantees to subsidiaries/joint venture:**

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

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## C. Amount due to/ from related parties

₹ in crores

| Particulars | Subsidiaries | | Joint ventures | | Other related parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **Party's Name** | | | | | | | | |
| **Trade payables** | | | | | | | | |
| JSW Energy Limited | - | - | - | - | - | 306 | - | 306 |
| JSW International Tradecorp Pte. Limited | - | - | - | - | 1,060 | 1,321 | 1,060 | 1,321 |
| Others | 74 | 50 | 33 | 115 | 379 | 378 | 486 | 543 |
| **Total** | **74** | **50** | **33** | **115** | **1,439** | **2,005** | **1,546** | **2,170** |
| **Advance received from customers** | | | | | | | | |
| JSW Steel Coated Products Limited | 354 | 147 | - | - | - | - | 354 | 147 |
| Others | * | * | 1 | 3 | 24 | 2 | 25 | 5 |
| **Total** | **354** | **147** | **1** | **3** | **24** | **2** | **379** | **152** |
| **Lease & other deposits received** | | | | | | | | |
| JSW Severfield Structures Limited | - | - | 13 | 13 | - | - | 13 | 13 |
| JSW Energy Limited | - | - | - | - | 11 | 11 | 11 | 11 |
| JSW Cement Limited | - | - | - | - | 11 | 11 | 11 | 11 |
| Others | 13 | 13 | - | - | 17 | 17 | 30 | 30 |
| **Total** | **13** | **13** | **13** | **13** | **39** | **39** | **65** | **65** |
| **Trade receivables** | | | | | | | | |
| Peddar Realty Private Limited | 97 | 110 | - | - | - | - | 97 | 110 |
| JSW Vallabh Tinplate Private Limited | 46 | 53 | - | - | - | - | 46 | 53 |
| Asian Color Coated Ispat Limited | 56 | - | - | - | - | - | 56 | - |
| JSW MI Steel Service Center Private Limited | - | - | 48 | 44 | - | - | 48 | 44 |
| Epsilon Carbon Private Limited | - | - | - | - | 92 | 101 | 92 | 101 |
| JSW Energy Limited | - | - | - | - | 147 | - | 147 | - |
| Others | 7 | - | 31 | - | 8 | 43 | 46 | 43 |
| **Total** | **206** | **163** | **79** | **44** | **247** | **144** | **532** | **351** |
| **Share application money given** | | | | | | | | |
| JSW Bengal Steel Limited | - | 63 | - | - | - | - | - | 63 |
| JSW Utkal Steel Limited | 2 | 38 | - | - | - | - | 2 | 38 |
| JSW One Platforms Limited | 1 | - | - | - | - | - | 1 | - |
| Gourangdih Coal Limited | - | - | 1 | 1 | - | - | 1 | 1 |
| Others | - | * | - | - | - | - | - | * |
| **Total** | **3** | **101** | **1** | **1** | **-** | **-** | **4** | **102** |

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

₹ in crores

| Particulars | Subsidiaries | | Joint ventures | | Other related parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **Capital/revenue advances (including other receivables)** | | | | | | | | |
| Amba River Coke Limited | 248 | 21 | - | - | - | - | 248 | 21 |
| JSW Projects Limited | - | - | - | - | 49 | 49 | 49 | 49 |
| JSW Dharamatar Port Private Limited | - | - | - | - | 200 | 200 | 200 | 200 |
| Others@ | 18 | 16 | 30 | 42 | 9 | 16 | 57 | 74 |
| **Total** | **266** | **37** | **30** | **42** | **258** | **265** | **554** | **344** |
| **Loan and advances given** | | | | | | | | |
| Inversiones Eurosh Limitada | 807 | 803 | - | - | - | - | 807 | 803 |
| Periama Holdings, LLC | 1,796 | 6,134 | - | - | - | - | 1,796 | 6,134 |
| JSW Steel (Netherlands) B.V. | 1,073 | 267 | - | - | - | - | 1,073 | 267 |
| Acero Junction Holdings, Inc. | 2,254 | 1,509 | - | - | - | - | 2,254 | 1,509 |
| Others | 789 | 266 | 352 | 216 | 10 | 13 | 1,151 | 495 |
| **Total** | **6,719** | **8,979** | **352** | **216** | **10** | **13** | **7,081** | **9,208** |
| **Interest receivable** | | | | | | | | |
| Inversiones Eurosh Limitada | 209 | 209 | - | - | - | - | 209 | 209 |
| Periama Holdings, LLC | 431 | 431 | - | - | - | - | 431 | 431 |
| Acero Junction Holdings, Inc. | 230 | 116 | - | - | - | - | 230 | 116 |
| Others | 49 | 36 | 51 | 21 | 30 | 11 | 130 | 68 |
| **Total** | **919** | **792** | **51** | **21** | **30** | **11** | **1,000** | **824** |
| **Allowances for loans & advances given/interest receivable** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | 546 | 207 | - | - | - | - | 546 | 207 |
| Periama Holdings, LLC | 686 | 377 | - | - | - | - | 686 | 377 |
| Inversiones Eurosh Limitada | 1,017 | 1,011 | - | - | - | - | 1,017 | 1,011 |
| Others | 4 | 4 | - | - | - | - | 4 | 4 |
| **Total** | **2,253** | **1,599** | **-** | **-** | **-** | **-** | **2,253** | **1,599** |
| **Security & other deposits given** | | | | | | | | |
| JSW Shipping & Logistics Private Limited | - | - | - | - | 247 | 175 | 247 | 175 |
| India Flysafe Aviation Limited | - | - | - | - | 183 | 193 | 183 | 193 |
| **Total** | **-** | **-** | **-** | **-** | **430** | **368** | **430** | **368** |



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

₹ in crores

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

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

**Notes:**

1. The closing balance of guarantees and collaterals provided by the Company on behalf of subsidiaries/joint venture represent the gross amount. Please refer note 46 for net exposure of the Company related to financial guarantees. The differential amount represents loans not drawn or repayments made to the lenders.
2. The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). As on March 31, 2021, the fair value of plan assets was as ₹ 74 crores. (As at March 31, 2020: ₹ 75 crores)

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## 45. Contingent liabilities:

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

₹ in crores

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

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

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

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

d) Service Tax cases includes disputes pertaining to availment of service tax credit on ineligible services, denial of credit distributed as an ISD, service tax on railway freight not taken as per prescribed documents.

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

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

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

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

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

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

### (ii) Forest Development Tax/Fee:

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Claims related to Forest Development Tax/Fee | 3,035 | 2,588 |
| Amount paid under protest | 920 | 920 |

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

The State of Karnataka on 27 July 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI, and based on merits of the case duly supported by a legal opinion and a favorable order from the High Court, the Company has not recognised provision for FDF amount of ₹ 1,992 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. Guarantees given have a markup over and above the loan amount whereas it is recognised only to the extent of outstanding loans.

Refer below for details of exposure towards financial guarantees issued:

₹ in crores

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

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

## 47. Commitments

₹ in crores

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

**Other commitments:**

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

(b) In March 2018, the Company has entered into a five-year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. ("DSA") for supply of Steel Products. Duferco S.A has provided an interest bearing advance amount of US $700 million under this agreement, secured by committed export of steel products to Duferco S.A. Out of this US $443 million is pending towards fulfilment.

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

₹ in crores

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

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

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

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

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

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

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

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

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

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

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

*represents ₹ 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: ₹ 508 crores as at 31 March 2021 ₹ 446 crores as at 31 March 2020 and share application money of Nil as at 31 March 2021; ₹ 62 crores as at 31 March 2020) - Evaluation of the status of its integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal by the said subsidiary and the plans for commencing construction of the said complex.

(c) Equity shares of JSW Jharkhand Steel Limited, a subsidiary (carrying amount: ₹ 96 crores as at 31 March 2021; ₹ 93 crores as at 31 March 2020 and share application money of Nil as at 31 March 2021; ₹ 1 crore as at 31 March 2020) - Evaluation of the status of its integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand by the said subsidiary and the plans for commencing construction of the said complex.

(d) Equity shares of Peddar Realty Private Limited (PRPL), a subsidiary (carrying amount of investments: ₹ 24 crores as at 31 March 2021; ₹ 24 crores as at 31 March 2020, and receivable of ₹ 96 crores as at 31 March 2021; ₹ 110 crores as at 31 March 2020) -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 2020) and loan of ₹ 167 crores (₹ 163 crores as at 31 March 2020) relating to JSW Natural Resources Mozambique Limitada and JSW ADMS Carvo Limitada (step down subsidiaries) - Assessment of minable reserves by independent experts based on the plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities, and infrastructure is developed.

(f) Preference shares of JSW Realty & Infrastructure Private Limited, a subsidiary (carrying amount: ₹ 175 crores as at 31 March 2021; ₹ 166 crores as at 31 March 2020 and loans of ₹ 31 crores as at 31 March 2021; ₹ 16 crores as at 31 March 2020) - Estimates of value of business based on the cash flow projections approved by the Management. The assessments include significant assumptions relating to operational performance, expansion, rentals and other charges, inflation and terminal value.

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

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

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

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

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

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

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

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

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

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

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

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

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

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



# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## 53. Exceptional Items:

| Particulars | Inversiones Eurosh Limitada | JSW Netherlands B.V. (NBV) | Periama Holdings LLC ("PHL") | Total |
|---|---|---|---|---|
| **31 March 2021** | | | | |
| Allowance on doubtful loans | - | 70 | 256 | 326 |
| Allowance on doubtful interest receivables | - | 7 | 53 | 60 |
| | **-** | **77** | **309** | **386** |
| **31 March 2020** | | | | |
| Allowance on doubtful loans | 605 | - | | 605 |
| Allowance on doubtful interest receivables | 209 | - | 377 | 586 |
| Fair value Loss on preference shares designated as FVTPL | - | 38 | - | 38 |
| | **814** | **38** | **377** | **1,229** |
| Impairment on property plant & equipment | | | | 80 |
| **Total** | | | | **1,309** |

Exceptional items for the year ended 31 March 2021 represents impairment provision of ₹ 386 crores on loans and interest receivables from an overseas subsidiary in USA and Netherlands based on the assessment of recoverable value of the US operations. The said assessment includes significant assumptions such as discount rate, increase in operational performance on account of committed capital expenditure, mining production, future margins, and the likely impact of COVID-19 on the said operations.

Exceptional items for the year ended 31 March 2020 represents impairment provision of:

(a) ₹ 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.

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

## 55. Events occurring after balance sheet:

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

## 56. Standards issued but not yet effective

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

# Notes

To the Standalone Financial Statements as at and for the year ended 31 March 2021

## 57. Additional information

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

₹ in crores

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

### B) Expenditure in foreign currency:

₹ in crores

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

### C) Earnings in foreign currency:

₹ in crores

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| F.O.B. value of exports | 14,205 | 9,580 |
| Interest Income | 122 | 97 |

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

**For and on behalf of the 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: 21 May 2021

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

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

# Consolidated Financial Statements

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# Independent Auditor's Report

To the Members of JSW Steel Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of JSW Steel Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its joint ventures, comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recoverability of Goodwill, Property plant and Equipment, Capital work in progress, Right-of-use assets and Advances related to certain business** (as described in note 49 of the consolidated Ind AS financial statements) | |
| As at March 31, 2021, the Group has carrying amount of:<br>• Goodwill of ₹ 324 crores,<br>• Property plant and Equipment, capital work in progress, advances and license fees of ₹ 7,984 crores<br>• Investment property ₹ 91 crores<br>• Right-of-use assets ₹ 77 crores<br>• Investment in equity and preference shares ₹ 507 crores<br>• Loan and interest receivable from related party ₹ 262 crores<br>related to certain businesses incurring losses or where projects are on hold.<br>The Group has also recognised impairment allowance of ₹ 83 crores during the year ended March 31, 2021 in respect of property plant and equipment and goodwill related to certain overseas businesses, as described in note 48 of the consolidated Ind AS financial statements.<br>Assessment of the recoverable amount of Goodwill, Property plant and Equipment, Capital work in progress, Right-of-use assets and Advances related to certain businesses has been identified as a key audit matter due to:<br>• Significance of the carrying amount of these balances.<br>• The assessment requires management to make significant estimates concerning the estimated future cash flows, qualitative assessments of the status of the project and its future depending on balance work to be performed or approvals to be received, associated discount rates and growth rates based on management's view of future business prospects including any possible impact arising out of the pandemic on these estimates.<br>• Changes to any of these assumptions could lead to material changes in the estimated recoverable amount, impacting both potential impairment charges and potential reversals of impairment taken in prior years. | Our audit procedures included the following:<br>• We obtained and read management's assessment for impairment.<br>• We performed test of controls over impairment process through inspection of evidence of performance of these controls.<br>• We assessed the impairment model prepared by the management and the assumptions used, with particular attention to the following:<br>– Benchmarking or assessing assumptions used in the impairment models, including discount rates, risk free rate of return, long term growth rate and other key assumptions against external and internal data;<br>– assessing the cash flow forecasts including possible impact on account of global pandemic through analysis of actual past performance and comparison to previous forecasts;<br>– testing the mathematical accuracy and performing sensitivity analyses of the models; and<br>– understanding the commercial prospects of the assets/ projects, and comparison of assumptions with external data sources;<br>• We assessed the competence, capabilities and objectivity of the experts used by management in the process of determining recoverable amounts.<br>• We assessed the conclusions reached by management and those charged with governance on account of various estimates and judgements including possible impact of pandemic.<br>• We assessed the compliance of the disclosures made in note 49 of the consolidated Ind AS financial statements with the 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 32 of the consolidated Ind AS financial statements) | |
| The Group's units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible and have been availing interest free VAT deferral loan / Net VAT refunds as an incentive under the incentive schemes notified by the State of Maharashtra and Karnataka.<br><br>The Group has recognised income in relation these grants being the difference between the net present value of these interest free loans granted to the Group and the nominal value of such loans to the extent of SGST collected by the Group in respect of sales eligible for such grants, eligible incentive of Net SGST paid, as applicable, in accordance with the industrial promotion subsidy schemes and notifications issued by the State of Maharashtra and Karnataka.<br><br>The amount of incentive recognised during the year amounts to ₹ 503 crores and cumulative balance of these receivables amount to ₹ 2,719 crores.<br><br>We considered VAT deferral / refund incentive as a Key audit matter due to:<br><br>• Significance of amount accrued during the year and carrying amount of these receivables as at March 31, 2021<br><br>• Significant judgement involved in assessment of the eligibility of incentive under the new GST regime. | Our audit procedures included the following:<br><br>• We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the recognition and measurement of government grants and income accruing therefrom.<br><br>• We read eligibility certificates in respect of VAT deferral / refund incentives available to the Company.<br><br>• We read the notification issued by the Government of Maharashtra (GoM) and Government of Karnataka (GoK) in respect of eligibility of VAT deferral / refund under the GST regime, guidelines for certification of the eligible incentive amount, modalities for sanction and disbursement of incentives.<br><br>• We read letter dated October 18, 2019 issued by Director of Industries of Maharashtra for in-principle approval for issuance of eligibility certificate and letter dated March 19, 2021 by the Company for submission of appraisal report to Director of Industries of Maharashtra for availing incentive under PSI 2007 scheme.<br><br>• We read the legal opinion obtained by the management for assessing the impact of new eligibility conditions and formula for determination of incentives based on latest Government Resolution issued by GoM including assessing the amounts withheld by the GoM on eligibility of certain duties which were refundable in the erstwhile VAT regime but have been denied in the new GST regime.<br><br>• We involved specialists to assist us in reviewing and evaluating the management's assessment of latest Government Resolution issued by GoM.<br><br>• We tested the calculation of incentives accrued for the year ended March 31, 2021. |
| **Capital Expenditure in respect of property, plant and equipment and capital work in progress** (as described in note 4 and 5 of the consolidated Ind AS financial statements) | |
| The Group has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plant and equipment and capital work in progress in notes 4 and 5 of the consolidated Ind AS financial statements.<br><br>The Group is in the process of executing various projects for expansions of existing capacity across the locations. These projects take a substantial period of time to get ready for intended use.<br><br>We considered Capital expenditure as a Key audit matter due to:<br><br>• Significance of amount incurred on such items during the year ended March 31, 2021.<br><br>• Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment.<br><br>• Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment. | Our audit procedures included the following:<br><br>• We obtained an understanding of the Group's capitalisation policy and assessed for compliance with the relevant accounting standards.<br><br>• We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalisation of assets.<br><br>• We performed substantive testing on a sample basis for each element of capitalised costs including inventory issued to contractors for the purpose of these projects and physical verification performed by management alongwith reconciliation and directly attributable cost including verification of underlying supporting evidence and understanding nature of the costs capitalised.<br><br>• In relation to borrowing costs we obtained the supporting calculations, verified the inputs to the calculation and tested the arithmetical accuracy of the model.<br><br>• We assessed accounting for costs incurred when projects are suspended or delayed for any reasons including the global pandemic.<br><br>• We obtained understanding on management assessment relating to progress of projects and their intention to bring the asset to its intended use. |



| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Accuracy and completeness of disclosure of related party transactions and compliance with the provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI (LODR) 2015')** (as described in note 45 of the consolidated Ind AS financial statements) | |
| We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the consolidated Ind AS financial statements as a key audit matter due to:<br><br>• the significance of transactions with related parties during the year ended March 31, 2021.<br><br>• Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015. | Our audit procedures in relation to the disclosure of related party transactions included the following:<br><br>• We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to capturing of related party transactions and management's process of ensuring all transactions and balances with related parties have been disclosed in the consolidated Ind AS financial statements.<br><br>• We obtained an understanding of the Group's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors.<br><br>• We agreed the amounts disclosed with underlying documentation and read relevant agreements, evaluation of arms-length by management, on a sample basis, as part of our evaluation of the disclosure.<br><br>• We assessed management evaluation of compliance with the provisions of Section 177 and Section 188 of the companies Act 2013 and SEBI (LODR) 2015.<br><br>• We evaluated the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit. |
| **Claims and exposures relating to taxation and litigation** (as described in note 46 of the consolidated Ind AS financial statements) | |
| The Group has disclosed in note 46 of the consolidated Ind AS financial statements contingent liabilities of ₹ 14,969 crores in respect of disputed claims/ levies under various tax and legal matters and ₹ 3,035 crores towards Claims related to Forest development tax/ fee. In addition, the Group has assessed several claims as 'Remote' and hence are not required to be disclosed as contingent liabilities.<br><br>Taxation and litigation exposures have been identified as a key audit matter due to:<br><br>• Significance of these amounts and large number of disputed matters with various authorities.<br><br>• Significant judgement and assumptions required by management in assessing the exposure of each case to evaluate whether there is a need to set up a provision and measurement of exposures as well as the disclosure of contingent liabilities.<br><br>We focused on this matter because of the potential financial impact on the consolidated Ind AS financial statements. Additionally, the treatment of taxation and litigation cases require significant judgement due to the complexity of the cases, timescales for resolution and involvement of various authorities. | Our audit procedures included the following:<br><br>• We obtained understanding, evaluated the design, and tested the operating effectiveness of the controls related to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities.<br><br>• We obtained details of legal and tax disputed matters and evaluation made by the management and assessed management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss.<br><br>• We read external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims.<br><br>• We involved tax specialists to assist us in evaluating tax positions taken by management.<br><br>• We assessed the relevant disclosures made in the consolidated Ind AS financial statements for compliance in accordance with the requirements of Ind AS 37. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Accounting for Acquisitions** (as described in note 41 of the consolidated Ind AS financial statements) | |
| During the financial year ended March 31, 2021, the Group has completed following acquisitions:<br>• Bhushan Power and Steel Limited with joint venture partner JSW Shipping & Logistics Private Limited on March 26, 2021 in accordance with the resolution plan approved by the National Company Law Tribunal.<br>• Asian Colour Coated Ispat Limited on October 27, 2020 through its wholly owned subsidiary in accordance with the resolution plan approved by the National Company Law Tribunal.<br>• Steel plates and coil mills division from Welspun Corp Limited on March 31, 2021 in accordance with business transfer agreement.<br>We considered the audit of accounting for these acquisitions to be a key audit matter as these are significant transactions during the year which require significant management judgement regarding:<br>• Assessment of control or joint control over the entities acquired.<br>• Allocation of the purchase price to the assets and liabilities acquired and adjustments made to align accounting policies of the newly acquired entities with the Group.<br>• Fair valuation of the assets and liabilities acquired and to identify intangible assets acquired in the acquisition and its impact on the carrying value of investment in respect of joint venture accounted through equity method<br>• Accounting and disclosures given in the financial statements in accordance with the applicable Ind AS. | Our audit procedures included the following:<br>• We have read the resolution plans approved by the National Company Law Tribunal and other related documents such as shareholders' agreement, business transfer agreement, escrow agreement etc. to obtain an understanding of the transactions and the key terms and conditions.<br>• We evaluated the control assessment made by the management and assessed the accounting treatment applied to these transactions.<br>• We read the valuation reports for the purchase price considerations paid for these acquisitions. We tested the identification and fair valuation of the acquired assets including intangible assets acquired, if any and liabilities by corroborating this identification based on our discussion with management and understanding of the business.<br>• We obtained understanding of the valuation methodologies used by management and the external valuation experts in the provisional fair valuation of acquired assets and liabilities.<br>• We involved valuation specialist and assessed the valuation methodology and assumptions such as discount and long-term growth rates, risk free rate of return and weight average cost of capital by comparing these assumptions to source data and external data, where required.<br>• We obtained understanding of the commercial prospects of the assets /projects acquired.<br>• We assessed the competence, capabilities and relevant experience of the experts engaged by management to determine fair valuation of the assets and liabilities acquired.<br>• We have assessed the accounting treatment followed by the Company for said acquisitions is in accordance with the requirements of Ind AS 103 or Ind AS 28 as applicable and also assessed the compliance of the disclosures made in note 41 of the consolidated Ind AS financial statements with the applicable accounting standards. |

### Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

**Other Matters**

(a) We did not audit the financial statements and other financial information, in respect of 27 subsidiaries, whose financial statements and other financial information include total assets of ₹ 11,958 crores as at March 31, 2021, and total revenues of ₹ 9,328 crores and net cash outflows of ₹ 347 crore for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of ₹ 1 crores for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 5 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of such other auditors.

Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 3 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 0.01 crores as at March 31, 2021, and total revenues of ₹ 33 crores and net cash outflows of ₹ 1 crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of ₹ 0.03 crores for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 3 joint ventures, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies, its joint ventures incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, and joint ventures incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiaries and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint ventures in its consolidated financial statements – Refer Note 46 to the consolidated financial statements;

ii. The Group and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint ventures incorporated in India during the year ended March 31, 2021.

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

per **Vikram Mehta**
Partner
Membership Number: 105938
UDIN No: 21105938AAAACV6556

Place of Signature: Mumbai
Date: May 21, 2021

# Annexure 1

**To the Independent Auditor's Report of even date on the consolidated financial statements of JSW Steel Limited**

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

In conjunction with our audit of the consolidated financial statements of JSW Steel Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated 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 specified under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

## Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated 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 with reference to consolidated 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 With Reference to Consolidated Financial Statements

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

## Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 17 subsidiaries and 4 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and joint ventures incorporated in India.

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

per **Vikram Mehta**
Partner
Membership Number: 105938
UDIN No: 21105938AAAACV6556

Place of Signature: Mumbai
Date: May 21, 2021

# Consolidated Balance Sheet

As at 31 March 2021

₹ in crores

| | Notes | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|---|
| **I ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, plant and equipment | 4 | 58,857 | 57,625 |
| (b) Capital work-in-progress | 5 | 32,433 | 26,857 |
| (c) Investment property | 6 | 259 | 224 |
| (d) Right-of-use assets | 7 | 3,816 | 3,471 |
| (e) Goodwill | 8 | 336 | 415 |
| (f) Other intangible assets | 9 | 1,649 | 350 |
| (g) Intangible assets under development | 9(b) | 133 | 334 |
| (h) Investments in joint ventures | 10 | 2,969 | 283 |
| (i) Financial assets | | | |
| (i) Investments | 11 | 5,604 | 974 |
| (ii) Loans | 12 | 1,022 | 772 |
| (iii) Derivative assets | 19(a) | 110 | - |
| (iv) Other financial assets | 13 | 2,154 | 696 |
| (h) Current tax assets (net) | | 275 | 385 |
| (i) Other non-current assets | 14 | 2,848 | 2,956 |
| **Total non-current assets** | | **112,465** | **95,342** |
| **(2) Current assets** | | | |
| (a) Inventories | 15 | 14,249 | 13,773 |
| (b) Financial assets | | | |
| (i) Investments | 16 | 8 | 2 |
| (ii) Trade receivables | 17 | 4,486 | 4,505 |
| (iii) Cash and cash equivalents | 18(a) | 11,943 | 3,966 |
| (iv) Bank balances other than (iii) above | 18(b) | 870 | 8,037 |
| (v) Loans | 12 | 622 | 742 |
| (vi) Derivative assets | 19(b) | 102 | 294 |
| (vii) Other financial assets | 13 | 1,467 | 2,858 |
| (c) Current tax assets (net) | | 6 | 6 |
| (d) Other current assets | 14 | 2,091 | 2,286 |
| (e) Assets classified as held for sale | | 8 | 9 |
| **Total current assets** | | **35,852** | **36,478** |
| **TOTAL - ASSETS** | | **148,317** | **131,820** |
| **II EQUITY AND LIABILITIES** | | | |
| **(1) Equity** | | | |
| (a) Equity share capital | 20 | 302 | 301 |
| (b) Other equity | 21 | 46,462 | 36,298 |
| **Equity attributable to owners of the Company** | | 46,764 | 36,599 |
| Non-controlling interests (NCI) | | (619) | (575) |
| **Total equity** | | **46,145** | **36,024** |
| **Liabilities** | | | |
| **(2) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 22 | 49,731 | 44,673 |
| (ii) Lease liabilities | 7 | 1,939 | 1,744 |
| (iii) Derivative liabilities | 23(a) | 57 | 130 |
| (iv) Other financial liabilities | 24 | 588 | 464 |
| (b) Provisions | 25 | 852 | 348 |
| (c) Deferred tax liabilities (net) | 26 | 3,509 | 1,677 |
| (d) Other non-current liabilities | 27 | 2,197 | 3,072 |
| **Total non-current liabilities** | | **58,873** | **52,108** |
| **(3) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 28 | 1,999 | 8,325 |
| (ii) Trade payables | 29 | | |
| Total outstanding, dues of micro and small enterprises | | 230 | 142 |
| Total outstanding, dues of creditors other than micro and small enterprises | | 15,013 | 17,776 |
| (iii) Derivative liabilities | 23(b) | 110 | 251 |
| (iv) Lease liabilities | 7 | 405 | 306 |
| (iv) Other financial liabilities | 30 | 21,347 | 14,143 |
| (b) Provisions | 25 | 274 | 161 |
| (c) Other current liabilities | 31 | 3,365 | 2,455 |
| (d) Current tax liabilities (net) | | 556 | 129 |
| **Total current liabilities** | | **43,299** | **43,688** |
| **Total liabilities** | | **102,172** | **95,796** |
| **TOTAL – EQUITY AND LIABILITIES** | | **148,317** | **131,820** |

See accompanying notes to the Consolidated Financial Statements

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**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

**LANCY VARGHESE**
Company Secretary
ICSI Membership No. FCS 9407

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

Place: Mumbai
Date: 21 May 2021

Place: Mumbai
Date: 21 May 2021



# Consolidated Statement of Profit and Loss

For the year ended 31 March 2021

₹ in crores

| | Notes | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|---|
| **I Revenue from operations** | | 79,839 | 72,610 |
| Fees for assignment of procurement contract | | - | 250 |
| Government grant income – VAT/GST incentive relating to earlier years | | - | 466 |
| **Total Revenue from operations** | 32 | **79,839** | **73,326** |
| II Other income | 33 | 592 | 546 |
| **III Total income (I + II)** | | **80,431** | **73,872** |
| **IV Expenses** | | | |
| Cost of materials consumed | | 32,623 | 38,865 |
| Purchases of stock-in-trade | | 233 | 135 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 34 | (348) | (270) |
| Mining premium and royalties | | 6,972 | 651 |
| Employee benefits expense | 35 | 2,506 | 2,839 |
| Finance costs | 36 | 3,957 | 4,265 |
| Depreciation and amortisation expense | 37 | 4,679 | 4,246 |
| Other expenses | 38 | 17,712 | 19,233 |
| **Total expenses** | | **68,334** | **69,964** |
| **V Profit before share of profit / (loss) from joint ventures (net), exceptional items and tax (III-IV)** | | **12,097** | **3,908** |
| VI Share of profit / (loss) from joint ventures (net) | | 1 | (90) |
| **VII Profit before exceptional items and tax (V+VI)** | | **12,098** | **3,818** |
| VIII Exceptional items | 48 | 83 | 805 |
| **IX Profit before tax (VII-VIII)** | | **12,015** | **3,013** |
| **X Tax expense/(credit)** | 26 | | |
| Current tax | | 2,467 | 943 |
| Deferred tax | | 1,675 | (1,849) |
| **Total tax expense/(credit)** | | **4,142** | **(906)** |
| **XI Profit for the year (IX-X)** | | **7,873** | **3,919** |
| **XII Other comprehensive income / (loss)** | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| a) Remeasurement losses of the defined benefit plans | 43 | 33 | (23) |
| b) Equity instruments through other comprehensive income | | 459 | (304) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (12) | 7 |
| **Total (A)** | | **480** | **(320)** |
| B (i) Items that will be reclassified to profit or loss | | | |
| a) The effective portion of gain /(loss) on hedging instruments | | 426 | (825) |
| b) Changes in Foreign currency monetary item translation difference account (FCMITDA) | | - | 87 |
| c) Foreign currency translation reserve (FCTR) | | 25 | (316) |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | (143) | 253 |
| **Total (B)** | | **308** | **(801)** |
| **Total other comprehensive income/(loss) (A+B)** | | **788** | **(1,121)** |
| **XIII Total comprehensive income/(loss) (XI+XII)** | | **8,661** | **2,798** |
| **Total Profit /(loss) for the year attributable to:** | | | |
| - Owners of the Company | | 7,911 | 4,030 |
| - Non-controlling interests | | (38) | (111) |
| | | **7,873** | **3,919** |
| **Other comprehensive income/(loss) for the year attributable to:** | | | |
| - Owners of the Company | | 770 | (1,076) |
| - Non-controlling interests | | 18 | (45) |
| | | **788** | **(1,121)** |
| **Total comprehensive income/(loss) for the year attributable to:** | | | |
| - Owners of the Company | | 8,681 | 2,954 |
| - Non-controlling interests | | (20) | (156) |
| | | **8,661** | **2,798** |
| **XIV Earnings per equity share of ₹ 1 each** | 39 | | |
| Basic (in ₹) | | 32.91 | 16.78 |
| Diluted (in ₹) | | 32.73 | 16.67 |

See accompanying notes to the Consolidated Financial Statements

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**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

**LANCY VARGHESE**
Company Secretary
ICSI Membership No. FCS 9407

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

Place: Mumbai
Date: 21 May 2021

Place: Mumbai
Date: 21 May 2021

# Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

## A. Equity share capital

₹ in crores

| As at 1 April 2019 | Movement during 2019-20 | As at 31 March 2020 | Movement during 2020-21 | As at 31 March 2021 |
|---|---|---|---|---|
| 301 | @ | 301 | @@ | 302 |

@ - ₹ 0.07 crores, @@ - ₹ 0.34 crores

## B. Other equity

₹ in crores

| | Reserves and surplus | | | | | | | | Other comprehensive income / (loss) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities premium reserve | Capital redemption reserve | Debenture redemption reserve | Retained earnings | Equity settled share based payment reserve | General reserve | Capital reserve on bargain purchase | FCTR | Equity instruments through other comprehensive income | Effective portion of cash flow hedges | FCMITDA | Attributable to owners of the parent | Non-controlling interest | Total |
| **Balance as at 1 April 2019** | **3,585** | **5,417** | **531** | **285** | **13,736** | **91** | **9,899** | **1,017** | **(552)** | **476** | **66** | **(57)** | **34,494** | **(450)** | **34,044** |
| Profit for the year | - | - | - | - | 4,030 | - | - | - | - | - | - | - | 4,030 | (111) | 3,919 |
| Other comprehensive income for the year, net of income tax (refer note 26) | - | - | - | - | (16) | - | - | - | (271) | (304) | (542) | 57 | (1,076) | (45) | (1,121) |
| Dividends including dividend distribution tax | - | - | - | - | (1,195) | - | - | - | - | - | - | - | (1,195) | - | (1,195) |
| Impact of ESOP trust consolidation | - | - | - | - | 10 | - | - | - | - | - | - | - | 10 | - | 10 |
| Recognition of share based payments | - | - | - | - | - | 37 | - | - | - | - | - | - | 37 | - | 37 |
| Transfer between reserves | - | - | 243 | (285) | - | - | 42 | - | - | - | - | - | - | - | - |
| Acquisition of business | - | - | - | - | - | - | - | 2 | - | - | - | - | 2 | 25 | 27 |
| Equity component of compound financial instruments | - | - | - | - | - | - | - | - | - | - | - | - | - | 5 | 5 |
| Transfer to general reserve after exercise of options | - | - | - | - | - | (6) | 6 | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | (4) | - | - | - | - | - | - | - | (4) | 1 | (3) |
| **Balance as at 31 March 2020** | **3,585** | **5,417** | **774** | **-** | **16,561** | **122** | **9,947** | **1,019** | **(823)** | **172** | **(476)** | **-** | **36,298** | **(575)** | **35,723** |



₹ in crores

| | Reserves and surplus | | | | | | | Other comprehensive income / (loss) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities premium reserve | Capital redemption reserve | Retained earnings | Equity settled share based payment reserve | General reserve | Capital reserve on bargain purchase | FCTR | Equity instruments through other comprehensive income | Effective portion of cash flow hedges | Attributable to owners of the parent | Non-controlling interest | Total |
| **Balance as at 1 April 2020** | **3,585** | **5,417** | **774** | **16,561** | **122** | **9,947** | **1,019** | **(823)** | **172** | **(476)** | **36,298** | **(575)** | **35,723** |
| Profit for the year | - | - | - | 7,911 | - | - | - | - | - | - | 7,911 | (38) | 7,873 |
| Other comprehensive income for the year, net of income tax (refer note 26) | - | - | - | 23 | - | - | - | 7 | 458 | 282 | 770 | 18 | 788 |
| Dividends including dividend distribution tax | - | - | - | (483) | - | - | - | - | - | - | (483) | - | (483) |
| Impact of ESOP trust consolidation | - | - | - | 42 | - | - | - | - | - | - | 42 | - | 42 |
| Recognition of share based payments | - | - | - | - | 20 | - | - | - | - | - | 20 | - | 20 |
| Acquisition of stake from NCI (refer note 52) | - | - | - | (11) | - | - | - | - | - | - | (11) | (24) | (35) |
| Acquisition of business (refer note 41) | - | - | - | - | - | - | 1,915 | - | - | - | 1,915 | - | 1,915 |
| Transfer between reserves | - | - | - | - | (25) | 25 | - | - | - | - | - | - | - |
| **Balance as at 31 March 2021** | **3,585** | **5,417** | **774** | **24,043** | **117** | **9,972** | **2,934** | **(816)** | **630** | **(194)** | **46,462** | **(619)** | **45,843** |

See accompanying notes to the Consolidated Financial Statements

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **VIKRAM MEHTA**
Partner
Membership No.: 105938

Place: Mumbai
Date: 21 May 2021

**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: 21 May 2021

# Consolidated Statement of Cash Flows

For the year ended 31 March 2021

₹ in crores

| | For the year ended 31 March 2021 | | For the year ended 31 March 2020 | |
|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | |
| **Profit before tax** | | 12,015 | | 3,013 |
| **Adjustments for:** | | | | |
| Depreciation and amortisation expense | 4,679 | | 4,246 | |
| Loss on sale of property, plant and equipment (net) | 37 | | 30 | |
| Gain on sale of financial investments designated as FVTPL | (7) | | (5) | |
| Export obligation deferred income amortisation | (239) | | (144) | |
| Interest income | (481) | | (439) | |
| Dividend income | (11) | | (10) | |
| Interest expense | 3,745 | | 3,924 | |
| Unrealised exchange loss | (436) | | 687 | |
| Gain on financial instruments designated as FVTPL | - | | (4) | |
| Unwinding of interest on financial assets carried at amortised cost | (52) | | (45) | |
| Fair value gain on joint venture's previously held stake on acquisition of control | - | | (13) | |
| Share based payment expense | 20 | | 37 | |
| Share of loss from joint ventures (net) | (1) | | 90 | |
| Fair value loss on financial instrument designated as FVTPL | 2 | | 2 | |
| Allowances for doubtful receivable and advances | 101 | | 113 | |
| Non - cash expenditure | - | | 14 | |
| Exceptional items | 83 | | 805 | |
| | | **7,440** | | **9,288** |
| **Operating profit before working capital changes** | | **19,455** | | **12,301** |
| **Adjustments for:** | | | | |
| (Increase) / Decrease in inventories | (335) | | 744 | |
| Decrease in trade receivables | 72 | | 2,458 | |
| (Increase) in other assets | (423) | | (1,837) | |
| Increase in trade payable and other liabilities | 1,306 | | 183 | |
| Increase in provisions | 644 | | 91 | |
| | | **1,264** | | **1,639** |
| **Cash flow from operations** | | **20,719** | | **13,940** |
| Income taxes paid (net of refund received) | | (1,930) | | (1,155) |
| **Net cash generated from operating activities** | | **18,789** | | **12,785** |
| **B. Cash flow from investing activities** | | | | |
| Purchases of property, plant and equipment and intangibles assets (including under development and capital advances) | | (9,258) | | (12,810) |
| Proceeds from sale of property, plant and equipment | | 51 | | 43 |
| Cash outflow on acquisition of a subsidiary / acquisition of NCI (refer note 41 and 52) | | (1,575) | | (64) |
| Investment in joint ventures (refer note 41) | | (5,087) | | - |
| Proceeds from sale of stake in joint venture | | - | | 164 |
| Inter corporate deposits | | (293) | | - |
| Purchase of current investments | | (606) | | (762) |
| Sale of current investments | | 612 | | 847 |
| Bank deposits not considered as cash and cash equivalents (net) | | 7,407 | | (7,517) |
| Interest received | | 619 | | 503 |
| Dividend received | | 11 | | 10 |
| **Net cash used in investing activities** | | **(8,119)** | | **(19,586)** |



₹ in crores

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| **C. Cash flow from financing activities** | | |
| Proceeds from sale of treasury shares | 39 | 107 |
| Payment for purchase of treasury shares | - | (101) |
| Proceeds from non-current borrowings | 15,897 | 20,814 |
| Repayment of non-current borrowings | (7,562) | (11,107) |
| Proceeds from / (repayment) of current borrowings (net) | (6,326) | 1,940 |
| Repayment of lease liabilities | (335) | (177) |
| Interest paid | (4,340) | (4,520) |
| Dividend paid (including corporate dividend tax) | (483) | (1,195) |
| Premium paid on redemption of debentures | - | (572) |
| **Net cash (used in ) / generated from financing activities** | **(3,110)** | **5,189** |
| **Net increase / (decrease) in cash and cash equivalents(A+B+C)** | **7,560** | **(1,612)** |
| Cash and cash equivalents at the beginning of year | 3,966 | 5,581 |
| Add: Translation adjustment in cash and cash equivalents | (3) | (6) |
| Add: Cash and cash equivalents pursuant to business combinations (refer note 41) | 420 | 3 |
| **Cash and cash equivalents at the end of year** | **11,943** | **3,966** |

## Reconciliation forming Statement of Cash flows

₹ in crores

| Particulars | 1 April 2020 | Cash flows (net) | Foreign exchange difference | Changes in fair values | New leases | Others | 31 March 2021 |
|---|---|---|---|---|---|---|---|
| Borrowings (non-current) other than Lease liabilities) (including current maturities of long term borrowing included in other financial liabilities note 30) | 51,049 | 8,335 | (668) | (650) | - | (17) | **58,049** |
| Lease liabilities (including current maturities) | 2,050 | (335) | - | | 629 | - | **2,344** |
| Borrowings (current) | 8,325 | (6,326) | - | | | - | **1,999** |

₹ in crores

| Particulars | 1 April 2019 | Cash flows (net) | Foreign exchange difference | Changes in fair values | New leases | Others | 31 March 2020 |
|---|---|---|---|---|---|---|---|
| Borrowings (non-current) other than finance lease obligations (including current maturities of long term borrowing included in other financial liabilities note 30) | 39,106 | 9,707 | 2,401 | (113) | - | (52) | **51,049** |
| Finance lease obligations (including current maturities) | 1,957 | (177) | - | - | 405 | (135) | **2,050** |
| Borrowings (current) | 6,333 | 1,940 | - | - | - | 52 | **8,325** |

Other comprises of upfront fees amortisation and interest cost accrual on preference shares and deferred sales tax loan.

Notes:

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

See accompanying notes to the Consolidated Financial Statements

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**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

**LANCY VARGHESE**
Company Secretary
ICSI Membership No. FCS 9407

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

Place: Mumbai
Date: 21 May 2021

Place: Mumbai
Date: 21 May 2021

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## 1. General Information

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

The Parent and its subsidiaries (together referred to as "the Group") is an integrated manufacturer of diverse range of steel products with its manufacturing facilities located at Vijayanagar works in Karnataka, Dolvi works in Maharashtra and Salem works in Tamil Nadu and also in the United States of America and Italy. The Group has entered into long term lease arrangements of iron ore mines located at Odisha and Karnataka and also in the United States of America.

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

## 2. Significant Accounting policies

### I. Statement of compliance

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

Accordingly, the Company has prepared these Consolidated Financial Statements which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "financial statements").

These financial statements are approved for issue by the Board of Directors on 21 May 2021.

### II. Basis of preparation and presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting year as explained in the accounting policies below, and acquisition of subsidiaries where assets and liabilities are measured at fair values as at the date of acquisition in accordance with Ind AS 103.

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

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

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

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

**Current and non-current classification**

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

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

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



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

All other assets are classified as non-current.

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

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

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

### III. Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including;

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

### IV. Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. Acquisition-related costs are generally recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of bargain purchase, before recognising gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

If the initial accounting for a business combination is incomplete by the end of the financial year, the provisional amounts for which the accounting is incomplete shall be disclosed in the financial statements and provisional amounts recognised at the acquisition date shall be retrospectively adjusted during the measurement period. During the measurement period, the group shall also recognise additional assets or liabilities if the new information is obtained about facts and circumstances that existed as of the acquisition date and if known, would have resulted in the recognition of those assets and liabilities as of that date. However, the measurement period shall not exceed the period of one year from the acquisition date.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

### V. Investment Property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group depreciates building component of investment property over 30 years from the date of original purchase.



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of derecognition from the derecognition of investment properties the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

### VI. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 2(VI) below.

### VII. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in consolidated statement of profit and loss in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### VIII. Revenue recognition

#### A. Sale of Goods

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

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

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

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

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

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

Contract balances

i. Contract assets

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

ii. Trade receivables

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

iii. Contract liabilities

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

iv. Refund liabilities

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

#### B. Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentives payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract cost incurred that it is probable will be recoverable. Contract costs are recognised as an expense in the period in which they are incurred.



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

#### C. Dividend and interest income

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

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

### IX. Leases

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

#### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### The Group as a lessee

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

#### Right-of-use assets

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

| Class of assets | Years |
|---|---|
| Leasehold land | 75 to 99 Years |
| Buildings | 3 to 30 years |
| Plant & Machinery | 3 to 15 years |

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

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

#### Lease liabilities

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

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

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

### Short-term leases and leases of low-value assets

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

## X. Foreign currencies

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

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

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in 2 (XXI) (B) (f));
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items; and
- exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognised in the financial statements for the year ended 31 March 2016 prepared under previous GAAP, are capitalised as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity year / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Goodwill, capital reserve on bargain purchase and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

## XI. Borrowing costs

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

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

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

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

## XII. Government grants

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

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

The benefit of a government loan at a below-market rate of interest and effect of this 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 Consolidated Statement of Profit and Loss immediately on fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## XIII. Employee benefits

### Retirement benefit costs and termination benefits

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

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

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

The Group presents the first two components of defined benefit costs in Consolidated Statement of Profit or Loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

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

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

### Short-term and other long-term employee benefits

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

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

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

## XIV. 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 40.

The fair value determined at the grant date of the equity-settled share-based payments is expensed

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on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Consolidated Statement of Profit or Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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

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

## XV. Taxes

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

### Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

### Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

### Current and deferred tax for the year

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

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

## XVI. Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

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

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

Depreciation on the property, plant and equipment of the Company's foreign subsidiaries and jointly controlled entities has been provided on straight-line method as per the estimated useful life of such assets as follows:

| Class of assets | Years |
|---|---|
| Buildings | 15 to 50 years |
| Plant and machinery | 3 to 30 years |
| Furniture and fixtures | 3 to 10 years |
| Vehicles and aircrafts | 4 to 5 years |
| Office equipment | 3 to 10 years |

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**XVII. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

| Class of assets | Years |
|---|---|
| Computer software | 3 to 5 years |
| Licenses | Over the period of license |

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

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

**XVIII. Mining Assets**

Acquisition Costs

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

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

Exploration and evaluation

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

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

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

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

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

Stripping cost

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

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

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

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.



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Site restoration, rehabilitation and environmental costs:

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to consolidated statement of profit and loss over the life of the asset through amortisation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements are reviewed periodically.

The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of such provisions are set out in note 25.

**XIX. Impairment of Non-financial assets**

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

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

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

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

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

**XX. Inventories**

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

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost of iron ore inventory includes cost of mining, bid premium, royalties and other manufacturing overheads. Cost of traded goods include purchase cost and inward freight.

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

**XXI. Provisions**

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a

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

**XXII. Financial Instruments**

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

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

A. Financial assets

a) Recognition and initial measurement

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

b) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit and loss.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

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

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

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

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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




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

All other financial assets are classified as measured at FVTPL.

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

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

- The Group's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Derecognition of financial assets

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

d) Impairment

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

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

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

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

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

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

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

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

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

e) **Effective interest method**

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

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

## B. Financial liabilities and equity instruments

a) **Classification as debt or equity**

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

b) **Equity instruments**

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

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

c) **Financial liabilities**

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

**Financial liabilities at FVTPL:**

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

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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

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

**Other financial liabilities:**

The Group enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments



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

**Derecognition of financial liabilities:**

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

## C. Derivative instruments and hedge accounting

a) **Derivative financial instruments**

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

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

b) **Embedded derivatives**

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

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

c) **Hedge accounting**

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

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

(i) **Fair value hedges**

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

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value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in the Consolidated Statement of Profit and Loss in the line item relating to the hedged item.

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

When the Group designates only the intrinsic value of the option as the hedging instrument, it account for the changes in the time value in OCI. This amount is being removed from OCI and recognised in consolidated statement of profit and loss, either over the period of the hedge if the hedge is time related, or when the hedged transaction affects consolidated statement of profit and loss if the hedge is transaction related.

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

**(ii) Cash flow hedges**

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

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit and loss in the years when the hedged item affects profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

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

When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit and loss.

**(iii) Hedges of net investments in a foreign operation**

Hedges of net investments in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognised immediately in the profit or loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to Consolidated Statement of Profit and Loss on the disposal of the foreign operation.

**XXIII. 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.

**XXIV. Cash and cash equivalents:**

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

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

**XXV. Earnings per share:**

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

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income



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(net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

## 3. Key sources of estimation uncertainty and critical accounting judgements

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

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

### A) Key sources of estimation uncertainty

**i) Useful lives of property, plant and equipment**

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

**ii) Impairment of investments in joint ventures and associate**

Determining whether the investments in joint ventures and associate are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses / operations of the investee companies as more fully described in note 49. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

**iii) Contingencies**

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

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

**iv) Fair value measurements**

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

**v) Impairment of Goodwill**

Determining whether the goodwill acquired in business combinations are impaired, requires an estimate of recoverable amount of the Group's cash Generating unit (or groups of cash generating units). In considering the recoverable value of cash generating unit, the management have anticipated the future benefits to arise from commodity prices, capacity utilisation of plants, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying unit. If the recoverable amount of cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any Impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss.

**vi) Provision for site restoration**

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

# Notes

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vii) Taxes

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

During the previous year ended 31 March 2020, the Group had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. Based on the detailed assessment carried out the management, deferred tax liabilities on temporary differences expected to reverse during the year in which the Company and one of its subsidiaries would be under the new tax regime and accordingly applied the new rate for measuring the said deferred tax liabilities in accordance with the requirements of IND AS 12 - 'Income Taxes". This had resulted in reversal of deferred tax liabilities amounting to ₹2,225 crores. During the year, the Group has re-assessed the impact of the Ordinance and there is no significant change in the measurement arising of the said assessment.

Further, certain components of the Group have opted for the new tax rate from financial year 2019-20 which has resulted into a reversal of deferred tax liabilities upto 31 March 2019 amounting to ₹98 crores during the previous year ended 31 March 2020.

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

The Group has assessed the possible impact of COVID-19 in assessing the recoverability of carrying amounts of Group's assets such as property, plant & equipment, goodwill and other assets etc, considering the various internal and external information up to the date of approval of these financial results and concluded that they are recoverable based on the estimate of values of the businesses and assets by independent external valuers which was based on cash flow projections, fair values and implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore and coal, mineable resources, and assumptions relating to operational performance including significant improvement in capacity utilisation and margins based on forecasts of demand in local markets, and capacity expansion/ availability of infrastructure facilities for mines. The Group continues to monitor any material changes to the future economic conditions.

## B) Critical accounting judgements

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

RIPL has developed a residential township in Vijayanagar, Karnataka on the land taken on lease from the Company for a period of 30 years and provides individual housing units on rent to the employees of the Company or other group companies. RIPL is not allowed to sub-let or assign its rights under the arrangement without prior written consent of the Company. Though the Company does not hold any ownership interest in RIPL, the Company has concluded that the Company has practical ability to direct the relevant activities of RIPL unilaterally, considering RIPL's dependency on the Company for funding significant portion of its operation through subscription to 73.94% of preference share capital amounting to ₹ 313 crores issued by RIPL and significant portion of RIPL's activities.

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

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

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

iii) Joint control over JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited)

The consortium of JSW Steel Limited and AION Investments Private II Limited. completed the acquisition of JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited) ("JISPL" or "MIEL") through their jointly controlled entity Creixent Special Steels Limited ("CSSL") on 31 August 2018. The Company has made an investment in the year FY 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) Joint control over Bhushan Power and Steel Limited

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

As per the Shareholding agreement (SHA), all the relevant activities of PSL that affect the Company's variable returns from its involvement with PSL/ BPSL have to be decided unanimously by a Steering Committee on which there is equal representation of the Company and JSLPL and JSLPL is not acting as de-facto agent of the Company under this SHA, thus the Company has concluded that it has joint control over PSL.

v) Incentives under the State Industrial Policy

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

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

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

Accordingly, the Company has 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.

vi) Commitment under MDPA arrangement

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

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

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

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## 4. Property, plant and equipment

₹ in crores

| Particulars | Freehold land | Leasehold land | Buildings (owned) | Buildings (on finance lease) | Plant and equipments (owned) | Plant and equipments (on finance lease) | Furniture and fixtures | Vehicles and aircrafts | Office equipments | Mining development and projects | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cost / deemed cost** | | | | | | | | | | | |
| **At 1 April 2019** | **1,769** | **764** | **9,266** | **27** | **59,819** | **3,157** | **135** | **157** | **85** | **1,024** | **76,203** |
| Transfer to ROU assets | - | 764 | - | 27 | 14 | 3,157 | - | - | - | - | 3,962 |
| Additions | 28 | - | 507 | - | 1,949 | - | 9 | 18 | 25 | 10 | 2,546 |
| Acquired pursuant to business combination | 7 | - | 28 | - | 180 | - | - | - | - | - | 215 |
| Deductions | 17 | - | 4 | - | 204 | - | 1 | 11 | - | - | 237 |
| Other adjustments (refer note c below) | - | - | - | - | 311 | - | - | - | - | - | 311 |
| Translation reserve | 26 | - | 104 | - | 603 | - | 1 | 1 | 1 | 95 | 831 |
| **At 31 March 2020** | **1,813** | **-** | **9,901** | **-** | **62,644** | **-** | **144** | **165** | **111** | **1,129** | **75,907** |
| Additions | 50 | - | 374 | - | 2,868 | - | 10 | 12 | 18 | 7 | 3,339 |
| Acquired pursuant to business combination (refer note 41) | 298 | - | 326 | - | 1,626 | - | 1 | 1 | 1 | - | 2,253 |
| Deductions | - | - | 20 | - | 519 | - | @ | 8 | 1 | - | 548 |
| Transfer to investment property (refer note 6) | 11 | - | - | - | - | - | - | - | - | - | 11 |
| Other adjustments (refer note c below) | - | - | - | - | 117 | - | - | - | - | - | 117 |
| Asset transfer to held for sale | - | - | - | - | (2) | - | - | - | - | - | (2) |
| Translation reserve | 4 | - | (25) | - | (178) | - | @ | @ | @ | (9) | (208) |
| **At 31 March 2021** | **2,154** | **-** | **10,556** | **-** | **66,556** | **-** | **155** | **170** | **129** | **1,127** | **80,847** |
| **Accumulated depreciation and impairment** | | | | | | | | | | | |
| **At 1 April 2019** | **4** | **34** | **1,549** | **2** | **11,708** | **667** | **57** | **49** | **41** | **621** | **14,732** |
| Transfer to ROU assets | - | 34 | - | 2 | 8 | 667 | - | - | - | - | 711 |
| Depreciation | - | - | 387 | - | 3,491 | - | 14 | 18 | 20 | 9 | 3,939 |
| Disposals | - | - | 1 | - | 164 | - | 1 | 5 | @ | - | 171 |
| Impairment | - | - | 3 | - | 77 | - | - | - | - | 143 | 223 |
| Translation reserve | - | - | 26 | - | 183 | - | 1 | - | - | 60 | 270 |
| **At 31 March 2020** | **4** | **-** | **1,964** | **-** | **15,287** | **-** | **71** | **62** | **61** | **833** | **18,282** |
| Depreciation | - | - | 401 | - | 3,775 | - | 14 | 18 | 17 | 6 | 4,231 |
| Disposals | - | - | 12 | - | 451 | - | @ | 4 | 1 | - | 468 |
| Asset transfer to held for sale | - | - | - | - | (2) | - | - | - | - | - | (2) |
| Impairment (refer note 48) | - | - | - | - | - | - | - | - | - | 20 | 20 |
| Translation reserve | @ | - | (7) | - | (62) | - | @ | @ | @ | (4) | (73) |
| **At 31 March 2021** | **4** | **-** | **2,346** | **-** | **18,547** | **-** | **85** | **76** | **77** | **855** | **21,990** |
| **Net book value** | | | | | | | | | | | |
| **At 31 March 2021** | **2,150** | **-** | **8,210** | **-** | **48,009** | **-** | **70** | **94** | **52** | **272** | **58,857** |
| **At 31 March 2020** | **1,809** | **-** | **7,937** | **-** | **47,357** | **-** | **73** | **103** | **50** | **296** | **57,625** |

@ - between ₹ (0.50) crores to ₹ 0.50 crores



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

**Notes:**

₹ in crores

| | | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|---|
| a) Freehold land which is yet to be registered in the name of group entities* | Acre | 184 | 20 |
| | Deemed cost | 117 | 9 |
| b) Freehold land and buildings which have been/agreed to be hypothecated/ mortgaged to lenders of related parties | Deemed cost | 99 | 111 |
| c) Other adjustments comprises: | | | |
| Borrowing cost | | 85 | 15 |
| Foreign exchange loss / (gain) (net) | | 32 | 296 |

* includes land acquired pursuant to business combination from Welspun Corporation Limited on 31 March 2021 (refer note 41).

d) Assets given on operating lease:

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

| Category of Asset | Area | Period |
|---|---|---|
| Land at Vijayanagar | 526 acres* | 5 years to 30 years |
| Land at Dolvi along with certain buildings | 79 acres | 15 years to 20 years |
| Land at Palwal | 6 acres | 15 years |
| Office Premises at Mittal Tower | 1,885 sq. feet | 24 months |
| Office Premises at CBD Belapur | 33,930 sq. feet | 5 years |
| Building for Vijayanagar Sports Institute | 1,96,647 sq. feet | 10 years |
| Hospital premises at Vijayanagar | 81,500 sq. feet | 20 years |
| Land at Vasind | 22,303 sq. mtr. | 25 years |

*includes 440 acres of land classified as right-of-use assets in note 7.

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:

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Land** | | |
| Cost/Deemed cost | 86 | 86 |
| **Building** | | |
| Cost/Deemed cost | 119 | 119 |
| Accumulated depreciation | 15 | 10 |
| Depreciation for the year | 5 | 4 |

e) Certain property, plant and equipments are pledged against borrowings, the details relating to which have been described in Note 22 and 28.

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

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

₹ in crores

| Particulars | Buildings (Owned) | Plant and equipments (Owned) |
|---|---|---|
| **Cost / deemed cost** | | |
| **At 31 March 2019** | 476 | 7 |
| Additions | - | - |
| **At 31 March 2020** | **476** | **7** |
| Additions | - | - |
| **At 31 March 2021** | **476** | **7** |
| **Accumulated depreciation** | | |
| **At 31 March 2019** | 64 | 3 |
| Depreciation expense | 12 | - |
| **At 31 March 2020** | **76** | **3** |
| Depreciation expense | 16 | 1 |
| **At 31 March 2021** | **92** | **4** |
| **Net book value** | | |
| **At 31 March 2021** | **384** | **3** |
| **At 31 March 2020** | **400** | **4** |

**5.** Capital work in progress includes exchange fluctuation (regarded as an adjustment to borrowing costs) to of ₹ 46 crores (previous year ₹ 936 crores) and borrowing cost (net off interest income) of ₹ 786 crores (previous year ₹ 648 crores), capitalised during the year.

## 6. Investment property

₹ in crores

| Particulars | Land | Buildings | Total |
|---|---|---|---|
| **Cost / deemed cost** | | | |
| **At 31 March 2019** | **3** | **237** | **240** |
| Translation reserve | - | 5 | 5 |
| **At 31 March 2020** | **3** | **242** | **245** |
| Acquired pursuant to business combination (refer note 41) | 16 | - | 16 |
| Transfer from property, plant and equipment (refer note 4) | 11 | - | 11 |
| Translation reserve | - | 14 | 14 |
| **At 31 March 2021** | **30** | **256** | **286** |
| **Accumulated depreciation** | | | |
| **At 31 March 2019** | **-** | **16** | **16** |
| Depreciation expenses | - | 4 | 4 |
| Translation reserve | - | 1 | 1 |
| **At 31 March 2020** | **-** | **21** | **21** |
| Depreciation expense | - | 4 | 4 |
| Translation reserve | - | 2 | 2 |
| **At 31 March 2021** | **-** | **27** | **27** |
| **Net book value** | | | |
| **At 31 March 2021** | **30** | **229** | **259** |
| **At 31 March 2020** | **3** | **221** | **224** |

The Fair value of investment property as at 31 March 2021 is ₹ 392 crores (as at 31 March 2020 – ₹ 339 crores) which has been determined on the basis of valuation carried by independent valuer. The fair value for investment property has been categorised as level 2 based on the techniques used and inputs applied.



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## 7. Right-of-use assets and Lease Liability

₹ in crores

| Particulars | Land | Buildings | Plant and Equipment | Total |
|---|---|---|---|---|
| **Transfer in Right-of-use assets** | | | | |
| Gross block | 764 | 27 | 3,157 | 3,948 |
| Accumulated depreciation | (34) | (2) | (667) | (703) |
| Additions (recognised pursuant to IND AS 116 adoption) | 76 | 27 | 354 | 457 |
| **Right-of-use assets on initial recognition as on 1 April 2019** | **806** | **52** | **2,844** | **3,702** |
| Additions | - | - | 24 | 24 |
| Depreciation | 9 | 16 | 236 | 261 |
| Translation reserve | - | - | 6 | 6 |
| **At 31 March 2020** | **797** | **36** | **2,638** | **3,471** |
| Additions | - | - | 629 | 629 |
| Depreciation | 5 | 17 | 263 | 285 |
| Translation reserve | - | - | 1 | 1 |
| **At 31 March 2021** | **792** | **19** | **3,005** | **3,816** |

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

### Lease Liabilities

| Particulars | ₹ in crores |
|---|---|
| **At 1 April 2019 (transferred from finance lease obligations)** | **1,957** |
| Additional leases (recognised pursuant to Ind AS 116 adoption) | 374 |
| **Lease liabilities on initial recognition as on 1 April 2019** | **2,331** |
| Additions | 31 |
| Interest accrued | 252 |
| Lease principal payments | (177) |
| Lease interest payments | (252) |
| Others | (135) |
| **At 31 March 2020** | **2,050** |
| Additions | 628 |
| Interest accrued | 357 |
| Lease principal payments | (335) |
| Lease interest payments | (357) |
| Translation reserve | 1 |
| **At 31 March 2021** | **2,344** |

### Breakup of lease liabilities

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Current | 405 | 306 |
| Non-current | 1,939 | 1,744 |
| **Total** | **2,344** | **2,050** |

**The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:**

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Less than 1 year | 640 | 552 |
| 1-5 years | 1,573 | 1,589 |
| More than 5 years | 1,248 | 954 |
| **Total** | **3,461** | **3,095** |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

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

The Group has lease contracts for machinery that contains variable payments amounting to ₹ 442 crores (previous year ₹ 427 crores) shown under Cost of material consumed / other expenses.

The Group has recognised ₹ 50 crores (previous year ₹ 54 crores) as rent expenses during the year which pertains to short term lease/ low value asset which was not recognised as part of right-of-use asset and also recognised a gain of ₹ 1 crore on sale & leaseback transaction entered during the year. Both of amounts are being recognised as part of other expenses.

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

## 8. Goodwill

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Cost / deemed cost** | | |
| **Balance at the beginning of the year** | **2,002** | **1,831** |
| Acquired pursuant to business combination | - | 15 |
| Translation reserve | (53) | 156 |
| **Balance at the end of the year (a)** | **1,949** | **2,002** |
| **Accumulated impairment** | | |
| **Balance at the beginning of the year** | **1,587** | **991** |
| Impairment (refer note 48) | 63 | 513 |
| Translation reserve | (37) | 83 |
| **Balance at the end of the year (b)** | **1,613** | **1,587** |
| **Net book value (a-b)** | **336** | **415** |

### Allocation of goodwill to Cash Generating Units (CGU's)

₹ in crores

| CGU | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Coal mines at West Virginia, USA | 196 | 266 |
| Steel plant at Mingo Junction, USA | 96 | 98 |
| Others | 44 | 51 |
| **Total** | **336** | **415** |

### Description of key assumptions considered for the value in use calculation

**Alawest coal mines at West Virginia, USA**

The recoverable amount of Alawest coal mines is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering the mining lease concession period, and a pre-tax discount rate of 15.6% per annum (16.7% for 31 March 2020). The discount rate commensurate with the risk specific to the projected cash flow and reflects the rate of return required by an investor.

Cash flow projections during the budget period are based on estimated coal extraction schedule and future prices of coal determined based on the average of coal prices published in various analyst reports. The projections do not consider growth rate in the coal prices from the year 2023-24 onwards.

Considering past trend of movement in coal prices, the management believes that the following changes in these key estimates would result into carrying amount exceeding the recoverable amount:

a) Decrease in coal prices by 1% would result into change in recoverable value by ₹ 21 crores.

b) Decrease in extraction schedule by 5% would result into change in recoverable value by ₹ 34 crores.




# Notes

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**Steel plant at Mingo Junction, USA**

The recoverable amount of steel plant is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors, and a pre-tax discount rate of 18.2% per annum (18.4% per annum for 31 March 2020). The discount rate commensurate with the risk specific to the projected cash flow and reflects the rate of return required by an investor.

Cash flow projections during the budget period are based on estimated steel production till FY 2023-24 and future prices of steel prices. The projections do not consider growth rate in production and price in terminal year.

Considering past trend of movement in steel prices, the management believes that the following changes in these key estimates would result into carrying amount exceeding the recoverable amount:

a) Decrease in steel prices by 1% would result into change in recoverable value by ₹ 330 crores.

b) Decrease in production schedule by 5% would result into change in recoverable value by ₹ 251 crores.

## 9. Other intangible assets

₹ in crores

| Particulars | Computer software | Licences | Mining concession | Port concession | Total |
|---|---|---|---|---|---|
| **Cost / deemed cost** | | | | | |
| **At 1 April 2019** | **136** | **41** | **128** | **1** | **306** |
| Additions | 34 | 9 | 154 | - | 197 |
| Disposals | - | - | - | - | - |
| Translation reserve | - | 2 | 1 | - | 3 |
| **At 31 March 2020** | **170** | **52** | **283** | **1** | **506** |
| Additions (refer note a below) | 45 | - | 1,413 | - | 1,458 |
| Disposals | - | - | - | - | - |
| Translation reserve | @ | @ | @ | @ | @ |
| **At 31 March 2021** | **215** | **52** | **1,696** | **1** | **1,964** |
| **Accumulated amortisation and impairment** | | | | | |
| **At 1 April 2019** | **79** | **20** | **7** | **-** | **106** |
| Amortisation | 20 | 8 | 14 | - | 42 |
| Disposals | - | - | - | - | - |
| Impairment | - | - | 6 | 1 | 7 |
| Translation reserve | 1 | - | - | - | 1 |
| **At 31 March 2020** | **100** | **28** | **27** | **1** | **156** |
| Amortisation | 35 | 3 | 121 | - | 159 |
| Disposals | - | - | - | - | - |
| Translation reserve | @ | @ | @ | @ | @ |
| **At 31 March 2021** | **135** | **31** | **148** | **1** | **315** |
| **Net book value** | | | | | |
| **At 31 March 2021** | **80** | **21** | **1,548** | **-** | **1,649** |
| **At 31 March 2020** | 70 | 24 | 256 | - | 350 |

@ - Less than ₹ 0.50 crores

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

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

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## 10. Investments in joint ventures

| Particulars | Paid up value | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|---|
| | | No. of Shares | ₹ in crores | No. of Shares | ₹ in crores |
| **A. Investment in equity shares accounted for using equity method** | | | | | |
| **Joint ventures** | | | | | |
| **Gourangdih Coal Limited** | | | | | |
| Equity shares | ₹ 10 each | 2,450,000 | 2 | 2,450,000 | 2 |
| Add: Share of profit/(loss) (net) | | | @ | | @ |
| | | | **2** | | **2** |
| **JSW MI Steel Service Centre Private Limited** | | | | | |
| Equity shares | ₹ 10 each | 66,500,000 | 67 | 66,500,000 | 67 |
| Add: Share of profit/(loss) (net) | | | 27 | | 18 |
| | | | **94** | | **85** |
| **JSW Severfield Structures Limited** | | | | | |
| Equity shares | ₹ 10 each | 198,937,940 | 198 | 198,937,940 | 198 |
| Add: Share of profit/(loss) (net) | | | (44) | | (35) |
| | | | **154** | | **163** |
| **Rohne Coal Company Private Limited** | | | | | |
| Equity shares | ₹ 10 each | 490,000 | @@ | 490,000 | @@ |
| Add: Share of profit/(loss) (net) | | | @@@ | | @@@ |
| | | | **-** | | **-** |
| **Vijayanagar Minerals Private Limited** | | | | | |
| Equity shares | ₹ 10 each | 4,000 | @@@@ | 4,000 | @@@@ |
| Add: Share of profit/(loss) (net) | | | 2 | | 2 |
| | | | **2** | | **2** |
| **Creixent Special Steels Limited** | | | | | |
| Equity shares | ₹ 10 each | 4,800,000 | 255 | 4,800,000 | 255 |
| Add: Share of profit/(loss) (net) | | | (214) | | (224) |
| | | | **41** | | **31** |
| **JSW Ispat Special Products Limited** | | | | | |
| Equity shares | ₹ 10 each | 399 | & | 399 | & |
| | | | **&** | | **&** |
| **Piombino Steel Limited** (refer note a below and note 41) | | | | | |
| Equity shares | ₹ 10 each | 980,000,000 | 2,669 | | - |
| Add: Share of profit/(loss) (net) | | | - | | - |
| | | | **2,669** | | **-** |
| **B. Investments in share warrants** | | | | | |
| Joint Ventures | | | | | |
| Piombino Steel Limited (refer note 41) | Share warrants of ₹0.02 each exercisable within 5 years for 1 equity share against 1 warrant | 3,50,00,00,000 | 7 | | - |
| **Total** | | | **2,969** | | **283** |
| Unquoted | | | | | |
| Aggregate book value | | | 2,969 | | 283 |

@ - ₹ (0.22) crores (previous year ₹ (0.18) crores)
@@ - ₹ 0.49 crores
@@@ - ₹ (0.49) crores
@@@@ - ₹ 40,000/-
& - ₹ 3,990/-
a) 98,00,00,000 shares are pledged to the lenders of Piombino Steel Limited.





# Notes

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## 11. Investments (non-current)

| Particulars | Paid up value | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|---|
| | | No. of Shares | ₹ in crores | No. of Shares | ₹ in crores |
| **A Investment in equity instruments** | | | | | |
| **Fully paid up** | | | | | |
| **Quoted (at fair value through other comprehensive income)** | | | | | |
| JSW Energy Limited | ₹10 each | 101,605,500 | 893 | 101,605,500 | 434 |
| SBI Infrastructure Fund | ₹10 each | 40,000 | $ | 40,000 | $ |
| **Unquoted (at fair value through other comprehensive income)** | | | | | |
| Tarapur Environment Protection Society | ₹100 each | 244,885 | 4 | 244,885 | 4 |
| Toshiba JSW Power Systems Private Limited | ₹10 each | 11,000,000 | - | 11,000,000 | - |
| MJSJ Coal Limited | ₹10 each | 10,461,000 | 9 | 10,461,000 | 9 |
| SICOM Limited | ₹10 each | 600,000 | 5 | 600,000 | 5 |
| Kalyani Mukand Limited | ₹1 each | 480,000 | $ | 480,000 | $ |
| Ispat Profiles India Limited | ₹1 each | 1,500,000 | $ | 1,500,000 | $ |
| Vallabh Steels Limited | ₹ 10 each | 295,000 | $ | 295,000 | $ |
| Geo Steel LLC | | | 44 | | 45 |
| Caparo power | ₹10 each | 38,23,781 | 17 | - | - |
| **B Investments in preference shares** | | | | | |
| **Fully paid up** | | | | | |
| **Joint ventures** | | | | | |
| **Unquoted (at fair value through profit or loss)** | | | | | |
| Rohne Coal Company Private Limited | | | | | |
| 1% non-cumulative preference shares | ₹10 each | 23,642,580 | - | 23,642,580 | - |
| 1% Series-A non-cumulative preference shares | ₹10 each | 7,152,530 | 1 | 7,152,530 | 4 |
| 1% Series-B non-cumulative preference shares | ₹10 each | 1,994,686 | 2 | 1,661,686 | 2 |
| **Unquoted (at amortised cost)** | | | | | |
| Creixent Special Steels Limited | | | | | |
| 0.01% Redeemable preference shares I | ₹10 each | 171,969,200 | 232 | 171,969,200 | 207 |
| 0.01% Redeemable preference shares II | ₹10 each | 198,300,410 | 234 | 198,300,410 | 211 |
| JSW Ispat Special Products Limited | 0.01% compulsorily convertible, non-cumulative preference shares of ₹ 10 each | 601 | @@ | 601 | @@ |
| **Others** | | | | | |
| **Unquoted (at fair value through profit or loss)** | | | | | |
| JSW Investments Private Limited | | | | | |
| 8% Non-Cumulative Non-Convertible Preference shares | ₹10 each | 100,000,000 | 47 | 100,000,000 | 47 |
| **Unquoted (at cost)** | | | | | |
| Metal interconnector SCPA | EUR 1 each | 1,192,771 | 21 | 1,192,771 | 14 |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| | Particulars | Paid up value | As at 31 March 2021 No. of Shares | As at 31 March 2021 ₹ in crores | As at 31 March 2020 No. of Shares | As at 31 March 2020 ₹ in crores |
|---|---|---|---|---|---|---|
| **C** | **Investments in Optionally fully convertible debentures** | | | | | |
| | **Fully paid up** | | | | | |
| | **Joint ventures** | | | | | |
| | **Unquoted (at fair value through profit or loss)** | | | | | |
| | Piombino Steel Limited (refer note 41) | 6% optionally fully convertible, non-cumulative of ₹ 10 each for a term of 10 years | 4,10,00,00,000 | 4,100 | | - |
| **D** | **Investments in government securities (unquoted- Others) (at amortised cost)** | | | | | |
| | National Savings Certificates (pledged with commercial tax department) | | | @ | | @ |
| | **Total** | | | **5,609** | | **982** |
| | Less: Aggregate amount of provision for impairment in the value of investments | | | (5) | | (8) |
| | **Total** | | | **5,604** | | **974** |
| | **Quoted** | | | | | |
| | Aggregate book value | | | **893** | | **434** |
| | Aggregate market value | | | **893** | | **434** |
| | **Unquoted** | | | | | |
| | Aggregate book value (net of impairment) | | | **4,711** | | **540** |
| | Investment at cost/deemed cost | | | **487** | | **431** |
| | Investment at fair value through other comprehensive income | | | **972** | | **497** |
| | Investment at fair value through profit and loss | | | **4,145** | | **46** |
| | Investment at amortised cost | | | **487** | | **431** |

$ ₹ 1, @ - ₹ 0.15 crores, @@ - ₹ 6,010/-

## 12. Loans (unsecured)

₹ in crores

| Particulars | As at 31 March 2021 Non-current | As at 31 March 2021 Current | As at 31 March 2020 Non-current | As at 31 March 2020 Current |
|---|---|---|---|---|
| Loans | | | | |
| to related parties | 493 | 188 | 141 | 508 |
| to other body corporates | 9 | 293 | 17 | 13 |
| Security deposits | 529 | 143 | 623 | 223 |
| Less: Allowance for doubtful loans | (9) | (2) | (9) | (2) |
| **Total** | **1,022** | **622** | **772** | **742** |
| **Notes:** | | | | |
| Loans Receivable Considered good | 1,022 | 622 | 772 | 742 |
| Loans Receivable which have significant increase in Credit Risk | - | - | - | - |
| Loans Receivable – credit impaired | - | 2 | - | 2 |
| Loans and advances to other body corporate | 9 | - | 9 | - |





# Notes

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## 13. Other financial assets (unsecured)

₹ in crores

| Particulars | As at 31 March 2021 Non-current | As at 31 March 2021 Current | As at 31 March 2020 Non-current | As at 31 March 2020 Current |
|---|---|---|---|---|
| Export benefits and entitlements | 25 | 192 | 25 | 115 |
| Advance towards equity share capital / preference shares | 1 | - | 1 | - |
| Receivable for coal block development expenditure | 116 | - | 117 | - |
| Indirect tax balances refund due | - | 22 | - | 22 |
| Government grant incentive income receivable (refer note 32(a)) | 1,623 | 1,096 | 444 | 2,473 |
| Interest receivable on loan to related parties | 2 | 81 | - | 11 |
| Others | 387 | 179 | 121 | 328 |
| Less: Allowance for doubtful balances | - | (103) | (12) | (91) |
| **Total** | **2,154** | **1,467** | **696** | **2,858** |
| **Notes:** | | | | |
| Considered good | 2,154 | 1,467 | 696 | 2,858 |
| Considered doubtful, provided | | | | |
| Export benefits and entitlements | - | 19 | 12 | 7 |
| Others | - | 84 | - | 84 |

## 14. Other assets (unsecured)

₹ in crores

| Particulars | As at 31 March 2021 Non-current | As at 31 March 2021 Current | As at 31 March 2020 Non-current | As at 31 March 2020 Current |
|---|---|---|---|---|
| Capital advances | 680 | - | 1,000 | - |
| Less: Allowances for doubtful advances | (7) | - | (7) | - |
| **(A)** | **673** | **-** | **993** | **-** |
| Advances to suppliers | 271 | 925 | 271 | 1,154 |
| Export benefits and entitlements | 56 | 128 | 56 | 78 |
| Advance royalty | 7 | - | 94 | - |
| Security deposits | 39 | 26 | 164 | 86 |
| Indirect tax balances/ recoverable /credits (refer note a below) | 1,972 | 822 | 1,568 | 741 |
| Prepayments and others | 100 | 230 | 125 | 253 |
| Less: Allowances for doubtful advances | (270) | (40) | (315) | (26) |
| **(B)** | **2,175** | **2,091** | **1,963** | **2,286** |
| **Total (A+B)** | **2,848** | **2,091** | **2,956** | **2,286** |
| **Notes:** | | | | |
| **Capital advances** | | | | |
| Considered good | 673 | - | 993 | - |
| Considered doubtful, provided | 7 | - | 7 | - |
| **Other advances** | | | | |
| Considered good | 2,175 | 2,091 | 1,963 | 2,279 |
| Considered doubtful, provided | | | | |
| Advance to suppliers | 260 | - | 252 | - |
| Prepayments and others | 7 | 40 | 17 | 26 |
| Indirect tax balances/recoverable/credits | 3 | - | 3 | - |
| Others | - | - | 53 | - |

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

# Notes

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The amounts paid in dispute amounting to ₹ 535 crores towards the additional surcharge has been disclosed as part of other non-current assets.

## 15. Inventories

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Raw materials (at cost) | 6,422 | 6,334 |
| Work-in-progress (at cost) | 556 | 451 |
| Semi-finished/ finished goods (at cost or net realisable value) | 5,217 | 4,881 |
| Production consumables, fuel stock and stores and spares (at cost) | 2,053 | 2,085 |
| Traded goods | 1 | 22 |
| **Total** | **14,249** | **13,773** |
| **Notes:** | | |
| **Details of stock-in-transit** | | |
| Raw materials | 1,442 | 2,008 |
| Production consumables and stores and spares | 133 | 190 |
| **Total** | **1,575** | **2,198** |

Value of inventories above is stated after write down to net realisable value of ₹ 113 crores (31 March 2020 – ₹ 291 crores). These were recognised as an expense during the year and included in cost of materials consumed and changes in inventories of finished goods, work-in-progress and stock-in-trade.

Inventories have been pledged as security against certain bank borrowings, the details relating to which have been described in note 22 and 28.

## 16. Investments (current)

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Mutual funds (quoted) | 8 | 2 |
| **Total** | **8** | **2** |
| Quoted | | |
| Aggregate book value | 8 | 2 |
| Aggregate market value | 8 | 2 |

## 17. Trade receivables

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Trade receivables considered good - Secured | 2 | - |
| Trade receivables considered good - Unsecured | 4,467 | 4,488 |
| Trade receivables which have significant increase in credit risk | 160 | 160 |
| Less: Allowance for doubtful debts | (143) | (143) |
| Trade Receivables – credit impaired | 62 | 38 |
| Less: Allowance for doubtful debts | (62) | (38) |
| **Total** | **4,486** | **4,505** |

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

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

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

Trade receivable have been given as collateral towards borrowings, the details relating to which has been described in note 22 and 28.





# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021


Credit risk management regarding trade receivables has been described in note 44 (H).

Trade receivables from related party has been disclosed in note 45.

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

## 18. (a) Cash and cash equivalents

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Balances with banks | | |
| In current accounts | 953 | 1,887 |
| In term deposit accounts with maturity less than 3 months at inception | 10,988 | 2,078 |
| Cheques on hand | 1 | - |
| Cash on hand | 1 | 1 |
| **Total** | **11,943** | **3,966** |

## 18. (b) Bank balances other than cash and cash equivalents

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Earmarked balances in current account | | |
| In current accounts | 42 | 35 |
| In term deposit accounts | - | 14 |
| Balance with banks | | |
| In term deposit accounts | | |
| with maturity more than 3 months but less than 12 months at inception | 488 | 7,790 |
| with maturity more than 12 months at inception | 56 | 147 |
| In margin money | 284 | 51 |
| **Total** | **870** | **8,037** |

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

## 19. Derivative assets

### a. Non-current

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Forward contracts | 110 | - |
| **Total** | **110** | **-** |

### b. Current

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Forward contracts | 100 | 278 |
| Commodity contracts | - | @ |
| Interest rate swaps | 1 | 1 |
| Currency options | 1 | 15 |
| **Total** | **102** | **294** |

@ - Less than ₹0.50 crores

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## 20. Equity share capital

| Particulars | As at 31 March 2021 Number of shares | As at 31 March 2020 Number of shares | As at 31 March 2021 Amount (₹ in crores) | As at 31 March 2020 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** | | | | |
| Outstanding at the beginning of the year fully paid up | 2,41,72,20,440 | 2,41,72,20,440 | 242 | 242 |
| Less: Treasury shares held under ESOP trust (refer note a below) | (11,454,094) | (14,816,254) | (1) | (2) |
| Outstanding at the end of the year fully paid up | 2,405,766,346 | 2,40,23,26,186 | 241 | 240 |
| **(c) Equity shares forfeited (amount originally paid-up)** | | | 61 | 61 |
| **Total** | | | **302** | **301** |

**a) Shares held under ESOP trust:**

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

ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the company and 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 40).

### Movement in treasury shares

| Particulars | As at 31 March 2021 Number of shares | As at 31 March 2020 Number of shares | As at 31 March 2021 Amount (₹ in crores) | As at 31 March 2020 Amount (₹in crores) |
|---|---|---|---|---|
| **Shares of ₹ 1 each fully paid up held under ESOP Trust** | | | | |
| Equity shares as at 1 April | 1,48,16,254 | 1,55,08,976 | 2 | 2 |
| Changes during the year | (3,362,160) | (6,92,722) | @ | @ |
| **Equity shares as at 31 March** | **11,454,094** | **1,48,16,254** | **1** | **2** |

@ - ₹ (0.34) crores (previous year - ₹ (0.07) crores)

**b) Rights, preferences and restrictions attached to Equity Shares**

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

**c) Shareholders holding more than 5% Share in The Company are set out below**

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | Number 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 Limited | 26,44,54,220 | 10.94% | 25,70,51,220 | 10.63% |
| JSW Holdings Limited | 18,14,02,230 | 7.50% | 18,14,02,230 | 7.50% |
| Vividh Finvest Private Limited | 14,33,70,690 | 5.93% | 14,33,70,690 | 5.93% |

**d) Shares alloted as fully paid-up pursuant to contracts without payment being received in cash during the period of five years immediately preceding the date of the balance sheet**

Nil



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

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

## 21. Other equity

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| General reserve | 9,972 | 9,947 |
| Retained earnings | 24,043 | 16,561 |
| **Other comprehensive income** | | |
| Equity instruments through other comprehensive income | 630 | 172 |
| Effective portion of cash flow hedges | (194) | (476) |
| Foreign currency translation reserve | (816) | (823) |
| **Other reserves** | | |
| Equity settled share based payment reserve | 117 | 122 |
| Capital reserve | 3,585 | 3,585 |
| Capital redemption reserve | 774 | 774 |
| Capital reserve on bargain purchase | 2,934 | 1,019 |
| Securities premium reserve | 5,417 | 5,417 |
| **Total** | **46,462** | **36,298** |

**(i) General reserve**

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.0% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

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

**(ii) Retained earnings**

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

**(iii) Equity instruments through other comprehensive income**

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

**(iv) Effective portion of cash flow hedges**

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Group accounting policy.

**(v) Foreign currency translation reserve**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Indian rupees) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

**(vi) Equity settled share based payment reserve**

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

**(vii) Capital reserve**

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

**(viii)Capital redemption reserve**

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

**(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.

## 22. Borrowings

₹ in crores

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | Non -current | Current | Non -current | Current |
| Bonds (unsecured) | 15,921 | - | 10,554 | - |
| Debentures (secured) | 8,670 | 510 | 5,180 | 120 |
| Debentures (unsecured) | - | 1,000 | - | - |
| Term loans: | | | | |
| Secured | 11,995 | 3,450 | 13,022 | 3,301 |
| Unsecured | 11,787 | 2,953 | 14,296 | 2,841 |
| Acceptances for capital projects with maturity more than 1 year | | | | |
| Secured | 601 | 86 | 673 | 61 |
| Unsecured | 703 | 345 | 1,057 | 115 |
| Deferred government loans (unsecured) | 379 | 4 | 142 | 25 |
| Other loans: | | | | |
| Preference shares (unsecured) | 26 | - | 24 | - |
| Unamortised upfront fees on borrowing | (351) | (30) | (275) | (88) |
| **Total** | **49,731** | **8,318** | **44,673** | **6,375** |
| Less: Current maturities of long-term debt clubbed under other finan-cial liabilities (current) (refer note 30) | | (8,318) | - | (6,375) |
| **Total** | **49,731** | **-** | **44,673** | **-** |



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

### Details of security and terms of repayment

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| ₹ in crores | | ₹ in crores | | | |
| **A. Bonds/Debentures** | | | | | |
| **Bonds (Unsecured)** | | | | | |
| 3,675 | - | 3,769 | - | 5.25% Repayable on 13 April 2022 | |
| 3,675 | - | 3,769 | - | 5.95% Repayable on 18 April 2024 | |
| 2,941 | - | 3,014 | - | 5.375% Repayable on 4 April 2025 | |
| 5,630 | - | - | - | 5.95% Repayable on 19 April 2026 | |
| **15,921** | **-** | **10,554** | **-** | | |
| **Debentures (secured)** | | | | | |
| 1,000 | - | 1,000 | - | 10.02% secured NCDs of ₹ 10,00,000 each are redeemable in two tranches<br>a.₹ 500 crores on 20 May 2023<br>b. ₹ 500 crores on 19 July 2023 | First pari passu charge on 3.8 MTPA property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra. |
| 670 | 330 | 1,000 | - | 10.34% secured NCDs of ₹ 10,00,000 each are redeemable in three tranches<br>a.₹ 330 crores on 18 January 2022<br>b.₹ 330 crores on 18 January 2023<br>c.₹ 340 crores on 18 January 2024 | First pari passu charge on property, plant and equipment related to 2.8 MTPA expansion project located at Vijayanagar Works, Karnataka and a flat at Vasind, Maharashtra. |
| 2,000 | - | 2,000 | - | 8.79% secured NCDs of ₹ 10,00,000 each are redeemable in four tranches<br>a. ₹ 500 crores on 18 October 2026<br>b. ₹ 500 crores on 18 October 2027<br>c. ₹ 500 crores on 18 October 2028<br>d. ₹ 500 crores on 18 October 2029. | First pari-passu charge on property, plant and equipment upto 5 MTPA capacity situated at Dolvi works, Maharashtra (other than specifically carved out). |
| 1,000 | - | 1,000 | - | 8.90% secured NCDs of ₹ 10,00,000 each are redeemable in four tranches<br>a. ₹ 250 crores on 23 January 2027<br>b. ₹ 250 crores on 23 January 2028<br>c. ₹ 250 crores on 23 January 2029<br>d. ₹ 250 crores on 23 January 2030. | First pari passu charge on property, plant and equipment related to Cold Rolling Mill 1 and 2 complex located at Vijayanagar Works, Karnataka (other than specifically carved out). |
| 4,000 | - | | | 8.5% secured NCD of ₹ 10,00,000 each redeemable in bullet payment on 12 October 2027, with provision of put/call option on 10 October 2025 | First Pari Passu Charge on moveable and immoveable fixed assets of the following:<br>- Salem Works<br>- Cold Rolling Mill #1 & #2 at Vijayanagar Works, Karnataka<br>- Upto 3.8 MTPA Steel Plant" at Vijayanagar Works, Karnataka. |
| - | 180 | 180 | - | 8.75% secured NCDs of ₹ 10,00,000 each is redeemable on 10 February 2022. | Secured by way of first ranking charge on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of pellet project situated at Village Juibapuji, Taluka Alibaug, District Raigad, Maharashtra. |
| - | - | - | 120 | 8.65% secured NCDs of ₹ 10,00,000 each was redeemed on 12 May 2020. | Secured by way of first ranking charge on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of pellet project situated at Village Juibapuji, Taluka Alibaug, District Raigad, Maharashtra. |
| **8,670** | **510** | **5,180** | **120** | | |
| **Debentures (secured)** | | | | | |
| - | 1,000 | - | - | Bullet payment on 3 September 2021 with put/call option on 15 June 2021. | |
| **-** | **1,000** | **-** | **-** | | |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| ₹ in crores | | ₹ in crores | | | |
| **B. Term Loans** | | | | | |
| **Term Loans From Banks (Secured)** | | | | **Weighted average interest rate – 7.57 %** | |
| - | - | 563 | 75 | Repaid in FY 20-21 | First pari-passu charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra. |
| - | - | 600 | 200 | Repaid in FY 20-21 | First charge on 3.2 MTPA expansion property, plant and equipments situated at Vijayanagar Works Karnataka |
| 750 | 250 | 937 | 94 | 4 quarterly installments of ₹ 62.50 crores each from 30 April 2021 to 31 January 2022<br>8 quarterly installments of ₹ 93.75 crores each from 30 April 2022 to 31 January 2024 | First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra. |
| 588 | 149 | 700 | 150 | 5 quarterly instalments of ₹ 37.5 crores each from 30 June 2021 to 30 June 2022<br>4 quarterly instalments of ₹ 43.75 crores each from 30 September 2022 to 30 June 2023<br>2 quarterly instalments of ₹ 187.5 crores each from 30 September 2023 to 31 December 2023 | First pari passu charge on 3.8MTPA upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka. |
| 950 | 350 | 1,250 | 200 | 2 quarterly installments of ₹ 50 crores each from 30 June 2021 to 30 September 2021<br>4 quarterly installments of ₹ 125 crores each from 31 December 2021 to 30 September 2022<br>2 quarterly installments of ₹ 350 crores each from 31 December 2022 to 31 March 2023 | First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra. |
| 262 | 163 | 388 | 150 | 2 quarterly installments of ₹ 37.5 crores each from 30 June 2021 to 30 September 2021<br>4 quarterly installments of ₹ 43.75 crores each from 31 December 2021 to 30 September 2022<br>2 quarterly installments of ₹ 87.5 crores each from 31 December 2022 to 31 March 2023 | First pari passu charge on 3.8MTPA upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka. |
| 614 | 192 | 758 | 192 | 4 quarterly installments of ₹ 48 crores each from 30 June 2021 to 31 March 2022<br>9 quarterly installments of ₹ 64 crores each from 30 June 2022 to 30 June 2024<br>1 quarterly installment of ₹ 38.35 crores on 30 September 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. |
| 88 | 49 | 125 | 50 | 11 quarterly installments of ₹ 12.5 crores each from 30 June 2021 to 31 December 2023 | First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra. |
| - | 45 | 90 | 160 | 1 quarterly installment of ₹ 45 crores on 30 June 2021 | First charge on 3.2 MTPA expansion property, plant and equipments (other than assets specifically carved out) situated at Vijayanagar Works Karnataka |
| 150 | 100 | 225 | 100 | 10 quarterly installments of ₹ 25 crores each from 1 June 2021 to 1 September 2023 | First charge on 3.2 MTPA expansion property, plant and equipments situated at Vijayanagar Works Karnataka |



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| ₹ in crores | | ₹ in crores | | | |
| 225 | 25 | - | - | 4 quarterly installments of ₹ 6.25 crores each from 30 June 2021 to 31 March 2022<br>4 quarterly installments of ₹ 9.37 crores each from 30 June 2022 to 31 March 2023<br>4 quarterly installments of ₹ 12.5 crores each from 30 June 2023 to 31 March 2024<br>4 quarterly installments of ₹ 15.62 crores each from 30 June 2024 to 31 March 2025<br>4 quarterly installments of ₹ 18.75 crores each from 30 June 2025 to 31 March 2026 | First charge on 5 MTPA Hot Strip Mill at Vijayanagar Works in Karnataka |
| - | - | - | 375 | Repaid in FY20-21 | First charge on 3.2 MTPA expansion property, plant and equipments (other than assets specifically carved out) situated at Vijayanagar Works Karnataka |
| 225 | 94 | 319 | 75 | 1 quarterly installment of ₹ 18.75 crores on 30 June 2021<br>12 quarterly installments of ₹ 25 crores each from 30 September 2021 to 30 June 2024 | First pari passu charge on 3.8 MTPA property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out). |
| 319 | 75 | 394 | 66 | 5 quarterly installments of ₹ 18.75 crores each from 30 June 2021 to 30 June 2022<br>12 quarterly installments of ₹ 25 crores each from 30 September 2022 to 30 June 2025 | First pari passu charge on 3.8 MTPA property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out). |
| 62 | 63 | 109 | 63 | 8 quarterly installments of ₹ 15.625 crores each from 30 June 2021 to 31 March 2023 | First pari passu charge on 3.8 MTPA property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) . |
| 2,961 | 156 | 709 | - | 12 quarterly installments of ₹ 38.96 crores each from 30 June 2021 to 31 March 2024<br>4 quarterly installments of ₹ 194.8 crores each from 30 June 2024 to 31 March 2025<br>8 quarterly installments of ₹ 233.77 crores each from 30 June 2025 to 31 March 2027 | First pari passu charge on expansion project at Dolvi Works, Maharashtra from 5 MTPA to 10 MTPA capacity (other than specifically carved out) . |
| 300 | 100 | 375 | 100 | 16 quarterly installments of ₹ 25 crores each from 30 June 2021 to 15 February 2025 | First pari passu charge on property, plant and equipments situated at Salem Works, Tamil Nadu. |
| 699 | 463 | 1,164 | - | 1 quarterly instalment of 113.65 crores on 30 June 2021<br>3 quarterly installments of ₹ 116.40 crores each from 30 September 2021 to 31 March 2022<br>4 quarterly installments of ₹ 174.60 crores each from 30 June 2022 to 31 March 2023 | First pari passu charge on the mining rights/ assets proposed to be acquired for the 4 iron ore blocks acquired in the State of Odisha. |
| 300 | 100 | 400 | 100 | 16 quarterly installments of ₹ 25 crores each from 30 June 2021 to 31 March 2025 | First pari passu charge on property, plant and equipments related to new 5 MTPA Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka. |
| 354 | 86 | 418 | 86 | 20 quarterly installments of ₹ 21.43 crores each from 30 June 2021 to 31 March 2026<br>1 installment of ₹ 11.06 crores on 30 June 2026 | Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 1 April 2019. First pari-passu charge on property, plant and equipment of 1.5 MTPA coke oven plant (i.e. Phase I under erstwhile Dolvi Coke Projects Ltd) at Dolvi Works, Maharashtra |
| 187 | 42 | 219 | 31 | 21 quarterly installments of ₹ 10.41 crores each from 30 June 2021 to 31 March 2026<br>1 installment of ₹ 10.57 crores on 30 September 2026 | First pari passu charge on property, plant and equipment related to new 5 MTPA Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka. |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| ₹ in crores | | ₹ in crores | | | |
| 380 | 120 | 470 | 105 | 12 quarterly installments of ₹ 30 crores each from 30 June 2021 to 31 March 2024<br>4 quarterly installments of ₹ 35 crores each from 30 June 2024 to 31 March 2025 | Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 1 March 2019. First charge on entire immovable and movable fixed assets located at Salav works (erstwhile JSW Steel Salav Limited), Maharashtra. |
| 297 | 106 | 377 | 80 | 10 quarterly installments of ₹ 26.56 crores each from 30 April 2021 to 31 January 2023.<br>2 quarterly installments of ₹ 69.06 crores each from 30 April 2023 to 31 July 2023. | First charge by way of legal mortgage on 2400sq feet land at Toranagallu village in the state of Karnataka.<br>First pari-passu charge on the entire property, plant and equipments of the respective subsidiary Company situated at Vasind, Tarapur and Kalmeshwar both present and future. |
| 390 | 110 | 500 | - | 4 quarterly installments of ₹ 35 crores each from 30 November 2021 to 30 August 2022<br>4 quarterly installments of ₹ 40 crores each from 16 March 2022 to 16 December 2022<br>4 quarterly installments of ₹ 50 crores each from 7 May 2022 to 7 February 2023 | First pari-passu charge on the entire property, plant and equipments of the respective subsidiary Company situated at Vasind, Tarapur and Kalmeshwar both present and future. |
| 150 | 50 | - | - | 12 quarterly installments of ₹ 16.67 crores each from 13 August 2021 to 1 May 2024 | First pari-passu charge on the entire property, plant and equipments of the respective subsidiary Company situated at Vasind, Tarapur and Kalmeshwar both present and future. |
| 500 | - | - | - | 4 quarterly installments of ₹ 12.5 crores each from 30 June 2023 to 31 March 2024<br>16 quarterly installments of ₹ 28.12 crores each from 30 June 2024 to 31 March 2028 | First pari-passu charge on the entire property, plant and equipments of the respective subsidiary Company situated at Vasind, Tarapur and Kalmeshwar both present and future. |
| - | - | 167 | 103 | Repaid in FY 2020-21 | First ranking charge / mortgage / collateral on all movable and immovable property, plant and equipments both present and future and on lease hold rights over immovable property of coke oven project situated at Village JuiBapuji, Taluka Alibaug, District Raigad, Maharashtra. |
| 86 | 86 | 150 | 86 | 8 quarterly installments of ₹ 21.43 crores each from 30 June 2021 to 31 March 2023. | First ranking charge / mortgage / security interest on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of pellet project situated at Village JuiBapuji, Taluka Alibaug, District Raigad, Maharashtra. |
| 85 | 54 | 115 | 40 | Repayable in equal monthly installments of 10 years. | Secured by way of equitable mortgage by deposit of tittle deeds of project assets and by way of mortgage of Phase III of JSW township at Basapur village site, extension of mortgage of phase I and II of housing colony at Toranagallu, assignment of receivables from the property financed and comfort letter from the parent for loan repayment. |
| 7 | 15 | 18 | 13 | 4 quarterly installments of ₹ 3.75 crores each from 30 June 2021 to 31 March 2022<br>1 quarterly installment of ₹ 3.92 crores on 30 June 2022<br>1 quarterly installment of ₹ 3.49 crores on 30 September 2022 | First pari passu charge on all the property, plant and equipment and current assets of the respective subsidiary company situated at Rajpura, Punjab. |
| 2 | 1 | 1 | 2 | 5 quarterly installments of ₹ 0.36 crores each from 1 April 2021 to 1 April 2022<br>1 quarterly installment of ₹ 0.05 crores on 1 July 2022<br>2 quarterly installment of ₹ 0.55 crores from 1 October 2022 to 1 January 2022 | First pari passu charge on all the property, plant and equipment and current assets of the respective subsidiary company situated at Rajpura, Punjab. |





# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| ₹ in crores | | ₹ in crores | | | |
| 4 | 6 | 8 | 6 | 6 quarterly installments of ₹ 1.51 crores each from 30 June 2021 to 30 September 2022<br>1 quarterly installment of ₹ 0.75 crores on 31 December 2022 | First pari passu charge on all the property, plant and equipment and current assets of the respective subsidiary company situated at Rajpura, Punjab. |
| 423 | 94 | 530 | 96 | 20 quarterly installments of ₹ 23.62 crores each from 30 June 2021 to 31 March 2026<br>1 quarterly installment of ₹ 44.95 crores on 30 June 2026 | Loan in books of JSW Steel Ltd pursuant to merger with appointed date being 1 April 2019<br>First pari-passu charge on property, plant and equipments of 1.5 MTPA coke oven plant (i.e. Phase I under erstwhile Dolvi Coke Projects Ltd) at Dolvi Works, Maharashtra |
| - | - | - | 503 | Repaid in FY 20-21 | Secured through an unconditional and irrevocable standby letter of credit (SBLC) to the bank. The SBLC is secured corporate guarantee of JSW Steel Limited, India and a 1st charge on property, plant and equipments of Dolvi unit upto 3.3 MTPA. |
| 1 | 2 | 1 | 1 | 43 varying installments commencing from April 2021 to December 2024. | Secured against equipment for its preparation plant |
| 616 | 303 | 942 | - | 2 installments of USD 41.25 mio each (equivalent ₹ 303 crores each) from August 2021 to August 2022 and USD 42.5 mio (equivalent ₹ 313 crores) payable in August 2023. | Secured against the property, plant and equipment (as on date of agreement i.e. August 2018) located at Mingo Junction, Ohio, USA. |
| 10 | @ | - | - | 47 monthly installments of ₹ 0.22 crores each from 1 February 2022 to 1 January 2026<br>1 installment of ₹ 0.30 crores on 1 February 2026 | First pari passu charge on all the property, plant and equipment and current assets of the respective subsidiary company situated at Rajpura, Punjab. |
| 10 | 1 | - | - | 48 monthly installments of ₹ 0.22 crores each from 1 February 2022 to 1 January 2026 | First pari passu charge on all the property, plant and equipment and current assets of the respective subsidiary company situated at Rajpura, Punjab. |
| **11,995** | **3,450** | **13,022** | **3,301** | | |
| **Term Loans From Banks (Unsecured)** | | | | **Weighted average interest rate – 3.01 %** | |
| - | 75 | 30 | 120 | 2 quarterly installments of ₹ 25 crores each from 20 June 2021 to 20 September 2021<br>1 quarterly installment of ₹ 25 crores on 20 November 2021 | |
| - | - | - | 250 | Repaid in FY 20-21 | |
| 300 | - | - | - | 3 quarterly installments of ₹ 100 crores each from 28 June 2023 to 28 December 2023 | |
| - | 750 | 750 | - | 1 installment of ₹ 250 crores on 5 April 2021 and<br>1 installment of ₹ 500 crores on 5 September 2021 | |
| 141 | 90 | 300 | 218 | 5 half yearly installments of ₹ 39.07 crores each from 30 April 2021 to 30 April 2023<br>6 half yearly installments of ₹ 5.95 crores each from 18 September 2021 to 18 March 2024 | - |
| 28 | 14 | 43 | 14 | 6 half yearly installments of ₹ 7.04 crores each from 30 September 2021 to 31 March 2024 | |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| ₹ in crores | | ₹ in crores | | | |
| 69 | 21 | 91 | 21 | 6 half yearly installments of ₹ 3.32 crores each from 31 July 2021 to 31 January 2024<br>7 half yearly installments of ₹ 1.34 crores each from 30 April 2021 to 30 April 2024<br>10 semiannual installments of ₹ 2.12 crores each from 25 June 2021 to 25 March 2026<br>10 semiannual installments of ₹ 2.21 crores each from 25 June 2021 to 25 March 2026.<br>11 semiannual installments of ₹ 1.56 crores each from 25 June 2021 to 25 June 2026 | |
| 28 | 14 | 43 | 14 | 6 half yearly installments of ₹ 7 crores each from 26 August 2021 to 28 February 2024 | |
| 157 | 81 | 246 | 84 | 6 half yearly installments of ₹ 17.15 crores each from 19 July 2021 to 19 January 2024<br>5 half yearly instalments of ₹ 23.42 crores each from 19 July 2021 to 19 July 2023<br>1 half yearly instalment of ₹ 17.79 crores on 19 January 2024 | |
| 108 | 37 | 150 | 39 | 7 semiannual installments of ₹ 6.03 crores each from 9 July 2021 to 9 July 2024<br>1 semiannual installment of ₹ 5.31 crores on 9 January 2025<br>7 semiannual installments of ₹ 12.68 crores each from 9 July 2021 to 9 July 2024<br>1 semiannual installment of ₹ 9.19 crores on 9 January 2025 | |
| 30 | 108 | 141 | 111 | Repayable ₹ 98 crores on 12 August 2021<br>7 semiannual instalments of ₹ 5.02 crores each from 27 September 2021 to 25 September 2024<br>1 semiannual instalment of ₹ 4.49 crores on 25 March 2025 | |
| 21 | 10 | 30 | 10 | 6 semiannual installments of ₹ 5.15 crores each from 15 June 2021 to 15 December 2023. | |
| - | 270 | 277 | 260 | Repaid in FY 20-21 | |
| 47 | 9 | 54 | 9 | 12 semiannual installments of ₹ 4.70 crores each from 31 July 2021 to 31 January 2027 | |
| - | - | - | 1,131 | Repaid in FY 20-21 | |
| 54 | 13 | 69 | 14 | 10 semiannual installments of ₹ 4.60 crores each from 23 July 2021 to 23 January 2026<br>10 semiannual installments of ₹ 2.15 crores each from 6 August 2021 to 7 February 2026 | |
| 257 | 405 | 678 | - | Repayable in three tranches<br>a.₹ 367.52 crores on 21 February 2022<br>b.₹ 36.75 crores on 6 March 2022<br>c.₹ 257.27 crores on 3 July 2022 | |
| 1,158 | 386 | 1,583 | - | 4 annual installments of ₹ 385.90 crores from 12 October 2021 to 12 October 2024 | |
| 294 | - | 302 | - | 4 annual installments of ₹ 73.50 crores each from 12 July 2022 to 12 July 2025 | |
| 919 | - | 942 | - | 4 annual installments of ₹ 229.70 crores each from 16 July 2022 to 16 July 2025 | |
| 735 | - | 754 | - | Repayable on 5 April 2024 | |
| 551 | - | 565 | - | 4 equal installments of ₹ 137.82 crores each from 19 October 2022 to 19 October 2025 | |



Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| ₹ in crores | | ₹ in crores | | | |
| 199 | 25 | 176 | 20 | 18 semi-annual installments of ₹ 12.44 crores each from 31 August 2021 to 28 February 2030 | |
| 170 | 21 | 142 | 16 | 18 semi-annual installments of ₹ 10.63 crores each from 30 June 2021 to 31 December 2029 | |
| 301 | 50 | 364 | 52 | 14 semi-annual installments of ₹ 12.92 crores each from 27 September 2021 to 25 March 2028<br>1 installment of ₹ 0.23 crore on 25 September 2028<br>14 semi-annual installments of ₹ 11.95 crores each from 27 September 2021 to 25 March 2028<br>1 installment of ₹ 2.57 crores on 25 September 2028 | |
| 151 | 22 | 181 | 23 | 15 semi-annual installments of ₹ 6.20 crores each from 25 June 2021 to 25 June 2028<br>1 installment of ₹ 2.56 crores on 25 December 2028<br>15 semi-annual installments of ₹ 5.07 crores each from 25 June 2021 to 25 June 2028<br>1 installment of ₹ 1.76 crores on 25 December 2028 | |
| - | - | - | 188 | Repaid in FY 20-21 | |
| 279 | 64 | 332 | - | 6 quarterly installments of EUR 2.5 mio each (equivalent ₹ 21.52 crores) from 21 July 2021 to 21 October 2022<br>5 quarterly installments of EUR 5.0 mio each (equivalent ₹ 43.05 crores) from 21 January 2023 to 21 January 2024 | |
| 368 | - | 377 | - | 2 annual installments of USD 25 mio each (equivalent ₹ 183.76 crores) payable on 14 May 2023 and 14 May 2024 | |
| 245 | 123 | 377 | - | 3 annual installments of USD 16.67 mio each (equivalent ₹ 122.53 crores) payable on 13 March 2022 to 13 March 2024 | |
| 86 | 151 | 225 | 83 | 1 quarterly installments of EUR 2.5 mio each (equivalent ₹ 21.52 crores) on 25 April 2021<br>5 quarterly installments of EUR 5.0 mio each (equivalent ₹ 43.05 crores) from 21 July 2021 to 25 July 2022 | |
| 2 | 2 | 4 | 2 | 2 equal installments of USD 0.24 mio each (equivalent ₹ 1.76 crores) | |
| 87 | 38 | 204 | 23 | 1 semiannual installment of USD 1.89 mio (equivalent ₹ 13.88 crores) on 27 August 2021<br>2 semiannual installment of USD 3.31 mio (equivalent ₹ 24.31 crores) from 26 February 2022 to 27 August 2022<br>2 semiannual installment of USD 4.25 mio (equivalent ₹ 31.25 crores) from 26 February 2022 to 27 August 2022 | |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| ₹ in crores | | ₹ in crores | | | |
| 1,103 | - | 1,131 | - | 3 annual installments of USD 1.67 mio each (equivalent ₹ 12.28 crores) from 28 March 2023 to 28 March 2025<br>3 annual installments of USD 6.67 mio each (equivalent ₹ 49.02 crores) from 19 April 2023 to 19 April 2025<br>3 annual installments of USD 10.0 mio each (equivalent ₹ 73.50 crores) from 11 July 2023 to 11 July 2025<br>3 annual installments of USD 6.67 mio each (equivalent ₹ 49.02 crores) from 9 October 2023 to 9 October 2025<br>3 annual installments of USD 3.33 mio each (equivalent ₹ 24.48 crores) from 11 January 2024 to 11 January 2026<br>3 annual installments of USD 6.67 mio each (equivalent ₹ 49.02 crores) from 29 January 2024 to 29 January 2026<br>3 annual installments of USD 15.0 mio each (equivalent ₹ 110.26 crores) from 29 January 2024 to 29 January 2026 | |
| 196 | 25 | 183 | 20 | 18 semiannual installments of USD 1.67 mio each (equivalent ₹ 12.28 crores) from 30 June 2021 to 31 December 2029 | |
| 149 | 32 | 186 | 33 | 11 semi-annual installments of ₹ 16.01 crores each from 25 June 2021 to 25 June 2026<br>1 installment of ₹ 5.14 crores on 25 December 2026 | |
| 1,838 | - | 1,885 | - | 2 annual installments of ₹ 612.48 crores each from 19 March 2024 to 19 March 2025<br>1 installment of ₹ 612.66 crores on 19 March 2026 | |
| 290 | 34 | 286 | 15 | 19 semi-annual installments of ₹ 17.06 crores each from 31 August 2021 to 31 August 2030 | |
| 875 | - | 786 | - | 1 installment of ₹ 269.57 crores on 28 December 2023<br>2 annual installments of ₹ 269.49 crores each from 28 December 2024 to 28 December 2025 for USD Loans<br>1 installment of ₹ 22.12 crores on 22 January 2024<br>2 annual installments of ₹ 22.11 crores each from 22 January 2025 to 22 January 2026 for JPY loans | |
| 209 | 37 | 116 | 37 | 13 semi-annual installments of ₹ 18.17 crores from 8 August 2021 to 8 August 2027<br>1 installment of ₹ 9.38 crores on 8 February 2030 | |
| 342 | 46 | 293 | 34 | 17 semi-annual installments of ₹ 22.83 crores each from 30 June 2021 to 30 June 2029 | |
| **11,787** | **2,953** | **14,296** | **2,842** | | |



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| As at 31 March 2021 | | As at 31 March 2020 | | Terms of Repayments | Security |
|---|---|---|---|---|---|
| Non-Current | Current | Non-Current | Current | | |
| ₹ in crores | | ₹ in crores | | | |
| **C. Acceptances for capital projects with more than 1 year** | | | | | |
| **Acceptances for capital projects with more than 1 year (Secured)** | | | | | |
| 9 | - | 9 | - | Repayment of ₹ 9.45 crores on 1 August 2022 | First pari-passu charge on movable fixed assets of 1.5 MTPA Coke Oven Plant (Phase 2) at Dolvi Works, Maharashtra. |
| - | - | 8 | 61 | Repaid in FY 20-21 | First pari passu charge on expansion project at Dolvi Works, Maharashtra from 5 MTPA to 10 MTPA capacity (other than specifically carved out) . |
| - | 10 | - | - | Repayment of 4 cases in 2021-22 - ₹ 10.45 crores | First pari passu charge on expansion project at Dolvi Works, Maharashtra from 5 MTPA to 10 MTPA capacity (other than specifically carved out) . |
| 568 | 56 | 633 | - | Repayment of 10 cases in 2021-22 - ₹ 55.53 crores<br>Repayment of 78 cases in 2022-23 - ₹ 566.97 crores | First pari-passu charge on movable fixed assets of 1.5 MTPA Coke Oven Plant (Phase 2) at Dolvi Works, Maharashtra. |
| 24 | 20 | 23 | - | Repayment in 2021-22 - ₹ 19.74 crores<br>Repayment in 2022-23 - ₹ 24.25 crores | First pari-passu charge over the capital goods of the respective subsidiary. |
| **601** | **86** | **673** | **61** | | |
| **Acceptances for capital projects with more than 1 year (Unsecured)** | | | | | |
| 132 | 147 | 268 | 101 | Repayment of 39 cases in 2021-22 - ₹ 147.44 crores<br>Repayment of 24 cases in 2022-23 - ₹ 132.43 crores | |
| 464 | 198 | 662 | 14 | Repayment of 59 cases in 2021-22 - ₹ 197.97 crores<br>Repayment of 121 cases in 2022-23 - ₹ 461.74 crores<br>Repayment of 02 cases in 2023-24 - ₹ 2.28 crores | |
| 107 | - | - | - | Repayment in 2022-23 - ₹ 106.85 crores | |
| - | - | 127 | - | Repaid in FY 2020-21 | |
| **703** | **345** | **1,057** | **115** | | |
| **D. Deferred Payment Liabilities** | | | | | |
| **Deferred Sales Tax Loan (Unsecured)** | | | | | |
| - | - | 1 | 25 | Repaid in FY 20-21 | |
| 373 | 3 | 134 | - | Interest free loan Payable after 14 years by 31 March 2035 | |
| 6 | 1 | 7 | @ | 6 varying annual instalments starting after 12 years of disbursement till July 2031 | |
| **379** | **4** | **142** | **25** | | |
| **E. Preference Shares** | | | | | |
| 26 | - | 23 | - | 10% non-cumulative, Redeemable at their face value after 15 years from the date of allotment at 20% per annum on or before 31 March of every year starting from the 16th year and ending on or before 31 march of the 20th year. | |
| **26** | **-** | **23** | **-** | | |
| **G. Unamortised Upfront Fees on Borrowing** | | | | | |
| **(351)** | **(30)** | **(275)** | **(87)** | | |
| **Total Amount** | | | | | |
| **49,731** | **8,318** | **44,673** | **6,375** | | |

@- less than ₹ 0.50 crores

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## 23. Derivative liabilities

### a. Non-current

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Interest rate swaps | 57 | 130 |
| **Total** | **57** | **130** |

### b. Current

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Forward contract | 74 | 181 |
| Commodity contract | 1 | 67 |
| Interest rate swaps | 28 | |
| Currency options | 7 | 3 |
| **Total** | **110** | **251** |

## 24. Other financial liabilities (non-current)

₹ in crores

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | Non -current | Current | Non -current | Current |
| Rent and other deposits | 47 | 69 | 44 | 66 |
| Retention money for capital projects | 535 | 1,202 | 407 | 1,082 |
| Other payables | 6 | 19 | 13 | - |
| **Total** | **588** | **1,290** | **464** | **1,148** |
| Less: Amount clubbed under other finan-cial liabilities (refer note 30) | - | (1,290) | - | (1,148) |
| **Total** | **588** | **-** | **464** | **-** |

## 25. Provisions

₹ in crores

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | Non -current | Current | Non -current | Current |
| **Provision for employee benefits** | | | | |
| Provision for compensated absences (refer note 43) | 167 | 41 | 123 | 43 |
| Provision for gratuity (refer note 43) | 224 | 45 | 181 | 95 |
| Provision for long term service award | 13 | 2 | 12 | 2 |
| Provision for provident fund (refer note 43) | - | - | - | 5 |
| **Other provisions** | | | | |
| Restoration liabilities | 445 | 41 | 29 | @ |
| Provision for onerous contracts | - | 126 | - | - |
| Others | 3 | 19 | 3 | 16 |
| **Total** | **852** | **274** | **348** | **161** |



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Provision for contingency** | | |
| Balance at the beginning of the year | - | 2 |
| Utilisation during the year | - | 2 |
| **Balance at the end of the year** | **-** | **-** |
| **Restoration liabilities #** | | |
| Balance at the beginning of the year | 29 | 18 |
| Created during the year | 455 | 9 |
| Unwinding of discount and changes in the discount rate | 2 | 1 |
| Movement on account of exchange rate variation | @ | 1 |
| **Balance at the end of the year** | **486** | **29** |
| **Provision for onerous contracts** | | |
| Balance at the beginning of the year | - | - |
| Movement during the year | 126 | - |
| **Balance at the end of the year** | **126** | **-** |
| **Others** | | |
| Balance at the beginning of the year | 19 | 19 |
| Movement during the year | 3 | @ |
| **Balance at the end of the year** | **22** | **19** |

@ - less than ₹ 0.50 crores

# 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.

## 26. Income Tax

### India

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

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Statutory income tax is charged at 30% plus a surcharge and education cess with tax benefits or 22% plus a surcharge and education cess without tax benefits.

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

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

### United States of America (USA)

Some of the subsidiaries of the Group are a C corporation for federal tax purposes and files a consolidated tax return. The subsidiaries records income taxes pursuant to the liability method and the applicable tax rate is 21%.

### Italy

The subsidiaries in Italy records income taxes pursuant to the liability method. The nominal tax rates in Italy are 24% for the Income Tax of the Companies (IRES) and 3.9% for the Regional Tax on Productive Activities (IRAP), calculated on a different tax base.

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

### a) Income tax expense/(benefit)

₹ in crores

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| **Current tax** | | |
| Current tax (including earlier years reversal/ adjustments) | 2,467 | 943 |
| **Total** | **2,467** | **943** |
| **Deferred tax** | | |
| Deferred tax | 288 | 133 |
| MAT credit entitlement | 1,478 | 198 |
| (Restoration)/Reversal of MAT credit entitlement relating to earlier years on finalisation of income tax returns | 172 | (16) |
| Reversal of DTL on measurement due to change in tax rate (Refer note b below) | - | (2,225) |
| Deferred tax provision/(reversal) for earlier years on finalisa-tion of income tax returns | (263) | 61 |
| **Total** | **1,675** | **(1,849)** |

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 2021 | For the year ended 31 March 2020 |
|---|---|---|
| **Profit before tax** | **12,015** | **3,013** |
| Enacted tax rate in India | 34.94% | 34.94% |
| **Expected income tax expense at statutory tax rate** | **4,199** | **1,053** |
| Expenses not deductible in determining taxable profits | 71 | 34 |
| Income exempt from taxation / taxable separately | (7) | (105) |
| Tax holiday allowances | (516) | (382) |
| Effect of different tax rates of subsidiaries | 231 | 309 |
| Deferred tax assets not recognised | 394 | 751 |
| Tax provision/(reversal) for earlier years on finalisation of income tax returns | (137) | (67) |
| Elimination of allowances for loan to subsidiaries on consolidation | (114) | (212) |
| Reversal of DTL on measurement due to change in tax rate (refer note b below) | - | (2,323) |
| Others | 21 | 36 |
| **Total** | **4,142** | **(906)** |
| **Effective tax rate** | **34.47%** | **(30.07)%** |

a) There are certain income-tax related legal proceedings which are pending against the Group. Potential liabilities, if any have been adequately provided for, and the Group does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 46).

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

During the previous year ended 31 March 2020, the Group had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. Based on the detailed assessment carried out the management, deferred tax liabilities on temporary differences expected to reverse during the year in which the Company and one of its subsidiaries would be under the new tax regime and accordingly applied the new rate for measuring the said deferred tax liabilities in accordance with the requirements of IND AS 12 - 'Income Taxes". This had resulted in reversal of deferred tax liabilities amounting to ₹ 2,225 crores.

Further, certain components of the Group have opted for the new tax rate from financial year 2019-20 which has resulted into a reversal of deferred tax liabilities upto 31 March 2019 amounting to ₹ 98 crores during the previous year ended 31 March 2020.



Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

There are certain income-tax related legal proceedings which are pending against the Group and its Joint ventures. Potential liabilities, if any have been adequately provided for, and the Group does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 46).

### b) Deferred tax assets / (liabilities)

The following is the analysis of deferred tax assets / (liabilities) balances presented in the balance sheet:

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Deferred tax liabilities | (3,509) | (1,677) |
| Deferred tax assets | - | - |
| **Total** | **(3,509)** | **(1,677)** |

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

₹ in crores

| Deferred tax balance in relation to | As at 31 March 2020 | Acquired pursuant to business combination | For the year ended 31 March 2021 | | | As at 31 March 2021 |
|---|---|---|---|---|---|---|
| | | | Recognised / (reversed) through profit and loss | Recognised in / (reclassified) from OCI | Others | |
| Property, plant and equipment | (9,454) | - | (242) | 18 | 2 | (9,676) |
| Carried forward business loss / unabsorbed depreciation | 661 | - | (137) | (6) | (2) | 516 |
| Provision for employee benefit / loans and advances | 1,197 | - | 323 | (12) | - | 1,508 |
| Minimum alternate tax (MAT) credit entitlement | 4,444 | - | (1,650) | - | - | 2,794 |
| Cashflow hedges | 254 | - | - | (143) | - | 111 |
| Lease liabilities | 679 | - | (17) | - | - | 662 |
| Others | 542 | - | 48 | (12) | (2) | 576 |
| **Total** | **(1,677)** | **-** | **(1,675)** | **(155)** | **(2)** | **(3,509)** |

₹ in crores

| Deferred tax balance in relation to | As at 1 April 2019 | Acquired pursuant to business combination | For the year ended 31 March 2020 | | | As at 31 March 2020 |
|---|---|---|---|---|---|---|
| | | | Recognised / (reversed) through profit and loss | Recognised in / (reclassified) from OCI | Others | |
| Property, plant and equipment | (11,174) | (6) | 1,813 | - | (87) | (9,454) |
| Carried forward business loss / unabsorbed depreciation | 1,207 | - | (596) | - | 50 | 661 |
| Provision for employee benefit / loans and advances | 673 | - | 517 | 7 | - | 1,197 |
| Minimum alternate tax (MAT) credit entitlement | 4,626 | - | (182) | - | - | 4,444 |
| Cashflow hedges / FCMITDA | 1 | - | - | 253 | - | 254 |
| Lease liabilities | 621 | - | 58 | - | - | 679 |
| Others | 269 | (3) | 239 | - | 37 | 542 |
| **Total** | **(3,777)** | **(9)** | **1,849** | **260** | **-** | **(1,677)** |

The Group offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and relates to income taxes levied by the same tax authority.

Deferred tax assets on carry forward business loss/ unabsorbed depreciation have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset at respective entities.

The deferred tax liabilities on temporary differences associated with investment in subsidiaries which have not been recognised aggregate to ₹ 971 crores (31 March 2020: ₹ 628 crores), where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

### Expiry schedule of losses on which deferred tax assets is not recognised is as under:

₹ in crores

| Expiry of losses (as per local tax laws) | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Beyond 5 years | Indefinite | Total |
|---|---|---|---|---|---|---|---|---|
| I. Business losses | 86 | 94 | 119 | 2,460 | 1,069 | 335 | 8,035 | 12,198 |
| II. Unabsorbed depreciation | - | - | - | - | - | - | 425 | 425 |
| III. Long term capital losses | 203 | 3 | - | 2,025 | - | - | - | 2,231 |
| IV. Short term capital losses | - | @ | - | 665 | - | - | - | 665 |
| **Total** | **289** | **97** | **119** | **5,150** | **1,069** | **335** | **8,460** | **15,519** |

@ - Less than ₹ 0.50 crores

## 27. Other non-current liabilities

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Advance from customer # | 2,033 | 3,044 |
| Others | 164 | 28 |
| **Total** | **2,197** | **3,072** |

# Advance from customer includes the amount relating to a five year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. for supply of Steel Products. Duferco S.A. has provided an interest bearing advance amount of USD 700 million under this agreement. The advance and interest will be adjusted by export of steel products to Duferco S.A. Current portion of ₹ 1,010 crores (as at 31 March 2020 – ₹ 1,010 crores) has been included in note 31.

## 28. Borrowings (current) (at amortised cost)

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Loan repayable on demand | | |
| Working capital loans from banks (secured) | | |
| Rupee loans | 846 | 3,092 |
| Foreign currency loans | 653 | 1,150 |
| Export Packing Credit in Rupee from banks (unsecured) | - | 200 |
| Rupee loans from banks (unsecured) | 500 | - |
| Commercial papers (unsecured) | - | 3,883 |
| **Total** | **1,999** | **8,325** |

Borrowing have been drawn at following rate of interest

| Particulars | Rates of interest |
|---|---|
| Working capital loans from banks (including rupee loans from banks) | 0.25% p.a. to 12.05% p.a. |

Working capital loans from banks of ₹ 1,499 crores (31 March 2020 – ₹ 4,242 crores) are secured by:

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

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



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## 29. Trade payables

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| (a) Total outstanding, dues of micro and small enterprises | 230 | 142 |

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

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Principal amount due outstanding as at end of year (refer note (i) below) | 268 | 142 |
| Interest due on (1) above and unpaid as at end of year | 18 | - |
| Interest paid to the supplier | @ | - |
| Payments made to the supplier beyond the appointed day dur-ing the year | 14 | * |
| Interest due and payable for the year of delay | 443 | * |
| Interest accrued and remaining unpaid as at end of year | 7 | - |
| Amount of further interest remaining due and payable in suc-ceeding year | - | - |

@ - Less than ₹ 0.50 crores, *Under legal valuation

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

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| (b) Total outstanding, dues of creditors other than micro and small enterprises | | |
| Acceptances | 8,356 | 9,798 |
| Other than acceptances | 6,657 | 7,978 |
| **Total** | **15,013** | **17,776** |

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

Payables other than acceptances payables are normally settled within 180 days.

Trade payables to related parties has been disclosed in note 45.

## 30. Other financial liabilities (current)

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Current maturities of long term borrowings (refer note 22) | 8,318 | 6,375 |
| Current dues of other financial liabilities (refer note 24) | 1,290 | 1,148 |
| Payables for capital projects | | |
| Acceptances | 4,376 | 2,710 |
| Other than acceptances | 1,323 | 2,461 |
| Interest accrued but not due on borrowings | 851 | 651 |
| Payables for bid premium and royalty | 2,944 | - |
| Payables to employees | 375 | 313 |
| Unclaimed matured debentures and accrued interest thereon | @ | @ |
| Unclaimed dividends | 32 | 32 |
| Unclaimed amount of sale proceeds of fractional shares | 3 | 3 |
| Purchase consideration payable on acquisition of business (refer note 41) | 811 | - |
| Others | 1,024 | 450 |
| **Total** | **21,347** | **14,143** |

@ - less than ₹ 0.50 crores

Acceptance includes credit availed by the group from banks for payment to suppliers for capital items. The arrangements are interest-bearing and are payable within one year.

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## 31. Other current liabilities

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Advances from customers | 1,984 | 1,459 |
| Statutory liabilities | 847 | 419 |
| Export obligation deferred income | 513 | 561 |
| Others | 21 | 16 |
| **Total** | **3,365** | **2,455** |

Advance from customer includes current portion ₹ 1,010 crores (as at 31 March 2020 – ₹ 1,010 crores relating to APSA. Refer note 27.

Export obligation deferred income represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and Special Economic Zone (SEZ) scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over the useful life of such assets.

## 32. Revenue from operations

₹ in crores

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| **Sale of products (including shipping services)** | **78,059** | **71,116** |
| **Other operating revenues** | | |
| Government grant income | | |
| Grant income recognised under PSI 2007 scheme (refer note a below) | 261 | 126 |
| Deferred Income GST government / Sales Tax Loan | 242 | 497 |
| Export obligation deferred income amortisation | 239 | 144 |
| Export benefits and entitlements income | 445 | 395 |
| Unclaimed liabilities written back | 62 | 144 |
| Miscellaneous income* (refer note c below) | 531 | 188 |
| **Total (a)** | **79,839** | **72,610** |
| VAT / GST incentive relating to earlier years (refer note a below) | - | 466 |
| Fees for assignment of procurement contract (refer note b below) | - | 250 |
| **Total (b)** | **-** | **716** |
| **Total Revenue from operations(a+b)** | **79,839** | **73,326** |

*includes income from scrap sales, CST incentive etc.

**Notes:**

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

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

i) During October 2019, the Company has received an in-principle approval for eligibility from the Government of Maharashtra in response to the application filed by the Company for incentive under PSI Scheme 2007 on its investment for expansion from 3.3 MTPA to 5 MTPA at Dolvi unit for the period beginning May 2016 onwards. The Company has submitted the required documentation with the State Government for issuance of the Eligibility Certificate and expects to receive the same basis the modalities declared by the Government. Accordingly, the Group has recognised grant income amounting to ₹ 261 crores for the year ended 31 March 2021. The cumulative amount receivable towards the same is ₹ 852 crores as at 31 March 2021.

Also, the Company had recognised grant income during the previous year including ₹ 466 crores in relation to earlier years.



Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

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

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

**b)** During the previous 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)** During the year, miscellaneous income includes an amount of ₹ 260 crores income recognised from a one time disputed claims settlement and Government Grant received at the US operations of the Group.

**d) Ind AS 115 Revenue from Contracts with Customers**

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

The Group has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 42):

₹ in crores

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Revenue from contracts with customer - Sale of products (including shipping services) | 78,059 | 71,116 |
| Other operating revenue | 1,780 | 2,210 |
| **Total revenue from operations** | **79,839** | **73,326** |
| India | 59,030 | 55,419 |
| Outside India | 20,809 | 17,907 |
| **Total revenue from operations** | **79,839** | **73,326** |
| **Timing of revenue recognition** | | |
| At a point in time | 79,839 | 73,326 |
| **Total revenue from operations** | **79,839** | **73,326** |

### Product wise turnover

₹ in crores

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| MS slabs | 428 | 856 |
| Hot rolled coils/steel plates/sheets | 28,023 | 26,554 |
| Galvanised coils/sheets | 10,262 | 7,643 |
| Color Coated Galvanised and Galvalume coils/sheets | 5,407 | 4,571 |
| Cold rolled coils/sheets | 7,967 | 8,340 |
| Steel billets & blooms | 1,451 | 389 |
| Long rolled products | 15,528 | 16,593 |
| Plates and pipes | 2,527 | 2,780 |
| Iron ores | 2,188 | - |
| Others | 4,278 | 3,390 |
| **Total** | **78,059** | **71,116** |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

### Contract Balances

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Trade Receivables (refer note 17) | 4,486 | 4,505 |
| **Contract liabilities** | | |
| Advance from customers (refer note 27 and 31) | 4,017 | 4,503 |

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

The acquisition of the subsidiaries resulted in increase in trade receivables of ₹ 123 crores in FY 2020-21.

As at 31 March 2021, ₹ 205 crores (previous year: ₹ 181 crores) was recognised as provision for allowance for doubtful debts on trade receivables.

Contract liabilities include long term and short term advances received for sale of goods. The outstanding balances of these accounts increased in due to the continuous increase in the customer base. Long term advances are detailed in note 27.

Amount of revenue recognised from amounts included in the contract liabilities at the beginning of the year ₹ 1,459 crores (previous year: ₹ 1,154 crores) and performance obligations satisfied in previous years is ₹ Nil (previous year: ₹ Nil).

Out of total contract liabilities outstanding as on 31 March 2021 ₹ 1,984 crores (previous year ₹ 1,459 crores) will be recognised by 31 March 2022 and remaining thereafter.

### Refund liabilities

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Arising from volume rebates and discount (included in Other financial liabilities - Note 30) | 864 | 343 |

The Group does not have any significant adjustments between the contracted price and revenue recognised in the consolidated statement of profit and loss.

## 33. Other income

₹ in crores

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Interest income earned on financial assets that are not designated as FVTPL | | |
| Loans to related parties | 102 | 76 |
| Bank deposits | 300 | 315 |
| Others | 79 | 48 |
| Dividend income from non-current investments designated as FVTOCI | 11 | 10 |
| Gain on sale of current investments designated as FVTPL | 7 | 5 |
| Fair value gain on financial instruments designated as FVTPL | - | 4 |
| Unwinding of interest on financial assets carried at amortised cost | 52 | 45 |
| Net loss/ (gain) on foreign currency transactions and translation | 1 | - |
| Fair value gain on joint venture's previously held stake on acquisition of control | - | 13 |
| Miscellaneous income (insurance claim received, rent income etc.) | 40 | 30 |
| **Total** | **592** | **546** |



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

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

₹ in crores

| Particulars | | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|---|
| Opening stock: | | | |
| Semi-finished /finished goods/stock-in-trade | | 4,903 | 4,473 |
| Work-in-progress | | 451 | 583 |
| | A | **5,354** | **5,056** |
| Acquired pursuant to business combination (refer note 41): | | | |
| Semi-finished /finished goods/stock-in-trade | | 72 | 28 |
| | B | **72** | **28** |
| Closing stock: | | | |
| Semi-finished /finished goods/stock-in-trade | | 5,218 | 4,903 |
| Work-in-progress | | 556 | 451 |
| | C | **5,774** | **5,354** |
| **Total** | **D=A+B-C** | **(348)** | **(270)** |

## 35. Employee benefits expense

₹ in crores

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Salaries, wages and bonus | 2,121 | 2,343 |
| Contribution to provident and other funds (refer note 43) | 262 | 327 |
| Gratuity expense | 2 | 7 |
| Expense on employees stock ownership plan | 20 | 31 |
| Staff welfare expenses | 101 | 131 |
| **Total** | **2,506** | **2,839** |

The Company in the previous year launched 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 ₹ 13 crores (₹ 7 crores in 31 March 2020).

## 36. Finance costs

₹ in crores

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Interest expense | | |
| on bonds and debentures | 1,250 | 838 |
| Others | 2,205 | 2,792 |
| Dividend on redeemable preference shares | - | 12 |
| Interest on finance lease obligations | 241 | 252 |
| Unwinding of interest on financial liabilities carried at amortised cost | 49 | 30 |
| Exchange differences regarded as an adjustment to borrowing costs | 7 | 89 |
| Other borrowing costs | 152 | 248 |
| Interest on income tax | 53 | 4 |
| **Total** | **3,957** | **4,265** |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## 37. Depreciation and amortisation expense

₹ in crores

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Depreciation of property, plant and equipment | 4,231 | 3,939 |
| Depreciation of Investment property | 4 | 4 |
| Amortisation of intangible assets | 159 | 42 |
| Depreciation of right-of-use assets | 285 | 261 |
| **Total** | **4,679** | **4,246** |

## 38. Other expenses

₹ in crores

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Stores and spares consumed | 3,057 | 3,781 |
| Power and fuel | 5,985 | 6,272 |
| Rent | 50 | 54 |
| Repairs and maintenance | | |
| Plant and equipment | 1,123 | 1,201 |
| Buildings | 41 | 29 |
| Others | 47 | 24 |
| Insurance | 196 | 146 |
| Rates and taxes | 102 | 204 |
| Carriage and freight | 4,110 | 3,898 |
| Jobwork and processing charges | 646 | 659 |
| Commission on sales | 56 | 46 |
| Net loss / (gain) on foreign currency transactions and translation # | (104) | 829 |
| Donations and contributions | - | 56 |
| Fair value loss on financial instruments designated as FVTPL | 2 | 2 |
| Mining and development cost | 251 | - |
| Miscellaneous expenses | 2,012 | 1,889 |
| Allowance for doubtful debts and advances | 101 | 113 |
| Loss on sale of property, plant and equipment (net) | 37 | 30 |
| **Total** | **17,712** | **19,233** |

# including hedging cost of ₹ 306 crores (previous year ₹ 332 crores)

## 39. Earnings per share

₹ in crores

| Particulars | | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|---|
| Profit attributable to equity shareholders (A) (₹ in crores) | | 7,911 | 4,030 |
| Weighted average number of equity shares for basic EPS (B) | | 2,403,812,821 | 2,402,145,868 |
| Effect of dilution : | | | |
| Weighted average number treasury shares held through ESOP trust | | 13,407,619 | 15,074,572 |
| Weighted average number of equity shares adjusted for the effect of dilution(C) | | 2,417,220,440 | 2,417,220,440 |
| **Earnings per share of ₹ 1 each** | | | |
| Basic (₹) | ( A / B ) | 32.91 | 16.78 |
| Diluted (₹) | ( A / C ) | 32.73 | 16.67 |

For details regarding treasury shares held through ESOP trust (refer note 20(a) and 40)



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## 40. Employee share based payment plans

**ESOP SCHEME 2016**

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

ESOP 2016 is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the company and its subsidiaries in India.

Three grants have been made under ESOP plan 2016 to eligible employees on the rolls of the company as at 1 April, 2016, 1 April, 2017 and 1 April, 2018.

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

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

The exercise price would be determined by the ESOP committee as a certain discount to the primary market price on the date of grant.

A total of 28,687,000 options are available for grant to the eligible employees of the Company and a total of 3,163,000 options would be available for grant to the eligible employees of the Indian subsidiaries of the Company under the ESOP Plan.

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

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

| Particulars | ESOP 2016 | | |
|---|---|---|---|
| | 1st grant (L-16 and above Grade) | 2nd grant (L-16 and above Grade) | 3rd grant (L-16 and above Grade) |
| Date of grant | | | |
| -original grant | 17 May 2016 | 16 May 2017 | 14 May 2018 |
| -supplementary grant | 5 December 2019 | 5 December 2019 | 5 December 2019 |
| Share Price on date of grant | | | |
| -original grant | 129.56 | 201.70 | 329.05 |
| -supplementary grant | 259.80 | 259.80 | 259.80 |
| Average fair value on date of grant | | | |
| -original grant | 67.48 | 104.04 | 167.15 |
| -supplementary grant | 91.07 | 92.55 | 98.63 |
| **Outstanding as on 1 April 2019** | **6,377,110** | **4,718,488** | **3,375,417** |
| Granted during the year | 185,595 | 129,154 | 211,002 |
| Transfer in | 28,370 | 19,926 | - |
| Transfer out | 418,990 | 278,188 | 193,376 |
| Forfeited \ lapsed during the year | 127,315 | 187,655 | 132,092 |
| Exercised during the year | 824,510 | 4,617 | - |
| **Outstanding as on 31 March 2020** | **5,220,260** | **4,397,108** | **3,260,951** |
| Granted during the year * | - | - | 6,108 |
| Transfer in | - | - | - |
| Transfer out | 29,100 | 23,247 | 16,284 |
| Forfeited \ lapsed during the year | 64,225 | 46,219 | 67,460 |
| Exercised during the year | 2,289,495 | 675,644 | 12,357 |
| **Outstanding as on 31 March 2021** | **2,837,440** | **3,651,998** | **3,170,958** |
| of above - vested outstanding options | 2,837,440 | 3,651,998 | 1,585,479 |
| of above - unvested outstanding options | - | - | 1,585,479 |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| Particulars | ESOP 2016 1st grant (L-16 and above Grade) | 2nd grant (L-16 and above Grade) | 3rd grant (L-16 and above Grade) |
|---|---|---|---|
| Vesting Period Original | 17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant) | 16 May 2017 till 31 March 2020 (for 50% of the grant) and 16 May 2017 to 31 March 2021 (for remaining 50% of the grant) | 14 May 2018/ 5 December 2019 till 31 March 2021 (for 50% of the grant) and 14 May 2018/ 5 December 2019 to 31 March 2022 (for remaining 50% of the grant) |
| Supplementary | 5 December 2019 to 6 December 2020 for the subsequent grants | 5 December 2019 to 6th December 2020 for 50% of the options granted and upto 31st March, 2021 for remaining 50% of the options granted | |
| Exercise period | | 4 years from vesting date | |
| Weighted average remaining contract life | | | |
| - original grant | 30 months | 42 months | 54 months |
| - Supplementary grant | 45 months | 47 months | 54 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 | 291.79 | 291.79 | 291.79 |
| A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: | The fair value of options has been calculated by using Black Scholes Method. The assumptions used in the above are: | The fair value of options has been calculated by using Black Scholes Method. The assumptions used in the above are: | The fair value of options has been calculated by using Black Scholes Method. The assumptions used in the above are: |
| Expected volatility | Volatility was calculated using standard deviation of daily change in stock price. | Volatility was calculated using standard deviation of daily change in stock price. | Volatility was calculated using standard deviation of daily change in stock price. |
| Original grants | The volatility used for valuation is 39.23 % for options with 3 year vesting and 39.62 % with 4 years vesting | The volatility used for valuation is 33.76 % for options with 3 year vesting and 37.43 % with 4 years vesting | The volatility used for valuation is 33.23 % for options with 3 year vesting and 33.28% with 4 years vesting |
| Supplementary grants | The volatility used for valuation is 32.30 % for options with 1 year vesting | The volatility used for valuation is 32.30 % for options with 1 year vesting and 32.10 % with 1.32 years vesting | The volatility used for valuation is 32.10 % for options with 1.32 years vesting and 32.21 % with 2.32 years vesting |
| Expected option life | The expected option life is assumed to be midway between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2 | The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2 | The expected option life is assumed to be midway between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2 |
| 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 |





# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| Particulars | ESOP 2016 1st grant (L-16 and above Grade) | 2nd grant (L-16 and above Grade) | 3rd grant (L-16 and above Grade) |
|---|---|---|---|
| Original grants | The rate used for calculation is 7.36% (for 3 years vesting) & 7.44%(for 4 years vesting) | The rate used for calculation is 6.87% (for 3 years vesting) & 6.96%(for 4 years vesting) | The rate used for calculation is 7.85% for options with 3 year vesting and 7.92% for options with 4 years vesting |
| Supplementary grants | The rate used for calculation is 5.67% (for 1 year vesting) | The rate used for calculation is 5.67% (for 1 years vesting) & 5.76% (for 1.32years vesting) | The rate used for calculation is 5.76% (for 1.32 years vesting) & 6.02% (for 2.32 years vesting) |
| The method used and the assumptions made to incorporate the effects of expected early exercise; | | Black-Scholes Options pricing model | |
| How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and | | The following factors have been considered: a) Share price b) Exercise prices c) Historical volatility d) Expected option life e) Dividend Yield | |
| Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. | | | |

*Includes grants as part of supplementary grants

## 41. Business combination

a) Pursuant to the Corporate Insolvency Resolution process under the Insolvency Bankruptcy Code, 2016 the Resolution Plan submitted by JSW Steel Coated Products Limited ("JSCPL"), a wholly owned subsidiary of the Company in respect of the corporate insolvency resolution process of Asian Color Coated Ispat Limited ("ACCIL") has been approved with certain modifications by the Hon'ble National Company Law Tribunal, New Delhi ("NCLT") on 19 October 2020.

JSCPL completed the acquisition of ACCIL through its wholly owned subsidiary Hasaud Steel Limited on 27 October 2020 by infusing ₹ 1,550 crores as per approved resolution plan.

ACCIL is mainly engaged in manufacture of downstream steel products and has two manufacturing units located at Khopoli, Maharashtra and Bawal, Haryana.

As per Ind AS 103 on Business Combination, purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of the acquired assets and liabilities. The resulting differential has been accounted as capital reserve. The financial statements include the results of ACCIL for the period from 1 November 2020 to 31 March 2021.

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

| Particulars | ₹ in crores |
|---|---|
| **Assets** | |
| Property Plant and Equipment | 1,402 |
| Investment property | 16 |
| Investments | 19 |
| Inventories | 144 |
| Trade receivables | 29 |
| Other receivables | 29 |
| Cash and cash equivalents | 420 |
| **Total (A)** | **2,059** |
| **Liabilities** | |
| Borrowings | |
| Trade Payables | 86 |
| Other current liabilities and provision | 60 |
| **Total (B)** | **146** |
| **Total identifiable net assets acquired at fair value (C) = (A-B)** | **1,913** |
| Purchase Consideration transferred in cash (D) | 1,550 |
| **Provisional Goodwill/ (Bargain purchase) arising on acquisition (E)** | **(363)** |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

Basis the provisional purchase price allocation carried out by independent valuation expert, the bargain purchase of ₹ 363 crores arising on ACCIL acquisition has been accounted for in the books of the company.

The Company has recognised a capital reserve on bargain purchase of ₹ 363 crores, basis the provisional purchase price allocation carried out by independent valuation expert. There is a significant time gap between the bid date and final acquisition date, which resulted in the generation of working capital, out of the operations performed in the intermediate period. Therefore, the company was able to record a capital reserve on this acquisition, primarily due to increase in working capital.

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

From the date of acquisition, ACCIL has contributed to ₹ 2,016 crores of revenue and a net profit after tax of ₹ 16 crores.

b) The Company entered into an assignment agreement on 31 March 2021 with Laptev Finance Private Limited (Laptev), a JSW Group company whereby Laptev assigned to the Company all rights and obligations of Laptev under the Business Transfer Agreement with Welspun Corp Limited (Welspun).

In accordance with the Business Transfer Agreement, the Company acquired from Welspun, the business of manufacturing of high-grade steel plates and coils (PCMD Business) as a going concern on slump sale by Welspun, for a consideration of ₹ 848.50 crores subject to closing adjustments towards net working capital. As a part of the transaction, the Company also purchased a parcel of land pertaining to PCMD Business from Welspun Steel Limited for ₹ 1.50 crores.

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

As per Ind AS 103, purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of the acquired assets and liabilities, which resulted in no goodwill/ capital reserve as at 31 March 2021.

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

| Particulars | ₹ in crores |
|---|---|
| **Assets** | |
| Property Plant and Equipment | 850 |
| Inventories | 75 |
| Trade receivables | 4 |
| Other current assets | 5 |
| **Total (A)** | **934** |
| **Liabilities** | |
| Trade payables (acceptances) | 121 |
| Other current liabilities and provision | 2 |
| **Total (B)** | **123** |
| **Total identifiable net assets acquired at fair value (C) = (A-B)** | **811** |
| Purchase consideration payable (D) | 811 |
| **Provisional Goodwill/ (Bargain purchase) arising on acquisition (E)** | **-** |

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

If both the above acquisition had taken place at the beginning of the period, management estimates that consolidated revenue from operation and profit for the combined entity would be ₹ 81,713 crores and ₹ 7,123 crores respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2020.

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



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The Company, basis legal opinion, believes it has good case based on judicial precedent to succeed in appeal pending before Hon'ble Supreme Court, accordingly on 26 March 2021 the Company completed the acquisition of BPSL by implementing the resolution plan approved by NCLT basis an agreement entered with BPSL's committee of creditors that provides an option/right to the Company to unwind the transaction in case of unfavorable ruling on certain specified matters by Hon'ble Supreme Court.

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

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

The Company has accounted its investment in PSL by applying equity method of accounting in accordance with Ind-AS 28 'Investments in Associates and Joint Ventures' basis unaudited consolidated financial statements of PSL wherein purchase consideration has been allocated on a provisional basis in accordance with Ind-AS 103 'Business Combinations' pending final determination of fair value of the acquired assets and liabilities. Accordingly, the Company has recognised its share of capital reserve amounting to ₹ 1,552 crores.

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

## 42. Segment reporting

The Group is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker for assessment of Group's performance and resource allocation. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed below:

### Information about geographical revenue and non-current assets

a) Revenue from operations

₹ in crores

| Particulars | For the year ended 31 March 2021 | | | For the year ended 31 March 2020 | | |
|---|---|---|---|---|---|---|
| | Within India | Outside India | Total | Within India | Outside India | Total |
| Revenue from operations | 59,030 | 20,809 | **79,839** | 55,419 | 17,907 | **73,326** |

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

# Notes

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### b) Non-current assets

₹ in crores

| Particulars | As at 31 March 2021 | | | As at 31 March 2020 | | |
|---|---|---|---|---|---|---|
| | Within India | Outside India | Total | Within India | Outside India | Total |
| (a) Property, plant and equipment | 52,737 | 6,120 | 58,857 | 50,923 | 6,702 | 57,625 |
| (b) Capital work-in-progress | 31,532 | 901 | 32,433 | 26,434 | 423 | 26,857 |
| (c) Investment property | 119 | 140 | 259 | 91 | 133 | 224 |
| (d) Right-of-use assets | 3,727 | 89 | 3,816 | 3,371 | 100 | 3,471 |
| (e) Goodwill | 36 | 300 | 336 | 43 | 372 | 415 |
| (f) Other intangible assets | 1,615 | 34 | 1,649 | 325 | 25 | 350 |
| (g) Intangible assets under development | 130 | 3 | 133 | 331 | 3 | 334 |
| (h) Investment in joint ventures | 2,969 | - | 2,969 | 283 | - | 283 |
| (i) Other non-current assets | 2,805 | 43 | 2,848 | 2,704 | 252 | 2,956 |
| (j) Current tax assets (net) | 275 | - | 275 | 385 | - | 385 |
| (k) Financial assets | | | 8,890 | | | 2,442 |
| **Total non-current assets** | | | **112,465** | | | **95,342** |

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

## 43. Employee benefits

### a) Defined contribution plan

The Group operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

Group's contribution to provident fund and 401 (K) plan recognised in the Consolidated Statement of Profit and Loss is ₹ 94 crores (previous year: ₹ 137 crores) (included in note 35).

### b) Defined benefit plans

The Group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity.

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

Under the Compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

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

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




# Notes

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2021 by independent qualified actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

### (i) Gratuity

₹ in crores

| Particulars | For the year ended 31 March 2021 | | For the year ended 31 March 2020 | |
|---|---|---|---|---|
| | Funded | Unfunded | Funded | Unfunded |
| **a) Liability recognised in the Balance Sheet** | | | | |
| **i) Present value of obligation** | | | | |
| **Opening balance** | **360** | **9** | **310** | **5** |
| Service cost | 22 | 2 | 21 | 2 |
| Interest cost | 25 | 1 | 21 | 1 |
| Actuarial loss / (gain) on obligation | (31) | (2) | 22 | - |
| Benefits paid | (28) | @ | (14) | (1) |
| Experience adjustments | (4) | - | - | - |
| Transfer on business combination | - | 5 | - | 2 |
| Liability In | 1 | @ | - | - |
| Liability transfer | @ | @ | - | - |
| **Closing balance** | **345** | **15** | **360** | **9** |
| **Less:** | | | | |
| **ii) Fair value of plan assets** | | | | |
| **Opening balance** | **93** | **-** | **97** | **-** |
| Expected return on plan assets less loss on investments | 6 | - | 7 | - |
| Actuarial (loss)/gain on plan assets | @ | - | - | - |
| Employers' contribution | 12 | - | - | - |
| Fund transfer | @ | | | |
| Benefits paid | (20) | - | (11) | - |
| **Closing balance** | **91** | **-** | **93** | **-** |
| **Amount recognised in Balance Sheet (refer note 25)** | **254** | **15** | **267** | **9** |
| **b) Expenses during the year** | | | | |
| Service cost | 22 | 2 | 21 | 2 |
| Interest cost | 25 | 1 | 21 | 1 |
| Expected return on plan assets | (6) | - | (7) | - |
| Transferred to preoperative expenses | (1) | - | - | - |
| **Component of defined benefit cost recognised in statement of profit & loss (a)** | **40** | **3** | **35** | **3** |
| Remeasurement of net defined benefit liability | | | | |
| Actuarial (gain)/loss on defined benefit obligation | (31) | (2) | 22 | 1 |
| Return on plan assets (excluding interest income) | @ | - | @ | - |
| **Component of defined benefit cost recognised in other comprehensive income (b)** | **(31)** | **(2)** | **22** | **1** |
| **Total (a+b)** | **9** | **1** | **57** | **2** |
| **c) Actual return on plan assets** | **7** | **-** | **7** | **-** |
| **d) Break up of plan assets:** | | | | |
| (i) ICICI Prudential Life Insurance Co. Ltd. | | | | |
| Balanced Fund | 3 | - | 3 | - |
| Debt Fund | 3 | - | 3 | - |
| Short Term Debt Fund | @ | - | - | - |
| (ii) HDFC Standard Life Insurance Co. Ltd. | | | | |
| Defensive Managed Fund | 13 | - | 1 | - |
| Secure Managed Fund | 15 | - | 21 | - |

# Notes

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₹ in crores

| Particulars | For the year ended 31 March 2021 | | For the year ended 31 March 2020 | |
|---|---|---|---|---|
| | Funded | Unfunded | Funded | Unfunded |
| Stable Managed Fund | @ | - | - | - |
| (iii) SBI Life Insurance Co. Ltd. – Cap Assured Fund | 37 | - | 44 | - |
| (iv) LIC of India – Insurer Managed Fund | 16 | - | 9 | - |
| (v) Kotak- Group Bond fund | @ | - | - | - |
| (vi) Bajaj Allianz Fund | 3 | - | 11 | - |

@ - less than ₹ 0.50 crores

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

## e) Principal actuarial assumptions

| Particulars | | | | |
|---|---|---|---|---|
| Discount rate | 6.80%-6.87% | 6.67%-6.86% | 6.84%-6.89% | 6.80%-6.87% |
| Expected return on plan assets | 5.10%-6.00% | - | 6.84%-6.89% | - |
| Expected rate of increase in salaries | 6.80%-6.87% | 6.00%-8.00% | 6.00%-8.00% | 6.00%-8.00% |
| Attrition rate | 2.00%- 3.70% | 2.00%-10.00% | 2.00% | 2.00%-10.00% |

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

## f) Experience adjustments

₹ in crores

| Particulars | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 |
|---|---|---|---|---|---|
| Defined benefit obligation | 360 | 368 | 315 | 270 | 243 |
| Plan assets | 91 | 93 | 97 | 95 | 80 |
| Surplus / (deficit) | (269) | (275) | (218) | (175) | (163) |
| Experience adjustments on plan liabilities – loss/(gain) | (33) | 23 | 19 | 5 | 20 |
| Experience adjustments on plan assets – gain/(loss) | @ | @ | @ | @ | @ |

@ - less than ₹ 0.50 crores

**g)** The Group expects to contribute ₹ 87 crores (previous year ₹ 95 crores) to its gratuity plan for the next year.

**h)** The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (31 March 2020: 10 years).

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

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

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

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

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 2021 | As at 31 March 2020 |
|---|---|---|
| Defined benefit obligation | 360 | 368 |
| Plan assets | 91 | 93 |
| **Net liability arising from defined benefit obligation** | **269** | **275** |



# Notes

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### Sensitivity Analysis

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

₹ in crores

| Particulars | 31 March 2021 | | 31 March 2020 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (22) | 25 | (27) | 32 |
| Future salary growth (1% movement) | 25 | (23) | 31 | (28) |
| Attrition rate (1% movement) | 3 | (3) | 2 | (2) |

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

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

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

Category of assets average percentage allocation fund wise

| | SBI | HDFC | ICICI | Bajaj Allianz | Kotak | LIC – I | LIC – II |
|---|---|---|---|---|---|---|---|
| Government securities | 0.00% | 46.72% | 35.97% | 60.40% | - | 76.50% | 20.00% |
| Debt | 87.70% | 37.60% | 38.73% | 12.54% | - | 17.27% | Balance invested in approved investments as specified in Schedule I of IRDA guidelines |
| Equity | 6.87% | 10.46% | 7.36% | 17.79% | - | 6.23% | |
| Others | 5.43% | 5.22% | 17.94% | 9.27% | 100% | 0.00% | |

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 2021** | | | | |
| Projected benefit payable | **49** | **122** | **450** | **621** |
| **As at 31 March 2020** | | | | |
| Projected benefit payable | 32 | 110 | 582 | 724 |

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

### (ii) Provident fund

Provident Fund for certain eligible employees was managed by the Company through JSW Steel Employees Provident Fund Trust, in line with the Provident Fund and Miscellaneous Provisions Act, 1952 till 31 December 2020. The Company made monthly contributions to provident fund managed by trust for qualifying employees. The Trustees of JSW Steel Employees Provident Fund Trust are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and the relevant provisions prescribed under the law.

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

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

₹ in crores

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

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

The Company has discontinued operations of the JSW Steel Employees Provident Fund Trust from 1 January 2021 and accordingly, the Trust have transferred to EPFO, Bellary the fund of ₹ 619.44 crores in compliance with its obligations as at 31 December 2020. Over and above the said obligations, the Trust has transferred additional fund of ₹ 19.83 crores to EPFO, Bellary, which is distributed to respective members.

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

(iii) Other long term benefits:

(a) Compensated absences

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

(b) Long Service Award

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

## 44. Financial instruments

### A. Capital management

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

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

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

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



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₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Long term borrowings | 49,731 | 44,673 |
| Current maturities of long term debt | 8,318 | 6,375 |
| Short term borrowings | 1,999 | 8,325 |
| **Total borrowings** | **60,048** | **59,373** |
| Less: | | |
| Cash and cash equivalents | 11,943 | 3,966 |
| Bank balances other than cash and cash equivalents | 870 | 8,037 |
| Current investments | 8 | 2 |
| **Net debt** | **47,227** | **47,368** |
| **Total equity** | **46,145** | **36,024** |
| **Gearing ratio** | **1.02** | **1.31** |

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

(ii) Debt is defined as long and short term borrowings (excluding derivatives and financial guarantee contracts), as described in notes 22 and 28.

### B. Categories of financial instruments

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

As at 31 March 2021

₹ in crores

| Particulars | Amortised cost | Fair value through other comprehensive income | Fair value through profit and loss | Derivatives in hedging relations | Total Carrying Value | Fair value |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Loans | 1,644 | - | - | - | 1,644 | 1,644 |
| Other financial assets | 3,621 | - | - | - | 3,621 | 3,621 |
| Trade receivables | 4,486 | - | - | - | 4,486 | 4,486 |
| Cash and cash equivalents | 11,943 | - | - | - | 11,943 | 11,943 |
| Bank balances other than cash and cash equivalents | 870 | - | - | - | 870 | 870 |
| Derivative assets | - | - | 27 | 185 | 212 | 212 |
| Investments | 486 | 972 | 4,154 | - | 5,612 | 5,623 |
| **Total financial assets** | **23,050** | **972** | **4,181** | **185** | **28,388** | **28,399** |
| **Financial liabilities** | | | | | | |
| Long-term borrowings* | 58,049 | - | - | - | 58,049 | 58,188 |
| Lease liabilities | 2,344 | - | - | - | 2,344 | 2,527 |
| Short-term borrowings | 1,999 | - | - | - | 1,999 | 1,999 |
| Trade payables | 15,243 | - | - | - | 15,243 | 15,243 |
| Derivative liabilities | - | - | 28 | 139 | 167 | 167 |
| Other financial liabilities | 13,617 | - | - | - | 13,617 | 13,617 |
| **Total financial liabilities** | **91,252** | **-** | **28** | **139** | **91,419** | **91,741** |

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To the Consolidated Financial Statements as at and for the year ended 31 March 2021

**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 relations | Total Carrying Value | Fair value |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Loans | 1,514 | - | - | - | 1,514 | 1,514 |
| Other financial assets | 3,554 | - | - | - | 3,554 | 3,554 |
| Trade receivables | 4,505 | - | - | - | 4,505 | 4,505 |
| Cash and cash equivalents | 3,966 | - | - | - | 3,966 | 3,966 |
| Bank balances other than cash and cash equivalents | 8,037 | - | - | - | 8,037 | 8,037 |
| Derivative assets | - | - | 294 | - | 294 | 294 |
| Investments | 431 | 497 | 48 | - | 976 | 984 |
| **Total financial assets** | **22,007** | **497** | **342** | **-** | **22,846** | **22,854** |
| **Financial liabilities** | | | | | | |
| Long-term borrowings* | 51,048 | - | - | - | 51,048 | 51,731 |
| Lease liabilities | 2,050 | - | - | - | 2,050 | 2,276 |
| Short-term borrowings | 8,325 | - | - | - | 8,325 | 8,325 |
| Trade payables | 17,918 | - | - | - | 17,918 | 17,918 |
| Derivative liabilities | - | - | 84 | 297 | 381 | 381 |
| Other financial liabilities | 8,232 | - | - | - | 8,232 | 8,232 |
| **Total financial liabilities** | **87,573** | **-** | **84** | **297** | **87,954** | **88,863** |

* including current maturities of long-term borrowings

## C. Financial risk management

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

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

- Market risk
- Credit risk and
- Liquidity risk

## D. Market risk

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

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

## E. Financial currency risk management

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





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Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favorable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency. In order to hedge exchange rate risk, the Group has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and hedges. At any point in time, the Group hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Company hedges its payables as when the exposure arises. Short term exposures are hedged progressively based on their maturity.

The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Group continues to believe that there is no impact on effectiveness of its hedges.

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.

| As at | Nature | No. of Contracts | Type | US$ Equivalent (millions) | INR Equivalent (crores) | MTM (₹ in crores) |
|---|---|---|---|---|---|---|
| 31 March 2021 | Assets | 96 | Buy | 390 | 2,863 | 19 |
| | | 79 | Sell | 707 | 5,200 | 53 |
| | Liabilities | 148 | Buy | 565 | 4,154 | (59) |
| | | 16 | Sell | 201 | 1,480 | (7) |
| 31 March 2020 | Assets | 136 | Buy | 936 | 7,058 | 241 |
| | | 12 | Sell | 166 | 1,255 | 8 |
| | Liabilities | 20 | Buy | 215 | 1,618 | (60) |
| | | 27 | Sell | 398 | 3,003 | (119) |

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

| As at | Nature | No. of Contracts | US$ equivalent (million) | INR equivalent (crores) | MTM of Option (₹ in crores) |
|---|---|---|---|---|---|
| 31 March 2021 | Assets | 14 | 545 | 4,006 | 110 |
| | Liabilities | 16 | 307 | 2,257 | (7) |
| 31 March 2020 | Assets | 20 | 317 | 2,390 | 15 |
| | Liabilities | 1 | 15 | 113 | (3) |

@ - less than ₹ 0.50 crores

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

**As at 31 March 2021**

₹ in crores

| Particulars | INR | USD | Euro | JPY | Others | Total |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Investments | 5,549 | - | 23 | - | 40 | 5,612 |
| Loans | 1,643 | - | 1 | - | - | 1,644 |
| Trade receivables | 2,660 | 1,006 | 817 | - | 3 | 4,486 |
| Cash and cash equivalents | 11,852 | 36 | 54 | - | 1 | 11,943 |
| Bank balances other than cash and cash equivalents | 672 | 197 | - | - | 1 | 870 |
| Derivative assets | 10 | 202 | - | - | - | 212 |
| Other financial assets | 3,579 | 35 | 6 | - | 1 | 3,621 |
| **Total financial assets** | **25,965** | **1,476** | **901** | **-** | **46** | **28,388** |
| **Financial liabilities** | | | | | | |
| Borrowings | 21,610 | 28,430 | 1,279 | 410 | 1 | 51,730 |
| Trade payables | 5,355 | 8,719 | 1,153 | 13 | 3 | 15,243 |
| Derivative liabilities | 14 | 148 | 3 | 2 | - | 167 |
| Lease liabilities | 2,266 | 31 | 47 | - | - | 2,344 |
| Other financial liabilities | 13,223 | 5,594 | 2,874 | 214 | 30 | 21,935 |
| **Total financial liabilities** | **42,468** | **42,922** | **5,356** | **639** | **34** | **91,419** |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

As at 31 March 2020

₹ in crores

| Particulars | INR | USD | Euro | JPY | Others | Total |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Investments | 917 | - | 14 | - | 45 | 976 |
| Loans | 1,514 | - | - | | - | 1,514 |
| Trade receivables | 3,031 | 802 | 672 | - | - | 4,505 |
| Cash and cash equivalents | 3,835 | 69 | 62 | - | - | 3,966 |
| Bank balances other than cash and cash equivalents | 7,982 | 54 | - | - | 1 | 8,037 |
| Derivative assets | 19 | 275 | - | - | - | 294 |
| Other financial assets | 3,481 | 28 | 43 | - | 2 | 3,554 |
| **Total financial assets** | **20,779** | **1,228** | **791** | **-** | **48** | **22,846** |
| **Financial liabilities** | | | | | | |
| Borrowings | 24,940 | 25,682 | 1,843 | 533 | - | 52,998 |
| Trade payables | 5,653 | 10,542 | 1,627 | 31 | 65 | 17,918 |
| Derivative liabilities | 61 | 319 | - | - | 1 | 381 |
| Lease liabilities | 1,964 | 33 | 53 | - | - | 2,050 |
| Other financial liabilities | 7,176 | 4,815 | 2,151 | 234 | 231 | 14,607 |
| **Total financial liabilities** | **39,794** | **41,391** | **5,674** | **798** | **297** | **87,954** |

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

a) Amounts receivable in foreign currency on account of the following:

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | US$ equivalent (million) | INR equivalent (crores) | US$ equivalent (million) | INR equivalent (crores) |
| Trade receivables | 150 | 1,101 | 66 | 496 |

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

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | US$ equivalent (million) | INR equivalent (crores) | US$ equivalent (million) | INR equivalent (crores) |
| Borrowings | 2,592 | 19,051 | 3,514 | 26,488 |
| Trade payables and acceptances | 107 | 789 | 65 | 489 |
| Payables for capital projects | 602 | 4,424 | 337 | 2,539 |
| Interest accrued but not due on borrowings | 33 | 239 | 59 | 446 |

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

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

₹ in crores

| Particulars | Increase | | Decrease | |
|---|---|---|---|---|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| USD /INR | 515 | 482 | (515) | (482) |
| EURO/INR | 50 | 62 | (50) | (62) |
| YEN/INR | 6 | 8 | (6) | (8) |



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021



**F. Commodity price risk**

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

The Group is subject to fluctuations in prices for the purchase of iron ore, coking coal, ferro alloys, zinc, scrap and other raw material inputs. The Group purchased primarily all of its iron ore and coal requirements in the open market at prevailing price during the year ended 31 March 2021.

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

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

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

The following table details the Group's sensitivity to a 5% movement in the input price of iron ore and coking coal net of hedge accounting impact. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5%. For a 5% reduction in commodity prices, there would be a comparable impact on profit or equity, and the balances below would be negative.

**Impact on Profit / (loss) for the year for a 5% change:**

₹ in crores

| Particulars | Increase for the year ended | | Decrease for the year ended | |
|---|---|---|---|---|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Iron ore | (595) | (512) | 595 | 512 |
| Coal/Coke | (692) | (795) | 692 | 795 |
| Zinc | (35) | (38) | 35 | 38 |

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

| As at | Nature | No. of Contracts | Commodity Name | Quantity (Iron Ore, Coking Coal, Zinc - MT) (Brent Crude - Mio Barrels) | US$ Equivalent of notional value (million) | INR equivalent (crores) | MTM of Commodity contract (₹ in crores) |
|---|---|---|---|---|---|---|---|
| 31 March 2021 | Assets | - | - | - | - | - | - |
| | Liabilities | - | - | - | - | - | - |
| 31 March 2020 | Assets | 3 | Zinc | 1,250 | 2 | 18 | @ |
| | Liabilities | 20 | Liquified natural gas | 9,702,000 | (37) | (281) | (56) |
| | | 4 | Zinc | 1,500 | 3 | 25 | (3) |

@ - less than ₹ 0.50 crores

**G. Interest rate risk**

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

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

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

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Fixed rate borrowings | 29,135 | 22,810 |
| Floating rate borrowings | 31,294 | 36,926 |
| **Total borrowings** | **60,429** | **59,736** |
| Total borrowings | 60,048 | 59,373 |
| Add: Upfront fees | 381 | 363 |
| **Total gross borrowings** | **60,429** | **59,736** |

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

If interest rates had been 100 basis points higher / lower and all other variables were being constant, the Group's profit for the year ended 31 March 2021 would decrease / increase by ₹ 285 crores (for the year ended 31 March 2020: decrease / increase by ₹ 339 crores). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

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

| As at | Nature | No. of Contracts | US$ Equivalent of notional value (million) | MTM of IRS (₹ in crores) |
|---|---|---|---|---|
| 31 March 2021 | Assets | 2 | 50 | 1 |
| | Liabilities | 22 | 335 | (85) |
| 31 March 2020 | Assets | 3 | 60 | 1 |
| | Liabilities | 22 | 335 | (130) |

## H. Credit risk management

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

The Group is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets, financial guarantees and derivative financial instruments.

Moreover, given the diverse nature of the Group's business, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the trade receivables in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of the Group's counterparties. The assessment is carried out considering the segment of customer, impact seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable. Basis this assessment, the allowance for doubtful trade receivables as at 31 March 2021 is considered adequate

**Movements in allowances for bad and doubtful debts**

₹ in crores

| Particulars | Amount |
|---|---|
| **As at 1 April 2019** | **105** |
| Movement during the year | 76 |
| **As at 31 March 2020** | **181** |
| Movement during the year | 24 |
| **As at 31 March 2021** | **205** |



Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 28,388 crores as at 31 March 2021 and, ₹ 22,846 crores as at 31 March 2020, being the total carrying value of trade receivables, balances with bank, bank deposits, current investments, loans and other financial assets.

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

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

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

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

## I. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for long term capital expenditure growth projects The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Group has acceptances due to reverse factoring arrangements which might invoke liquidity risk as a result of liabilities being concentrated with few financial institutions instead of a diverse group of suppliers. The Group has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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

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

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

### Liquidity exposure as at 31 March 2021

₹ in crores

| Particulars | < 1 year | 1-5 years | > 5 years | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Investments | 8 | - | 5,604 | 5,612 |
| Trade receivables | 4,486 | - | - | 4,486 |
| Cash and cash equivalents | 11,943 | - | - | 11,943 |
| Bank balances other than cash and cash equivalents | 870 | - | - | 870 |
| Loans | 622 | 729 | 293 | 1,644 |
| Derivative assets | 102 | 110 | - | 212 |
| Other financial assets | 1,467 | 2,154 | - | 3,621 |
| **Total** | **19,498** | **2,993** | **5,897** | **28,388** |
| **Financial liabilities** | | | | |
| Long term borrowings | - | 35,573 | 14,158 | 49,731 |
| Short term borrowings | 1,999 | - | - | 1,999 |
| Trade payables (including acceptances) | 15,243 | - | - | 15,243 |
| Derivative liabilities | 110 | 57 | - | 167 |
| Lease liabilities | 405 | 1,078 | 861 | 2,344 |
| Other financial liabilities | 21,347 | 580 | 8 | 21,935 |
| **Total** | **39,104** | **37,288** | **15,027** | **91,419** |

### Liquidity exposure as at 31 March 2020

₹ in crores

| Particulars | < 1 year | 1-5 years | > 5 years | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Investments | 2 | - | 974 | 976 |
| Trade receivables | 4,505 | - | - | 4,505 |
| Cash and cash equivalents | 3,966 | - | - | 3,966 |
| Bank balances other than cash and cash equiva-lents | 8,037 | - | - | 8,037 |
| Loans | 742 | 734 | 38 | 1,514 |
| Derivative assets | 294 | - | - | 294 |
| Other financial assets | 2,858 | 696 | - | 3,554 |
| **Total** | **20,404** | **1,430** | **1,012** | **22,846** |
| **Financial liabilities** | | | | |
| Long term borrowings | - | 34,990 | 9,683 | 44,673 |
| Short term borrowings | 8,325 | - | - | 8,325 |
| Trade payables (including acceptances) | 17,918 | - | - | 17,918 |
| Derivative liabilities | 251 | 130 | - | 381 |
| Lease liabilities | 306 | 1,162 | 582 | 2,050 |
| Other financial liabilities | 14,143 | 457 | 7 | 14,607 |
| **Total** | **40,943** | **36,739** | **10,272** | **87,954** |

The amount of guarantees given included in Note 46(i) represents the maximum amount the Group could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the arrangement.

### Collateral

The Group has pledged part of its trade receivables, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Group. There is obligation to return the securities to the Group once these banking facilities are surrendered (refer note 22 and 28).



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

### J. Level wise disclosure of financial instruments

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 | Level | Valuation technique and key inputs |
|---|---|---|---|---|
| Quoted investments in the equity shares measured at FVTOCI | 893 | 434 | I | Quoted bid prices in an active market. |
| Quoted investments in the equity shares measured at FVTPL | 8 | 2 | I | Quoted bid prices in an active market. |
| Derivative assets | 212 | 294 | II | Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). |
| Derivative liabilities | 167 | 381 | II | Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). |
| Non-current investments in unquoted OFCD measured at FVTPL | 4,100 | - | II | Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). |
| Unquoted investments in the equity shares measured at FVTOCI | 13 | 13 | III | Net asset value of share arrived has been considered as fair value. |
| Unquoted investments in the equity shares measured at FVTOCI | 66 | 50 | III | Cost is approximate estimate of fair value. |
| Non-current investments in unquoted Preference shares measured at FVTPL | 50 | 54 | III | Discounted cash flow- Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks. |

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

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

### Sensitivity analysis of Level III:

| | Valuation technique | Significant unobservable inputs | Change | Sensitivity of the input to fair value |
|---|---|---|---|---|
| Investments in unquoted Preference shares | DCF method | Discounting Rate 9.00% | 0.50% | 0.50% Increase / (decrease) in the discount would decrease / (increase) the fair value by ₹ 2 crores / (₹ 2 crores) |

### Reconciliation of Level III fair value measurement:

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Opening balance | 117 | 69 |
| Purchases / (sale) (net) | @ | @ |
| Acquired pursuant to business combination (refer note 41) | 17 | - |
| Transfer to FVTOCI from investment in joint ventures on stake sale | - | 45 |
| Gain / (loss) recognised in the Consolidated statement of Profit and Loss | (5) | 3 |
| **Closing balance** | **129** | **117** |

@ - Less than ₹ 0.50 crores

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

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

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 | Level | Valuation technique and key inputs |
|---|---|---|---|---|
| Long term borrowings | | | II | Discounted cash flow method - Future cash flows are discounted by using rates which reflect market risks. |
| Carrying value | 58,049 | 51,048 | | |
| Fair value | 58,188 | 51,731 | | |
| Investments | | | II | Discounted cash flow method - Future cash flows are discounted by using rates which reflect market risks. |
| Carrying value | 487 | 431 | | |
| Fair value | 498 | 440 | | |
| Loans – financial assets | | | II | Discounted cash flow method - Future cash flows are discounted by using rates which reflect market risks. |
| Carrying value | 1,644 | 1,514 | | |
| Fair value | 1,644 | 1,514 | | |

There have been no transfers between level I and level II during the year.

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

₹ in crores

| Particulars | Underlying | Nature of Risk being Hedged | As at 31 March 2021 | | | As at 31 March 2020 | | |
|---|---|---|---|---|---|---|---|---|
| | | | Asset | Liability | Net Fair Value | Asset | Liability | Net Fair Value |
| **Cash Flow Hedges** | | | | | | | | |
| **Designated and effective Hedges** | | | | | | | | |
| Forwards Currency Contracts | Highly probable Forecast Sales | Exchange rate movement risk | 37 | (12) | 25 | - | (100) | (100) |
| Interest rate Swap | Long-term Foreign currency borrowings | Interest rate Risk | 1 | (85) | (84) | - | (130) | (130) |
| Commodity Contract | | Price Risk | - | (1) | (1) | - | (67) | (67) |
| Options contract | Long-term Foreign currency borrowings | Exchange rate movement risk | 110 | - | 110 | - | - | - |
| **Designated and Ineffective Hedges** | | | | | | | | |
| Forwards Currency Contracts | Highly probable Forecast Sales | Exchange rate movement risk | 22 | (2) | 20 | - | (37) | (37) |
| **Fair Value Hedges** | | | | | | | | |
| Forwards Currency Contracts | Highly probable Forecast Sales | Exchange rate movement risk | 20 | (40) | (20) | 221 | (3) | 218 |
| Forwards Currency Contracts | Long-term Foreign currency borrowings | Exchange rate movement risk | 8 | (8) | - | - | - | - |
| **Non Designated Hedges** | | | | | | | | |
| Forwards Currency Contracts | Trade payables & Acceptance | Exchange rate movement risk | 1 | (5) | (4) | 27 | (1) | 26 |
| Forwards Currency Contracts | Long-term Foreign currency borrowings | Exchange rate movement risk | - | (1) | (1) | - | (1) | (1) |
| Forwards Currency Contracts | Loans and advance | Exchange rate movement risk | - | - | - | - | (37) | (37) |
| Interest rate Swap | Long-term Foreign currency borrowings | Interest rate risk | - | - | - | 1 | - | 1 |
| Options Contract | Trade payables & Acceptance | Exchange rate movement risk | 1 | (7) | (6) | 15 | (3) | 12 |
| | | | **200** | **(161)** | **39** | **264** | **(379)** | **(115)** |
| Receivable/ payable from cancelled/ settled derivative contracts | | | 12 | (6) | 6 | 30 | (2) | 28 |
| **Total** | | | **212** | **(167)** | **45** | **294** | **(381)** | **(87)** |



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

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

| Cash Flow hedges | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | USD in mio | Fair Value ₹ in crores | USD in mio | Fair Value ₹ in crores |
| Long term borrowings | 625 | (180) | 638 | (333) |
| Acceptances | 191 | (25) | 328 | (118) |
| | **816** | **(205)** | **966** | **(451)** |

### Movement in cash flow hedge:

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Opening Balance** | **723** | **(101)** |
| FX recognised in other comprehensive Income | (273) | 613 |
| Hedge ineffectiveness recognised in P&L | 78 | 128 |
| Amount Reclassified to P&L during the year | (230) | 83 |
| **Closing balance** | **298** | **723** |

## 45. Related party disclosures

**A) List of related parties**

**1) Joint ventures**

- Vijayanagar Minerals Private Limited
- Rohne Coal Company Private Limited
- JSW Severfield Structures Limited
- Gourangdih Coal Limited
- Geo Steel LLC (Ceased w.e.f. 28 January 2020)
- JSW Structural Metal Decking Limited
- JSW MI Steel Service Center Private Limited
- JSW Vallabh Tinplate Private Limited (Ceased w.e.f. 31 December 2019)
- Creixent Special Steels Limited
- JSW Ispat Special Products Limited
- Piombino Steel Limited (w.e.f. 27 March 2021)
- Bhushan Power & Steel Limited (w.e.f. 27 March 2021)

**2) Key Management Personnel (KMP)**

**a) Non-Independent Executive Director**

- Mr. Sajjan Jindal
- Mr. Seshagiri Rao M V S
- Dr. Vinod Nowal
- Mr. Jayant Acharya

**b) Independent Non-Executive Director**

- Mr. Gangaram Baderiya - Nominee Director, KSIIDC (upto 23 October 2020)
- Mr. M.S.Srikar, IAS - Nominee Director, KSIIDC (w.e.f. 23 October 2020)
- Mr. Hiroyuki Ogawa - Nominee Director, JFE Steel Corporation
- Dr. (Mrs.) Punita Kumar Sinha
- Mr. Malay Mukherjee
- Mr. Haigreve Khaitan
- Mr. Seturaman Mahalingam
- Mrs. Nirupama Rao
- Mr. Harsh Charandas Mariwala

**c) Mr. Rajeev Pai - Chief Financial Officer**

**d) Mr. Lancy Varghese - Company Secretary**

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| | |
|---|---|
| **3)** | **Relatives of KMP** |
| | Mrs. Savitri Devi Jindal |
| | Mr. Prithvi Raj Jindal |
| | Mr. Naveen Jindal |
| | Mrs. Nirmala Goyal |
| | Mrs. Urmila Bhuwalka |
| | Mrs. Seema Jajodia |
| | Mrs. Sarika Jhunjhnuwala |
| | Mrs. Saroj Bhartia |
| | Mrs. Sangita Jindal |
| | Mrs. Tarini Jindal Handa |
| | Mrs. Tanvi Shete |
| | Mr. Parth Jindal |
| | Mrs. Shanti Acharya |
| | Mrs. Esther Varghese |
| **4)** | **Other Related Parties** |
| | JSW Energy Limited |
| | JSW Energy (Barmer) Limited |
| | JSW Power Trading Company Limited |
| | JSW Hydro Energy Limited |
| | JSW Energy (Kutehr) Limited |
| | JSW Solar Limited |
| | Jindal Stainless Limited |
| | Jindal Stainless (Hisar) Limited |
| | JSL Lifestyle Limited |
| | Jindal Saw Limited |
| | Jindal Saw USA LLC |
| | JITF Urban Infrastructure Limited |
| | Jindal Tubular (India) Limited |
| | Jindal Urban Waste Management Limited |
| | Jindal Rail Infrastructure Limited |
| | Jindal Steel & Power Limited |
| | India Flysafe Aviation Limited |
| | JSW Infrastructure Limited |
| | JSW Jaigarh Port Limited |
| | South West Port Limited |
| | JSW Dharamatar Port Private Limited |
| | JSW Paradip Terminal Private Limited |
| | Jaigarh Digni Rail Limited |
| | JSW Cement Limited |
| | JSW Cement, FZE |
| | South West Mining Limited |
| | JSW Projects Limited |
| | BMM Ispat Limited (w.e.f 27 October 2020) |
| | JSW IP Holdings Private Limited |
| | JSoft Solutions Limited (merged with Everbest Consultancy Services Private Limited) |
| | Reynold Traders Private Limited |
| | JSW Techno Projects Management Limited |
| | JSW Global Business Solutions Limited |
| | Everbest Consultancy Services Private Limited |
| | Jindal Industries Private Limited |
| | JSW Foundation |
| | Inspire Institute of Sports |



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| | |
|---|---|
| | Jindal Technologies & Management Services Private Limited |
| | Epsilon Carbon Private Limited |
| | JSW Living Private Limited |
| | JSW International Trade Corp PTE Limited |
| | Jindal Education Trust |
| | JSW Paints Private Limited |
| | Toshiba JSW Power System Private Limited |
| | MJSJ Coal Limited |
| | JSW Bengaluru Football Club Private Limited |
| | JSW Shipping & Logistics Private Limited (formerly known as Utkarsh Advisory Services Private Limited) |
| | Neotrex Steel Wires Private Limited |
| | Neotrex Steel Private Limited |
| | JSW Minerals Trading Private Limited |
| | Khaitan & Company |
| | Eurokids International Private Limited |
| | J Sagar Associates |
| | Shiva Cement Limited |
| | Tehkhand Waste to Electricity Projects Limited |
| | Encorp Powertrans Private Limited |
| | Nourish Organic Foods Private Limited |
| | Brahmani River Pellets Limited |
| | Danta Enterprises Private Limited |
| | Glebe Trading Private Limited |
| | JSW Holdings Limited |
| | JSW Investments Private Limited |
| | JSW Logistics Infrastructure Private Limited |
| | JTPM Metal Traders Private Limited |
| | Sahyog Holdings Private Limited |
| | Virtuous Tradecorp Private Limited |
| | S K Jindal and Sons HUF |
| | P R Jindal HUF |
| **5)** | **Post-Employment Benefit Entity** |
| | JSW Steel EPF Trust (upto 31 December 2020) |
| | JSW Steel Group Gratuity Trust |
| | JSW Steel Limited Employee Gratuity Fund |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## B) Transactions with related parties

₹ in crores

| Particulars | Joint ventures |  | Other related parties # |  | Total |  |
|---|---|---|---|---|---|---|
|  | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 |
| **Party's Name** |  |  |  |  |  |  |
| **Purchase of Goods / Power & fuel / Services / Branding expenses** |  |  |  |  |  |  |
| JSW Energy Limited | - | - | 1,811 | 2,489 | 1,811 | 2,489 |
| JSW International Tradecorp PTE Limited | - | - | 12,146 | 15,478 | 12,146 | 15,478 |
| Others | 207 | 84 | 2,605 | 2,166 | 2,812 | 2,250 |
| **Total** | **207** | **84** | **16,562** | **20,133** | **16,769** | **20,217** |
| **Reimbursement of expenses incurred on our behalf by** |  |  |  |  |  |  |
| JSW Energy Limited | - | - | 1 | 3 | 1 | 3 |
| JSW Cements Limited | - | - | 5 | - | 5 | - |
| JSW Cement, FZE | - | - | - | 1 | - | 1 |
| Others | - | - | 1 | @ | 1 | @ |
| **Total** | **-** | **-** | **7** | **4** | **7** | **4** |
| **Sales of Goods/Power & Fuel/Services/Assets** |  |  |  |  |  |  |
| JSW Vallabh Tin Plate Private Limited | - | 312 | - | - | - | 312 |
| JSW MI Steel Service Centre Private Limited | 433 | 298 | - | - | 433 | 298 |
| JSW Ispat Special Products Limited | 711 | 119 | - | - | 711 | 119 |
| Jindal Saw Limited | - | - | 1,128 | 1,165 | 1,128 | 1,165 |
| JSW Energy Limited | - | - | 464 | 404 | 464 | 404 |
| Jindal Industries Private Limited | - | - | 214 | 374 | 214 | 374 |
| Epsilon Carbon Private Limited | - | - | 345 | 530 | 345 | 530 |
| Brahmani River Pellets Limited | - | - | 646 | - | 646 | - |
| Others | 73 | 80 | 396 | 165 | 469 | 245 |
| **Total** | **1,217** | **809** | **3,193** | **2,638** | **4,410** | **3,447** |
| **Other income/ Interest income/ Dividend income** |  |  |  |  |  |  |
| JSW Energy Limited | - | - | 11 | 11 | 11 | 11 |
| JSW Global Business Solutions Limited | - | - | 4 | 6 | 4 | 6 |
| JSW Techno Projects Management Limited | - | - | 1 | 8 | 1 | 8 |
| India Flysafe Aviation Limited | - | - | 20 | 20 | 20 | 20 |
| JSW Projects Limited | - | - | 36 | 40 | 36 | 40 |
| JSW Ispat Special Products Limited | 26 | 16 | - | - | 26 | 16 |
| JSW Shipping & Logistics Private Limited | - | - | 20 | 10 | 20 | 10 |
| Others | 6 | 4 | 15 | 11 | 21 | 15 |
| **Total** | **32** | **20** | **107** | **106** | **139** | **126** |
| **Purchase of assets** |  |  |  |  |  |  |
| JSW Severfield Structures Limited | 228 | 762 | - | - | 228 | 762 |
| Jindal Steel & Power Limited | - | - | 87 | 238 | 87 | 238 |
| JSW Cement Limited | - | - | 157 | 243 | 157 | 243 |
| Jindal Saw Limited | - | - | 55 | 71 | 55 | 71 |
| Others | - | 16 | 4 | 49 | 4 | 65 |
| **Total** | **228** | **778** | **303** | **601** | **531** | **1,379** |



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

₹ in crores

| Particulars | Joint ventures |  | Other related parties # |  | Total |  |
|---|---|---|---|---|---|---|
|  | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 |
| **Capital / revenue advances given** |  |  |  |  |  |  |
| JSW Energy Limited | - | - | 81 | - | 81 | - |
| JSW Dharmatar Port Private Limited | - | - | - | 200 | - | 200 |
| Jindal Steel & power Limited | - | - | - | 200 | - | 200 |
| JSW Paints Private Limited | - | - | 45 | 35 | 45 | 35 |
| Others | - | - | - | 4 | - | 4 |
| **Total** | **-** | **-** | **126** | **439** | **126** | **439** |
| **Capital / revenue advances received back** |  |  |  |  |  |  |
| Jindal Steel & power Limited | - | - | - | 200 | - | 200 |
| JSW Paints Private Limited | - | - | 10 | - | 10 | - |
| **Total** | **-** | **-** | **10** | **200** | **10** | **200** |
| **Security deposits given** |  |  |  |  |  |  |
| JSW Shipping and Logistics Private Limited (formerly known as Utkarsh Advisory Services Private Limited) | - | - | 71 | 116 | 71 | 116 |
| **Total** | **-** | **-** | **71** | **116** | **71** | **116** |
| **Lease and other deposit received back** |  |  |  |  |  |  |
| India Flysafe Aviation Limited | - | - | 10 | 10 | 10 | 10 |
| Others | - | - | 1 | 1 | 1 | 1 |
| **Total** | **-** | **-** | **11** | **11** | **11** | **11** |
| **Loan given received back** |  |  |  |  |  |  |
| JSW Techno Projects Management Limited | - | - | - | 96 | - | 96 |
| JSW Projects Limited | - | - | 300 | 15 | 300 | 15 |
| JSW Global Business Solutions Private Limited | - | - | 3 | 2 | 3 | 2 |
| **Total** | **-** | **-** | **303** | **113** | **303** | **113** |
| **Loan given** |  |  |  |  |  |  |
| JSW Projects Limited | - | - | 200 | 130 | 200 | 130 |
| JSW Ispat Special Products Limited | - | 90 | - | - | - | 90 |
| Others | 2 | 1 | - | - | 2 | 1 |
| **Total** | **2** | **91** | **200** | **130** | **200** | **221** |
| **Donation/ CSR expenses** |  |  |  |  |  |  |
| JSW Foundation | - | - | 83 | 75 | 83 | 75 |
| **Total** | **-** | **-** | **83** | **75** | **83** | **75** |
| **Recovery of expenses incurred by us on their behalf** |  |  |  |  |  |  |
| JSW Energy Limited | - | - | 7 | 9 | 7 | 9 |
| JSW Cement Limited | - | - | 71 | 45 | 71 | 45 |
| JSW International Tradecorp Pte Limited | - | - | 68 | 119 | 68 | 119 |
| JSW Jaigarh Port Limited | - | - | 3 | 3 | 3 | 3 |
| JSW Infrastructure Limited | - | - | 7 | 7 | 7 | 7 |
| JSW Ispat Special Products Limited | - | 1 | - | - | - | 1 |
| Others | 5 | 5 | 36 | 27 | 41 | 32 |
| **Total** | **5** | **6** | **192** | **210** | **197** | **216** |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

₹ in crores

| Particulars | Joint ventures | | Other related parties # | | Total | |
|---|---|---|---|---|---|---|
| | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 |
| **Investments / Share application money given** | | | | | | |
| Piombino Steel Limited | 137 | - | - | - | 137 | - |
| Rohne Coal Company Private Limited | - | 1 | - | - | - | 1 |
| Others | @ | @ | - | - | @ | @ |
| **Total** | **137** | **1** | **-** | **-** | **137** | **1** |
| **Investments / share application money refunded** | | | | | | |
| Rohne Coal Company Private Limited | - | @ | - | - | - | @ |
| **Total** | **-** | **@** | **-** | **-** | **-** | **@** |
| **Interest expenses** | | | | | | |
| JSW Techno Projects Management Limited | - | - | - | 2 | - | 2 |
| **Total** | **-** | **-** | **-** | **2** | **-** | **2** |
| **Lease interest cost** | | | | | | |
| JSW Projects Limited | - | - | 105 | 132 | 105 | 132 |
| JSW Techno Projects Management Limited | - | - | 95 | 84 | 95 | 84 |
| Others | - | - | 19 | 17 | 19 | 17 |
| **Total** | **-** | **-** | **219** | **233** | **219** | **233** |
| **Lease liabilities / Finance lease obligation repayment** | | | | | | |
| JSW Projects Limited | - | - | 255 | 228 | 255 | 228 |
| Others | - | - | 28 | 26 | 28 | 26 |
| **Total** | **-** | **-** | **283** | **254** | **283** | **254** |
| **Loan refunded** | | | | | | |
| JSW Techno Projects Management Limited | - | - | - | 6 | - | 6 |
| Others | - | - | @ | - | @ | - |
| **Total** | **-** | **-** | **@** | **6** | **@** | **6** |
| **Dividend paid** | | | | | | |
| JSW Holdings Limited | - | - | 36 | 73 | 36 | 73 |
| JSW Techno Projects Management Limited | - | - | 51 | 101 | 51 | 101 |
| Sahyog Holdings Private Limited | - | - | 22 | 46 | 22 | 46 |
| Others | - | - | 48 | 99 | 48 | 99 |
| **Total** | **-** | **-** | **157** | **319** | **157** | **319** |

@ - less than ₹ 0.50 crores

# - includes relatives of KMP

**Notes:**

1. The transactions are inclusive of taxes wherever applicable.
2. The transactions are disclosed under various relationships (i.e. joint ventures and other related parties) based on the status of related parties on the date of transactions.
3. The Group makes monthly contributions to provident fund managed by JSW Steel EPF Trust for qualifying Vijayanagar employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Group contributed ₹ 21 crores (previous year ₹ 22 crores).
4. The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). During the year, the Group contributed ₹ 7 crores (previous year ₹ Nil).



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

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

**Compensation to Key Management Personnel**

₹ in crores

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

**Notes:**

1. As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.
2. The Company has recognised an expenses of ₹ 2 crores (previous year ₹ 3 crores) towards employee stock options granted to Key Managerial Personnel. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not been exercised.
3. Dividend paid to KMP is ₹ 0.09 crores (FY 2019-20: ₹ 0.18 crores).
4. The Independent Non-Executive Directors are paid remuneration by way of commission and sitting fees. The commission payable to the Non-Executive Directors is based on the number of meetings of the Board attended by them and their Chairmanship/Membership of Audit Committee during the year, subject to an overall ceiling of 1% of the net profits approved by the Members. The Company pays sitting fees at the rate of ₹ 20,000 /- for each meeting of the Board and sub-committees attended by them. The amount paid to them by way of commission and sitting fees during FY 2020-21 is ₹ 3 crores (FY 2019-20 is ₹ 3 crores), which is not included above.

**Terms and conditions**

**Sales:**

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended 31 March 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

**Purchases:**

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

**Guarantees to Joint ventures:**

Guarantees provided to the lenders of the joint ventures are for availing term loans from the lender banks.

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

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

### C) Amount due to or from related parties

₹ in crores

| Particulars | Joint ventures | | Other related parties | | Total | |
|---|---|---|---|---|---|---|
| | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| **Party's Name** | | | | | | |
| **Trade payables** | | | | | | |
| JSW Energy Limited | - | - | 8 | 377 | 8 | 377 |
| JSW International Tradecorp Pte Limited | - | - | 1,192 | 1,499 | 1,192 | 1,499 |
| Others | 34 | 115 | 521 | 532 | 555 | 647 |
| **Total** | **34** | **115** | **1,721** | **2,408** | **1,755** | **2,523** |
| **Advance received from customers** | | | | | | |
| JSW Structural Metal Decking Limited | 1 | 1 | - | - | 1 | 1 |
| JSW Ispat Special Products limited | - | 2 | - | - | - | 2 |
| Jindal Saw Limited | - | - | 1 | 1 | 1 | 1 |
| Jindal Rail Infrastructure Limited | - | - | 3 | - | 3 | - |
| Brahmani River Pellet Limited | - | - | 13 | - | 13 | - |
| Others | - | - | 7 | @ | 7 | @ |
| **Total** | **1** | **3** | **24** | **1** | **25** | **4** |
| **Lease & other deposits received** | | | | | | |
| JSW Severfield Structures Limited | 13 | 13 | - | - | 13 | 13 |
| JSW Energy Limited | - | - | 11 | 11 | 11 | 11 |
| Jindal Saw Limited | - | - | 5 | 5 | 5 | 5 |
| JSW Cement Limited | - | - | 11 | 11 | 11 | 11 |
| Others | - | - | 12 | 12 | 12 | 12 |
| **Total** | **13** | **13** | **39** | **39** | **52** | **52** |
| **Trade receivables** | | | | | | |
| JSW MI Steel Service Center Private Limited | 50 | 44 | - | - | 50 | 44 |
| Jindal Industries Private Limited | - | - | - | 8 | - | 8 |
| Jindal Saw Limited | - | - | - | 34 | - | 34 |
| Bhushan Power & Steel Limited | 19 | - | - | - | 19 | - |
| Epsilon Carbon Private Limited | - | - | 106 | 109 | 106 | 109 |
| JSW Energy Limited | - | - | 148 | 1 | 148 | 1 |
| Others | 21 | @ | 16 | 5 | 37 | 5 |
| **Total** | **90** | **44** | **270** | **157** | **360** | **201** |
| **Share application money given** | | | | | | |
| Gourangdih Coal Limited | 1 | 1 | - | - | 1 | 1 |
| **Total** | **1** | **1** | **-** | **-** | **1** | **1** |
| **Capital / revenue advances (including other receivables)** | | | | | | |
| JSW Ispat Special Products Limited | - | 15 | - | - | - | 15 |
| Rohne Coal Company Private Limited | 26 | 22 | - | - | 26 | 22 |
| JSW Projects Limited | - | - | 49 | 49 | 49 | 49 |
| JSW Paints Private Limited | - | - | 72 | 1 | 72 | 1 |
| JSW IP Holdings Private Limited | - | - | 1 | 10 | 1 | 10 |
| JSW Dharamatar Port Private Limited | - | - | 200 | 200 | 200 | 200 |
| Others | 5 | 6 | 10 | 7 | 15 | 13 |
| **Total** | **31** | **43** | **332** | **267** | **363** | **310** |




# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021


₹ in crores

| Particulars | Joint ventures | | Other related parties | | Total | |
|---|---|---|---|---|---|---|
| | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| **Lease and other deposits given** | | | | | | |
| JSW Shipping and Logistics Private Limited | - | - | 247 | 175 | 247 | 175 |
| India Flysafe Aviation Limited | - | - | 183 | 193 | 183 | 193 |
| **Total** | **-** | **-** | **430** | **368** | **430** | **368** |
| **Loan and advances given** | | | | | | |
| JSW Projects Limited | - | - | 315 | 415 | 315 | 415 |
| Bhushan Power & Steel Limited | 134 | - | - | - | 134 | - |
| JSW Ispat Special Products Limited | 215 | 215 | - | - | 215 | 215 |
| Others | 3 | 1 | 13 | 18 | 16 | 19 |
| **Total** | **352** | **216** | **328** | **433** | **680** | **649** |
| **Interest receivable** | | | | | | |
| JSW Ispat Special Products Limited | 45 | 21 | - | - | 45 | 21 |
| JSW Techno Projects Management Limited | - | - | 28 | 9 | 28 | 9 |
| Others | 5 | - | 3 | 1 | 8 | 1 |
| **Total** | **50** | **21** | **31** | **10** | **81** | **31** |
| **Lease liabilities** | | | | | | |
| JSW Projects Limited | - | - | 797 | 1,052 | 797 | 1,052 |
| JSW Techno Projects Management Limited | - | - | 997 | 550 | 997 | 550 |
| JSW Jaigarh Port Limited | - | - | 44 | 46 | 44 | 46 |
| JSW Dharamatar Port Private Limited | - | - | 131 | 138 | 131 | 138 |
| JSW Shipping and Logistics Private Limited | - | - | 137 | - | 137 | |
| **Total** | **-** | **-** | **2,106** | **1,786** | **2,106** | **1,786** |
| **Guarantees and collaterals provided by the Company on behalf** | | | | | | |
| Bhushan power & Steel Limited | 10,800 | - | - | - | 10,800 | - |
| **Total** | **10,800** | **-** | **-** | **-** | **10,800** | **-** |

@ - less than ₹ 0.50 crores

**Note:**

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). As on 31 March 2020, the fair value of plan assets was as ₹ 74 crores (As at 31 March 2020: ₹ 92 crores).

## 46. Contingent liabilities:

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **(i) Guarantees** | 10,850 | 82 |
| The Company has issued a corporate guarantee dated 24 March 2021 in favor of trustee for the benefit of the Lenders for the financial assistance availed by Makler Private Limited for a sum of ₹ 10,800 crores to part finance the cost of implementation of the Resolution Plan of Bhushan Power and Steel Limited. JSW Shipping & Logistics Private Limited, has provided a counter corporate guarantee in favor of the Company to the extent of the 51% of the guaranteed obligations in line with their shareholding in Piombino Steel Limited. (refer note 41). | | |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **(ii) Disputed claims/levies (excluding interest, if any), in respect of:** | | |
| Excise duty | 472 | 491 |
| Custom duty | 760 | 774 |
| Income tax | 61 | 32 |
| Sales tax / Special entry tax | 1,557 | 1,509 |
| Service tax | 645 | 702 |
| Levies by local authorities | 73 | 54 |
| Levies relating to Energy / Power Obligations | 408 | 277 |
| Claim by suppliers and other parties | 143 | 98 |

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

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

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

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

e) Income Tax cases includes disputes pertaining to transfer pricing, deduction u/s 80-IA and other matters.

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

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

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

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

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

| | | |
|---|---|---|
| (iii) Claims related to Forest Development Tax / Fee | 3,035 | 2,588 |
| Amount paid under protest | 920 | 920 |

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

The State of Karnataka on 27 July 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI, and based on merits of the case duly supported by a legal opinion and a favorable order from the High Court, the Company has not recognised provision for FDF amount of ₹ 1,992 crores (including paid under protest - ₹ 255 crores) pertaining to the private lease operators & NMDC and treated it as contingent liability.



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## 47. Commitments

₹ in crores

| Nature of transaction | FY 2020-21 | FY 2019-20 |
|---|---|---|
| **Capital commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of ad-vances) | 10,493 | 13,929 |
| **Other commitments** | | |
| a) The Group has imported capital goods under the export promotion capital goods scheme to utilise the bene-fit of a zero or concessional customs duty rate. These benefits are subject to future exports. Such export ob-ligations at year end aggregate to | 20,728 | 17,407 |
| b) The Group has given guarantees to Commissioner of Customs in respect of goods imported. | 127 | 127 |

c) The Company has entered into a five-year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. ("DSA") for supply of Steel Products. Duferco S.A has provided an interest bearing advance amount of US $700 million under this agreement, secured by committed export of steel products to Duferco S.A. Out of this US $443 million is pending towards fulfilment.

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

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

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

**48.** Exceptional items for the year ended 31 March 2021 includes impairment provision of ₹ 83 crores relating to the US coal business towards the value of Property, plant and equipment and Goodwill of ₹ 20 crores and ₹ 63 crores respectively based on the estimate of values by independent external valuers using cash flow projections of respective businesses and assets.

Exceptional items for the year ended 31 March 2020 represents impairment provision of:

i) ₹ 725 crores relating to overseas subsidiaries towards the value of Property, plant and equipment (PPE) (including CWIP), Goodwill, Intangibles and other assets based on the overall assessment of recoverable value considering increased uncertainty in restarting the Iron ore mining operations at Chile on account of COVID 19 outbreak.

The provision of ₹ 725 crores include ₹ 143 crores towards PPE, ₹ 9 crores towards CWIP, ₹ 7 crores towards Intangible assets, ₹ 513 crores towards Goodwill and ₹ 53 crores towards advances.

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

**49.** In assessing the carrying amounts of Goodwill, PPE, Capital work in progress (CWIP), Investment Property, ROU, and advances (net of impairment loss / loss allowance) aggregating to ₹ 9,245 crores (₹ 9,376 crores as at 31 March 2020) relating to certain businesses (listed below), the Company considered various factors as detailed there against and concluded that they are recoverable.

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

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

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

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

i. PPE (including CWIP and advances) of ₹ 4,262 crores (₹ 4,314 crores as at 31 March 2020) relating to steel operations at Baytown, USA - Estimate of values of the businesses and assets by independent external valuers based on cash flow projections at a pre-tax discount rate of 13.3%. The said assessment includes significant assumptions such as discount rate, increase in operational performance on account of committed capital expenditure, future margins and the likely impact of COVID 19 on the said operations.

ii. Goodwill, PPE, CWIP and Capital advances of ₹ 196 crores (₹ 266 crores as at 31 March 2020), ₹ 410 crores (₹ 446 crores as at 31 March 2020), ₹ Nil (₹ 9 crores as at 31 March 2020) and ₹ Nil (₹ 3 crores as at 31 March 2020) respectively relating to coal mines at West Virginia, USA - Estimate of values of the businesses and assets by independent external valuers based on cash flow projections over a period of the lease at a pre-tax discount rate of 15.6%. In making the said projections, reliance has been placed on estimates of future prices of coal, mineable resources, and assumptions relating to operational performance, availability of infrastructure facilities for mines and likely impact of COVID 19 on the said operations.

iii. PPE (including CWIP) of ₹ 1,758 crores (₹ 1,812 crores as at 31 March 2020) and goodwill of ₹ 96 crores (₹ 98 crores as at 31 March 2020) relating to steel operations at Ohio, USA - Estimate of values of the businesses and assets by independent external valuers based on cash flow projections at a pre-tax discount rate of 18.2%. The said assessment includes significant assumptions such as discount rate, increase in operational performance on account of committed capital expenditure, future margins and the likely impact of COVID 19 on the said operations.

iv. PPE (including CWIP) of ₹ 528 crores (₹ 543 crores as at 31 March 2020) relating to steel operations at Piombino, Italy - Estimate of values of the businesses and assets by independent external valuers based on cash flow projections at a pre-tax discount rate ranging from 8.4% to 11.4%. The said assessment includes significant assumptions such as discount rate, increase in operational performance on account of committed capital expenditure, future margins and the likely impact of COVID 19 on the said operations.

v. Integrated Steel Complex at Salboni, Bengal [PPE ₹ 212 crores (₹ 219 crores as at 31 March 2020), CWIP ₹ 14 crores (₹ 14 crores as at 31 March 2020), ROU assets ₹ 77 crores (₹ 78 crores as at 31 March 2020) and advances ₹ 148 crores (₹ 148 crores as at 31 March 2020)] - Evaluation of current status of the integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal and the plans for commencing construction of the said complex.

vi. Integrated Steel Complex at Ranchi, Jharkhand [PPE ₹ 45 crores (₹ 45 crores as at 31 March 2020), CWIP ₹ 31 crores (₹ 31 crores as at 31 March 2020) and Advances ₹ 1 crore (₹ 1 crore as at 31 March 2020)] - Evaluation of current status of the integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand and the plans for commencing construction of the said complex.

vii. Goodwill ₹ 24 crores (₹ 24 crores as at 31 March 2020) and Investment property ₹ 91 crores (₹ 91 crores as at 31 March 2020) relating to interest in a real estate property – Valuation of the property by an independent expert.

viii. PPE ₹ 98 crores including mining development and projects ₹ 87 crores (₹ 95 crores including mining development and projects ₹ 84 crores as at 31 March 2020) and goodwill ₹ 8 crores (₹ 8 crores as at 31 March 2020) relating to coal mines at Mozambique - Assessment of mineable reserves by independent experts based on plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities and infrastructure is developed.

ix. PPE (including CWIP) of ₹ 477 crores (₹ 446 crores as at 31 March 2020) of a subsidiary JSW Realty & Infrastructure Private Limited, - Estimates of value of business based on the cash flow projections approved by the Management. The assessments include significant assumptions relating to operational performance, expansion, rentals and other charges, inflation and terminal value.

x. Investment in equity shares (net of share of profits) and preference shares of Creixent Special Steels Limited, a joint venture, ₹ 507 crores (₹ 449 crores as at 31 March 2020) and loans and interest receivable (including of JSW Ispat Special Products Limited) of ₹ 262 crores (previous year ₹ 236 crores) – Valuation of PPE by an independent expert.

## 50. Research and development activities

The manufacturing and other expenses include ₹ 31 crores (previous year – ₹ 33 crores) in respect of research and development activities undertaken during the year. Depreciation expenditure includes ₹ 17 crores (previous year – ₹ 13 crores) in respect of research and development activities undertaken during the year.





# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## 51. Joint ventures

Details of the Group's material joint ventures are as follows:

| Name of the Joint venture | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group | | Principal activity |
|---|---|---|---|---|
| | | 31 March 2021 | 31 March 2020 | |
| JSW Severfield Structures Limited | India | 50% | 50% | Design, fabrication and erection of structural steel works |
| JSW Structural Metal Decking Limited | India | 33.33% | 33.33% | Metal Deckings |
| Rohne Coal Company Private Limited | India | 49% | 49% | Coal mining company |
| JSW MI Steel Service Center Private Limited | India | 50% | 50% | Steel service centre |
| Vijayanagar Minerals Private Limited | India | 40% | 40% | Supply of iron ore |
| Gourangdih Coal Limited | India | 50% | 50% | Coal mining company |
| Creixent Special Steels Limited | India | 48% | 48% | Investment in steel related & allied businesses and trading in steel products |
| JSW Ispat Special Products Limited | India | 23.10% | 23.10% | Manufacturing & marketing of sponge iron, steel & Ferro alloys |
| Piombino Steel Limited (w.e.f 27 March 2021) | India | 49% | - | Investment in steel related & allied businesses and trading in steel products |
| Bhushan Power & Steel Limited (w.e.f. 27 March 2021) | India | 49% | - | Manufacturing of iron and steel products |

The above joint ventures are accounted using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's, material joint ventures are set out below. The summarised financial information below represents amounts shown in joint ventures financial statements prepared in accordance with the local GAAP (adjusted by the Group for equity accounting purposes).

### a) Financial information of joint ventures as at 31 March 2021

₹ in crores

| Particulars | JSW Severfield Structures Limited | JSW MI Steel Service Center Private Limited | Creixent Special Steels Limited | Piombino Steel Limited |
|---|---|---|---|---|
| Current Assets | 625 | 139 | 1,555 | 6,654 |
| Non-current Assets | 304 | 227 | 3,495 | 17,578 |
| Current liabilities | 587 | 80 | 1,267 | 1,630 |
| Non-current liabilities | 26 | 99 | 3,040 | 16,430 |
| The above amount of assets and liabilities include the following: | | | | |
| Cash and cash equivalents | @ | 36 | 14 | 2,652 |
| Current financial liabilities (excluding trade and other payables and provisions) | 165 | 23 | 373 | - |
| Non-current financial liabilities (excluding trade and other payables and provisions) | 22 | 92 | 3,022 | 16,060 |
| | | | | |
| Revenue | 496 | 431 | 4,188 | 34 |
| Profit / (loss) for the period / year | (13) | 18 | 136 | (2) |
| Other comprehensive income for the period / year | (13) | (1) | 10 | - |
| Total comprehensive income for the period / year | (26) | 18 | 146 | (2) |
| Dividends received from the joint venture during the period / year | - | - | - | - |
| The above profit / (loss) for the period / year include the following: | | | | |
| Depreciation and amortisation | 22 | 10 | 226 | - |
| Interest income | 1 | 1 | 9 | 10 |
| Interest expense | 37 | 6 | 363 | 17 |
| Income tax expense (income) | 1 | 9 | (9) | (2) |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

₹ in crores

| Particulars | JSW Severfield Structures Limited | JSW MI Steel Service Center Private Limited | Creixent Special Steels Limited | Piombino Steel Limited |
|---|---|---|---|---|
| **Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:** | | | | |
| Net assets of the joint venture | 308 | 187 | 93 | 6,173 |
| Proportion of the Group's ownership interest in the joint venture | 50% | 50% | 48% | 49% |
| Other adjustments | - | - | - | 349 |
| Carrying amount of the Group's interest in the joint venture | 154 | 94 | 41 | 2,676 |

### b) Financial information of joint ventures as at 31 March 2020

₹ in crores

| Particulars | JSW Severfield Structures Limited | JSW MI Steel Service Center Private Limited | Creixent Special Steels Limited |
|---|---|---|---|
| Current Assets | 716 | 119 | 1,259 |
| Non-current Assets | 318 | 240 | 3,587 |
| Current liabilities | 686 | 74 | 1,344 |
| Non-current liabilities | 19 | 116 | 2,906 |
| The above amount of assets and liabilities include the following: | | | |
| Cash and cash equivalents | 3 | 21 | 36 |
| Current financial liabilities (excluding trade and other payables and provisions) | 146 | 14 | 817 |
| Non-current financial liabilities (excluding trade and other payables and provisions) | 16 | 113 | 2,880 |
| | | | |
| Revenue | 995 | 305 | 2,639 |
| Profit / (loss) for the year | 59 | 7 | (549) |
| Other comprehensive income for the year | @ | 2 | (29) |
| Total comprehensive income for the year | 59 | 9 | (578) |
| Dividends received from the joint venture during the year | - | - | - |
| The above profit / (loss) for the year include the following: | | | |
| Depreciation and amortisation | 21 | 9 | 213 |
| Interest income | 4 | 3 | 12 |
| Interest expense | 33 | 8 | 319 |
| Income tax expense (income) | 1 | 4 | - |
| | | | |
| **Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:** | | | |
| Net assets of the joint venture | 326 | 170 | 65 |
| Proportion of the Group's ownership interest in the joint venture | 50% | 50% | 48% |
| Other adjustments | - | - | - |
| Carrying amount of the Group's interest in the joint venture | 163 | 85 | 31 |

@- between ₹ (0.50) crores to ₹ 0.50 crores



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

### c) Aggregate information of joint ventures that are not individually material

₹ in crores

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Aggregate carrying amount of the Group's interest in these joint ventures | 4 | 4 |
| Profit / (loss) from continuing operations | @ | @ |
| Post tax profit / (loss) from continuing operations | @ | @ |
| Other comprehensive income | - | - |
| Total comprehensive income | @ | @ |

@ - between ₹ (0.50) crores to ₹ 0.50 crores

## 52. Subsidiaries

Details of the Group's subsidiaries at the end of reporting period are as follows:

| Name of the subsidiary | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group | | Principal activity |
|---|---|---|---|---|
| | | 31 March 2021 | 31 March 2020 | |
| JSW Steel (Netherlands) B.V. | Netherlands | 100% | 100% | Acquisition and investment in steel related & allied businesses and trading in steel products |
| JSW Steel Italy S.r.L. | Italy | 100% | 100% | Trading in steel products and Holding company of JSW Steel Italy Piombino S.p.A., Piombino Logistics S.p.A. – A JSW Enterprise and GSI Lucchini S.p.A. |
| JSW Steel Italy Piombino S.p.A. (formerly known as Aferpi S.p.A.) | Italy | 100% | 100% | Produces & distributes special long steel products |
| Piombino Logistics S.p.A. – A JSW Enterprise (formerly known as Piombino Logistics S.p.A.) | Italy | 100% | 100% | Manages the logistic infrastructure of piombino's port area |
| GSI Lucchini S.p.A. (refer note 53 b) | Italy | 69.27% | 69.27% | Producer of forged steel balls |
| JSW Steel (UK) Limited | United Kingdom | 100% | 100% | Investment in steel related and steel allied businesses |
| Periama Holdings, LLC | United States of America | 100% | 100% | Holding company of JSW Steel (USA) Inc. and West Virginia operations |
| JSW Steel (USA) Inc. | United States of America | 90% | 90% | Manufacturing plates, pipes and double jointing |
| Purest Energy, LLC | United States of America | 100% | 100% | Holding company |
| Meadow Creek Minerals, LLC | United States of America | 100% | 100% | Mining company |
| Hutchinson Minerals, LLC | United States of America | 100% | 100% | Mining company |
| R.C. Minerals, LLC | United States of America | 100% | 100% | Mining company |
| Keenan Minerals, LLC | United States of America | 100% | 100% | Mining company |
| Peace Leasing, LLC | United States of America | 100% | 100% | Mining company |
| Prime Coal, LLC | United States of America | 100% | 100% | Management company |
| Planck Holdings, LLC | United States of America | 100% | 100% | Holding company |
| Rolling S Augering, LLC | United States of America | 100% | 100% | Mining company |
| Periama Handling, LLC | United States of America | 100% | 100% | Coal loading company |
| Lower Hutchinson Minerals, LLC | United States of America | 100% | 100% | Mining company |
| Caretta Minerals, LLC | United States of America | 100% | 100% | Mining company |

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To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| Name of the subsidiary | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group | | Principal activity |
|---|---|---|---|---|
| | | 31 March 2021 | 31 March 2020 | |
| JSW Panama Holdings Corporation | Republic of Panama | 100% | 100% | Holding company for Chile based companies and trading in iron ore |
| Inversiones Eurosh Limitada | Chile | 100% | 100% | Holding company (LLP) of Santa Fe Mining |
| Santa Fe Mining | Chile | 70% | 70% | Mining company and Holding company of Santa Fe Pureto S.A. |
| Santa Fe Puerto S.A. | Chile | 70% | 70% | Port company |
| JSW Natural Resources Limited | Republic of Mauritius | 100% | 100% | Holding company of JSW Natural Resources Mozambique Limitada and JSW Mali Resources SA |
| JSW Natural Resources Mozambique Limitada | Mozambique | 100% | 100% | Mining company |
| JSW ADMS Carvao Limitada | Mozambique | 100% | 100% | Mining company |
| Acero Junction Holdings, Inc | United States of America | 100% | 100% | Investment in steel related and steel allied businesses |
| JSW Steel (USA) Ohio, Inc. | United States of America | 100% | 100% | Manufacturing of slabs and hot rolled coils. |
| JSW Bengal Steel Limited | India | 98.76% | 98.69% | Steel plant |
| JSW Natural Resources India Limited | India | 98.76% | 98.69% | Mining related company |
| JSW Energy (Bengal) Limited | India | 98.76% | 98.69% | Power plant |
| JSW Natural Resources Bengal Limited | India | 98.76% | 98.69% | Mining related company |
| JSW Jharkhand Steel Limited | India | 100% | 100% | Steel plant and mining |
| JSW Steel Coated Products Limited | India | 100% | 100% | Steel plant |
| Amba River Coke Limited | India | 100% | 100% | Coke oven and Pellet plant |
| Nippon Ispat Singapore (PTE) Limited | Singapore | 100% | 100% | Mining company |
| Erebus Limited | Mauritius | 100% | 100% | Mining company |
| Arima Holdings Limited | Mauritius | 100% | 100% | Mining company |
| Lakeland Securities Limited | Mauritius | 100% | 100% | Mining company |
| Peddar Realty Private Limited | India | 100% | 100% | Real estate |
| JSW Realty & Infrastructure Private Limited | India | 0% | 0% | Construction and development of residential township |
| JSW Industrial Gases Private Limited | India | 100% | 100% | Production of gaseous and liquid form of oxygen, nitrogen, argon and other products recoverable from separation of air |
| JSW Utkal Steel Limited | India | 100% | 100% | Steel plant |
| JSW One Platforms Limited (formerly known as JSW Retail Limited) | India | 100% | 100% | Trading in steel and allied products |
| Hasaud Steel Limited | India | 100% | 100% | Investment in steel related activities |
| Asian Color Coated Ispat limited (w.e.f. 27 October 2020) | India | 100% | - | Steel plant |
| Vardhman Industries Limited (w.e.f. 31 December 2019) | India | 100% | 100% | Steel plant |
| JSW Vallabh Tin Plate Private Limited* (w.e.f. 31 December 2019) | India | 100% | 73.55% | Steel plant |
| JSW Vijayanagar Metallics Limited (w.e.f. 24 December 2019) | India | 100% | 100% | Steel plant |
| Piombino Steel Limited (upto 26 March 2021) | India | - | 100% | Trading in steel products |



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To the Consolidated Financial Statements as at and for the year ended 31 March 2021

| Name of the subsidiary | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group | | Principal activity |
|---|---|---|---|---|
| | | 31 March 2021 | 31 March 2020 | |
| Makler Private Limited (upto 25 March 2021) | India | - | 100% | Trading in steel products |
| JSW Retail and Distribution Limited (w.e.f. 15 March 2021) | India | 100% | - | Trading in steel and allied products |

* The Company has completed acquisition of 1,32,37,227 equity shares representing 26.45% of the issued and paid-up share capital of JSW Vallabh Tinplate Private Limited ("JSW VTPL") and as a result JSW VTPL has become wholly owned subsidiary of the Company. The difference between consideration paid and balance of non-controlling interest has been accounted in equity in consolidated financial statements of the Company.

Summarised financial information in respect of the Group's, material subsidiary that has non-controlling interests is set out below. The amount disclosed for each subsidiary are before inter-company elimination.

### Financial information of non-controlling interest as on 31 March 2021

₹ in crores

| Particulars | JSW Realty & Infrastructure Limited | Santa Fe Mining (Consolidated) | JSW Steel (USA), Inc. | GSI Luchhini S.p.A |
|---|---|---|---|---|
| Non-current assets | 533 | @ | 4,287 | 8 |
| Current assets | 66 | 11 | 916 | 274 |
| Non-current liabilities | 400 | - | 5,597 | 3 |
| Current liabilities | 73 | 494 | 819 | 171 |
| Equity attributable to owners of the company | - | (338) | (659) | 75 |
| Non-controlling interest | 126 | (145) | (554) | 33 |
| | | | | |
| Revenue | 59 | - | 1,011 | 345 |
| Expenses | 58 | 22 | 1,801 | 350 |
| Profit/ (loss) for the year | 16 | (22) | 570 | (4) |
| Profit / (loss) attributable to owners of the company | - | (16) | 513 | (3) |
| Profit / (loss) attributable to the non-controlling interest | 16 | (7) | 57 | (1) |
| Profit / (loss) for the year | 16 | (22) | 570 | (4) |
| Other comprehensive income attributable to owners of the company | - | - | - | - |
| Other comprehensive income attributable to the non-controlling interests | - | - | - | - |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income attributable to the owners of the company | - | (16) | 513 | (3) |
| Total comprehensive income attributable to the non-controlling interests | 16 | (7) | 57 | (1) |
| Total comprehensive income for the year | 16 | (22) | 570 | (4) |
| | | | | |
| Net cash inflow / (outflow) from operating activities | 45 | (8) | 62 | 3 |
| Net cash inflow / (outflow) from investing activities | (48) | - | (500) | (1) |
| Net cash inflow / (outflow) from financing activities | 5 | 4 | 573 | (11) |
| Net increase / (decrease) in cash and cash equivalents | 2 | (4) | 135 | (9) |

@- between ₹ (0.50) crores to ₹ 0.50 crores

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To the Consolidated Financial Statements as at and for the year ended 31 March 2021

### Financial information of non-controlling interest as on 31 March 2020

₹ in crores

| Particulars | JSW Realty & Infrastructure Limited | JSW Vallabh Tinplate Private Limited | Santa Fe Mining (Consolidated) | JSW Steel (USA), Inc. | GSI Luchhini S.p.A |
|---|---|---|---|---|---|
| Non-current assets | 504 | 214 | - | 4,314 | 29 |
| Current assets | 54 | 101 | 16 | 1,318 | 305 |
| Non-current liabilities | 394 | 37 | - | 4,631 | 8 |
| Current liabilities | 60 | 183 | 489 | 1,676 | 187 |
| Equity attributable to owners of the company | - | 70 | (331) | (164) | 80 |
| Non-controlling interest | 104 | 25 | (142) | (511) | 59 |
| | | | | | |
| Revenue | 41 | 107 | - | 2,207 | 362 |
| Expenses | 48 | 108 | 218 | 3,155 | 361 |
| Profit/ (loss) for the year | 33 | (1) | (218) | 423 | 1 |
| Profit / (loss) attributable to owners of the company | - | (1) | (153) | 380 | 1 |
| Profit / (loss) attributable to the non-controlling interest | 33 | @ | (65) | 42 | @ |
| Profit / (loss) for the year | 33 | (1) | (218) | 423 | 1 |
| Other comprehensive income attributable to owners of the company | - | @ | - | - | - |
| Other comprehensive income attributable to the non-controlling interests | @ | @ | - | - | @ |
| Other comprehensive income for the year | @ | @ | - | - | @ |
| Total comprehensive income attributable to the owners of the company | - | (1) | (153) | 380 | 1 |
| Total comprehensive income attributable to the non-controlling interests | 33 | @ | (65) | 42 | - |
| Total comprehensive income for the year | 33 | (1) | (218) | 423 | 1 |
| | | | | | |
| Net cash inflow / (outflow) from operating activities | 38 | 4 | (9) | 323 | 10 |
| Net cash inflow / (outflow) from investing activities | (60) | (1) | - | (442) | (2) |
| Net cash inflow / (outflow) from financing activities | 49 | (3) | 9 | 133 | 2 |
| Net cash inflow / (outflow) | 27 | @ | @ | 14 | 10 |

@- between ₹ (0.50) crores to ₹ 0.50 crores

## 53. Subsequent events

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

b) On 13 April 2021, JSW Steel Italy S.r.L, a wholly owned subsidiary of the Company completed the acquisition of remaining 840,840 equity shares, representing 30.73% equity share capital of GSI Luchini S.p.A. for a consideration of EUR 1 million. Consequent to this, GSI Luchini S.p.A. has become a wholly owned subsidiary of the Company.

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

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





# Notes

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

₹ in crores

| Name of entity in the group | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| **PARENT COMPANY** | | | | | | | | |
| JSW Steel Limited | 75.90 | 35,022 | 111.32 | 8,764 | 81.47 | 642 | 108.60 | 9,406 |
| **SUBSIDIARIES** | | | | | | | | |
| **INDIAN** | | | | | | | | |
| Vardhman Industries Limited | 0.13 | 59 | 0.34 | 27 | - | @ | 0.31 | 27 |
| JSW Bengal Steel – Group | 0.98 | 454 | (0.10) | (8) | - | - | (0.09) | (8) |
| Amba River Coke Limited | 5.18 | 2,392 | 2.68 | 211 | 4.19 | 33 | 2.82 | 244 |
| JSW Steel Coated Products Limited | 6.56 | 3,025 | 8.79 | 692 | 11.29 | 89 | 9.02 | 781 |
| JSW Jharkhand Steel Limited | 0.17 | 77 | (0.03) | (2) | - | @ | (0.02) | (2) |
| Peddar Realty Private Limited | 0.25 | 114 | 0.18 | 14 | - | - | 0.16 | 14 |
| JSW Vallabh Tinplate Private Limited | 0.39 | 179 | 0.19 | 15 | - | @ | 0.17 | 15 |
| JSW Realty & Infrastructure Private Limited | 0.72 | 332 | 0.03 | 2 | - | @ | 0.02 | 2 |
| JSW Industrial Gases Private Limited | 0.54 | 250 | 0.47 | 37 | - | @ | 0.43 | 37 |
| JSW Utkal Steel Limited | 0.20 | 92 | (0.01) | (1) | - | - | (0.01) | (1) |
| Hasaud Steel Limited | (0.08) | (37) | - | @ | - | - | - | @ |
| Asian Color Coated Ispat Limited | 3.93 | 1,813 | 2.50 | 197 | (0.13) | (1) | 2.26 | 196 |
| JSW Vijayanagar Metallics Limited | 0.01 | 5 | - | @ | - | - | - | @ |
| JSW Retail Limited | - | @ | 0.01 | 1 | - | - | 0.01 | 1 |
| **FOREIGN** | | | | | | | | |
| JSW Steel (Netherlands) B.V. | (2.85) | (1,313) | (1.18) | (93) | - | - | (1.07) | (93) |
| Periama Holding LLC – Group | (0.46) | (210) | (9.75) | (768) | - | - | (8.87) | (768) |
| JSW Panama Holdings Corporation - Group | 0.31 | 145 | (0.03) | (2) | - | - | (0.02) | (2) |
| JSW Steel (UK) Limited | 0.31 | 141 | (0.08) | (6) | - | - | (0.07) | (6) |
| JSW Natural Resources Limited - Group | 0.28 | 130 | - | @ | - | - | - | @ |
| Arima Holding Limited | - | @ | - | @ | - | - | - | @ |
| Lakeland Securities Limited | - | @ | - | @ | - | - | - | @ |
| Erebus Limited | - | @ | - | @ | - | - | - | @ |

# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

₹ in crores

| Name of entity in the group | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| Nippon Ispat Singapore (PTE) Limited | - | @ | - | @ | - | - | - | @ |
| JSW Steel Italy S.R.L. | 0.02 | 10 | - | @ | - | - | - | @ |
| Acero Holdings Junction Inc. – Group | 1.55 | 713 | (10.45) | (823) | - | - | (9.50) | (823) |
| JSW Steel Italy Piombino S.p.A | 0.63 | 293 | (3.23) | (254) | - | - | (2.93) | (254) |
| Piombino Logistics S.p.A | 0.07 | 30 | (0.84) | (66) | - | - | (0.76) | (66) |
| GSI Luchini S.p.A. | 0.17 | 80 | (0.22) | (17) | - | - | (0.20) | (17) |
| **NON-CONTROLLING INTEREST IN ALL SUBSIDIARIES** | (1.34) | (619) | (0.61) | (48) | 2.28 | 18 | (0.35) | (30) |
| **JOINT VENTURES (Investment as per the equity method)** | | | | | | | | |
| **INDIAN** | | | | | | | | |
| Vijayanagar Minerals Private Limited | 0.00 | 2 | - | @ | - | - | - | @ |
| Rohne Coal Company Private Limited | - | - | - | - | - | - | - | - |
| JSW Severfield Structures Limited - Group | 0.33 | 154 | (0.25) | (20) | - | - | (0.23) | (20) |
| Gourangdih Coal Limited | 0.00 | 2 | - | @ | - | - | - | @ |
| JSW MI Steel Service Center Private Limited | 0.20 | 94 | 0.11 | 9 | - | - | 0.10 | 9 |
| Creixent Special Steels Limited - Group | 0.09 | 41 | 0.15 | 12 | - | - | 0.14 | 12 |
| Piombino Steel Limited - Group | 5.80 | 2,675 | - | - | - | - | - | - |
| **Foreign currency translation reserve** | - | - | - | - | 0.89 | 7 | 0.08 | 7 |
| **Total** | **100.00** | **46,145** | **100.00** | **7,873** | **100.00** | **788** | **100.00** | **8,661** |

@ - Less than ₹ 0.50 crores

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



# Notes

To the Consolidated Financial Statements as at and for the year ended 31 March 2021

## 57. Standards issued but not yet effective

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

See accompanying notes to the Consolidated Financial Statements

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No.: 105938

Place: Mumbai
Date: 21 May 2021

**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: 21 May 2021

## Form AOC-I

**(Information of Subsidiaries, JVs and Associates as required under first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)**

### Part A: Subsidiaries

₹ in crores

| | Name of the Subsidiary | JSW Steel Coated Products Limited | Amba River Coke Limited | JSW Industrial Gases Private Limited | JSW One Platforms Limited | JSW Vallabh Tin Plate Private Limited | Vardhman Industries Limited | JSW Bengal Steel Limited | JSW Natural Resources India Limited | JSW Energy (Bengal) Limited | JSW Natural Resources Bengal Limited |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A | Reporting Currency | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR |
| B | Exchange rate | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| C | Share Capital | 800.05 | 931.90 | 92.08 | 0.01 | 50.04 | 4.50 | 483.41 | 107.33 | 65.62 | 64.20 |
| D | Reserves and Surplus | 3,431.81 | 1,128.19 | 210.05 | 1.86 | 34.10 | 54.82 | 4.51 | (5.25) | 2.70 | (4.08) |
| E | Total Assets | 9,953.58 | 3,648.99 | 329.66 | 7.90 | 326.08 | 96.19 | 494.15 | 102.09 | 68.34 | 60.14 |
| F | Total Liabilities | 5,721.72 | 1,588.90 | 27.53 | 6.03 | 241.94 | 36.87 | 6.23 | 0.01 | 0.02 | 0.02 |
| G | Investment | 731.51 | 63.35 | 0.03 | - | - | 0.39 | 185.90 | - | 64.54 | 2.16 |
| H | Turnover | 14,962.99 | 3,902.08 | 529.38 | 16.86 | 620.67 | 346.42 | - | - | - | - |
| I | Profits / (Losses) before Taxes | 979.08 | 259.82 | 49.25 | 0.97 | 22.40 | 24.79 | (7.61) | (0.16) | (0.08) | (0.11) |
| J | Provision for Taxation | 245.93 | 92.17 | 12.52 | 0.34 | 8.52 | - | 0.30 | 0.04 | - | 0.01 |
| K | Profits / (Losses) after Taxes | 733.15 | 167.65 | 36.73 | 0.63 | 13.88 | 24.79 | (7.91) | (0.20) | (0.08) | (0.12) |
| L | Proposed Dividend | - | - | - | - | - | - | - | - | - | - |
| M | % of shareholding | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 98.76% | 98.76% | 98.76% | 98.76% |

₹ in crores

| | Name of the Subsidiary | Peddar Realty Private Limited | JSW Utkal Steel Limited | JSW Jharkhand Steel Limited | JSW Realty & Infrastructure Pvt Ltd. | Hasaud Steel Limited | JSW Retail & distribution Limited @ | Asian Color Coated Ispat Limited # | JSW Vijayanagar Metallics Limited | Piombino Steel Limited $ | Makler Private Limited ^ |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A | Reporting Currency | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR |
| B | Exchange rate | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| C | Share Capital | 0.01 | 96.89 | 96.40 | 0.01 | 0.33 | 0.01 | 73.06 | 4.97 | - | - |
| D | Reserves and Surplus | (6.01) | (7.32) | (19.22) | 125.63 | 628.30 | - | (3,158.52) | (0.42) | - | - |
| E | Total Assets | 91.62 | 102.30 | 78.17 | 599.25 | 1,137.36 | 0.01 | 1,820.56 | 18.34 | - | - |
| F | Total Liabilities | 97.62 | 12.73 | 0.99 | 473.61 | 508.73 | - | 4,906.02 | 13.79 | - | - |
| G | Investment | - | - | - | 46.61 | 73.06 | - | 20.68 | - | - | - |
| H | Turnover | 1.49 | - | - | 59.02 | 0.58 | - | 3,890.03 | - | 7.18 | 25.44 |
| I | Profits / (Losses) before Taxes | 14.33 | (1.35) | (2.23) | 11.47 | (22.29) | - | (729.79) | (0.39) | (0.82) | (3.93) |
| J | Provision for Taxation | 0.14 | - | 0.01 | (4.25) | - | - | - | - | - | - |
| K | Profits / (Losses) after Taxes | 14.19 | (1.35) | (2.24) | 15.72 | (22.29) | - | (729.79) | (0.39) | (0.82) | (3.93) |
| L | Proposed Dividend | - | - | - | - | - | - | - | - | - | - |
| M | % of shareholding | 100.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% | 100.00% | 100.00% | NA | NA |



### Part A: Subsidiaries (Continued)

₹ in crores

| | Name of the Subsidiary | JSW Steel (USA) Inc. | JSW Steel (USA) Ohio, Inc. | JSW Steel Italy Piombino S.p.A. | Piombino Logistics S.p.A. | GSI Luchini S.p.A. | Caretta Minerals LLC | Prime Coal LLC | Planck Holdings LLC | Rolling S Augering LLC | Periama Handling LLC |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A | Reporting Currency | USD | USD | EURO | EURO | EURO | USD | USD | USD | USD | USD |
| B | Exchange rate | 73.50 | 73.50 | 86.10 | 86.10 | 86.10 | 73.50 | 73.50 | 73.50 | 73.50 | 73.50 |
| C | Share Capital | 5,902.43 | 240.62 | 181.44 | 12.24 | 23.56 | 595.73 | 0.77 | 546.52 | 32.44 | 29.41 |
| D | Reserves and Surplus | (7,132.79) | (2,565.78) | (314.17) | (43.57) | 88.57 | (393.18) | (109.80) | (167.34) | (84.22) | (79.66) |
| E | Total Assets | 5,178.90 | 1,776.02 | 1,326.01 | 119.95 | 285.51 | 714.18 | 0.38 | 632.13 | 0.04 | - |
| F | Total Liabilities | 6,409.26 | 4,101.18 | 1,458.74 | 151.28 | 173.38 | 511.63 | 109.41 | 252.95 | 51.82 | 50.25 |
| G | Investment | - | - | 23.16 | - | - | - | - | 595.73 | - | - |
| H | Turnover | 1,002.75 | 454.29 | 1,768.04 | 43.68 | 342.46 | 86.29 | - | - | - | - |
| I | Profits / (Losses) before Taxes | (743.17) | (859.01) | (160.72) | (28.39) | (5.13) | (133.45) | (6.15) | (18.19) | (2.47) | (2.78) |
| J | Provision for Taxation | (156.06) | - | - | - | (1.07) | - | - | (23.58) | - | - |
| K | Profits / (Losses) after Taxes | (587.11) | (859.01) | (160.72) | (28.39) | (4.06) | (133.45) | (6.15) | 5.39 | (2.47) | (2.78) |
| L | Proposed Dividend | - | - | - | - | - | - | - | - | - | - |
| M | % of shareholding | 90.00% | 100.00% | 100.00% | 100.00% | 69.27% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

₹ in crores

| | Name of the Subsidiary | Lower Hutchinson Minerals LLC | Meadow Creek Minerals LLC | Keenan Minerals LLC | Hutchinson Minerals LLC | Peace Leasing LLC | R.C. Minerals LLC | Purest Energy LLC | JSW Steel (Netherlands) B.V. | Periama Holdings LLC | Acero Junction Holdings, Inc. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A | Reporting Currency | USD | USD | USD | USD | USD | USD | USD | USD | USD | USD |
| B | Exchange rate | 73.50 | 73.50 | 73.50 | 73.50 | 73.50 | 73.50 | 73.50 | 73.50 | 73.50 | 73.50 |
| C | Share Capital | 11.92 | 29.86 | 3.95 | 37.54 | - | 56.79 | 90.78 | 336.68 | 206.55 | 240.62 |
| D | Reserves and Surplus | (22.68) | (88.75) | (8.59) | (54.37) | (0.26) | (68.21) | (166.07) | (1,647.86) | (2,055.91) | 5.56 |
| E | Total Assets | 0.20 | 0.65 | - | 0.18 | - | - | - | 1,331.79 | 7,358.56 | 2,730.27 |
| F | Total Liabilities | 10.96 | 59.54 | 4.64 | 17.01 | 0.26 | 11.42 | 75.29 | 2,642.97 | 9,207.92 | 2,484.09 |
| G | Investment | - | - | - | - | - | - | - | 277.15 | 1,436.24 | 240.62 |
| H | Turnover | - | - | - | - | - | - | - | - | - | - |
| I | Profits / (Losses) before Taxes | (1.27) | (2.03) | (0.04) | (0.18) | (0.01) | (0.01) | (2.07) | (180.44) | (755.31) | 3.92 |
| J | Provision for Taxation | - | - | - | - | - | - | - | - | 179.64 | - |
| K | Profits / (Losses) after Taxes | (1.27) | (2.03) | (0.04) | (0.18) | (0.01) | (0.01) | (2.07) | (180.44) | (934.95) | 3.92 |
| L | Proposed Dividend | - | - | - | - | - | - | - | - | - | - |
| M | % of shareholding | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

## Part A: Subsidiaries (Continued)

₹ in crores

| | Name of the Subsidiary | JSW Steel Italy S.R.L. | JSW Steel (UK) Limited | JSW Panama holdings Corporation | Inversiones Eurosh Limitada | Santa Fe Mining | Santa Fe Puerto S.A. | JSW Natural Resources Limited | JSW Natural Resources Mozambique Limitada | JSW ADMS Carvao Limitada | Nippon Ispat Singapore (PTE) Limited | Arima Holdings Limited | Erebus Limited | Lakeland Securities Limited |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A | Reporting Currency | EURO | GBP | USD | USD | USD | USD | USD | USD | USD | SGD | USD | USD | USD |
| B | Exchange rate | 86.10 | 100.95 | 73.50 | 73.50 | 73.50 | 73.50 | 73.50 | 73.50 | 73.50 | 54.37 | 73.50 | 73.50 | 73.50 |
| C | Share Capital | 107.80 | 154.22 | 0.74 | 0.32 | 14.46 | 0.36 | 100.37 | 138.25 | - | 4.27 | 37.04 | 158.34 | 0.26 |
| D | Reserves and Surplus | (47.63) | (155.20) | 45.08 | (771.65) | (497.09) | (13.16) | (70.60) | (111.94) | 1.67 | (9.47) | (37.42) | (158.72) | (0.64) |
| E | Total Assets | 1,031.37 | 141.19 | 45.83 | 489.87 | 11.27 | - | 230.36 | 119.61 | 91.09 | - | 0.02 | 0.02 | 0.02 |
| F | Total Liabilities | 971.20 | 142.17 | 0.01 | 1,261.20 | 493.90 | 12.80 | 200.59 | 93.30 | 89.42 | 5.20 | 0.40 | 0.40 | 0.40 |
| G | Investment | 634.13 | - | 0.31 | 10.12 | - | - | 138.25 | 7.87 | - | - | - | - | - |
| H | Turnover | - | - | - | - | - | - | - | - | - | - | - | - | - |
| I | Profits / (Losses) before Taxes | (44.38) | (11.72) | 1.27 | (35.77) | (229.12) | - | (4.28) | 0.51 | (0.34) | (0.01) | (0.07) | (0.07) | (0.07) |
| J | Provision for Taxation | - | - | - | - | - | - | - | - | 0.08 | - | - | - | - |
| K | Profits / (Losses) after Taxes | (44.38) | (11.72) | 1.27 | (35.77) | (229.12) | - | (4.28) | 0.51 | (0.42) | (0.01) | (0.07) | (0.07) | (0.07) |
| L | Proposed Dividend | - | - | - | - | - | - | - | - | - | - | - | - | - |
| M | % of shareholding | 100.00% | 100.00% | 100.00% | 100.00% | 70.00% | 70.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

**Note: The financial statements of subsidiaries are converted into Indian Rupees on the basis of exchange rate as on closing day of the financial year.**

The financial information disclosed above in respect of entities acquired during the year are for the full financial year.

| Additional disclosure | Name of subsidiaries |
|---|---|
| Subsidiaries yet to commence operation | JSW Bengal Steel Limited |
| | JSW Natural Resources India Limited |
| | JSW Energy (Bengal) Limited |
| | JSW Natural Resources Bengal Limited |
| | JSW Utkal Steel Limited |
| | JSW Jharkhand Steel Limited |
| | JSW Retail & Distribution Limited |
| | JSW Vijayanagar Metallics Limited |
| | Inversiones Eurosh Limitada |
| | Santa Fe Puerto S.A. |
| | JSW Natural Resources Mozambique Limitada |
| | JSW ADMS Carvo Limitada |
| Subsidiaries liquidated or sold during the year | Piombino Steel Limited $ |
| | Makler Private Limited ^ |

@ - subsidiary w.e.f 15 March 2021

# - subsidiary w.e.f 31 October 2020

$ - ceased to be a subsidiary w.e.f 27 March 2021

^ - ceased to be a subsidiary w.e.f 25 March 2021

## Part B: Associates and Joint Ventures

₹ in crores

| | Name of Associates/ Joint Ventures | Joint ventures | | | | |
|---|---|---|---|---|---|---|
| | | Vijaynagar Minerals Private Limited | Rohne Coal Company Private Limited | JSW Severfield Structures Limited | JSW Structural Metal Decking Limited | Gourangdih Coal Limited |
| 1. | Latest audited Balance Sheet Date | 31 March 2020 | 31 March 2021 | 31 March 2021 | 31 March 2021 | 31 March 2020 |
| 2. | Shares of Associate/Joint Ventures held by the company on the year end | | | | | |
| | Number of shares | 4,000 | 490,000 | 197,937,940 | 4,482,905 | 2,450,000 |
| | Amount of Investment | - | 0.49 | 197.94 | 4.48 | 2.45 |
| | Extend of Holding % | 40.00% | 49.00% | 50.00% | 33.33% | 50.00% |
| 3. | Description of how there is significant influence | | | Joint Venture Agreement | | |
| 4. | Reason why the associate/joint venture is not consolidated | NA | NA | NA | NA | NA |
| 5. | Networth attributable to Shareholding as per latest audited Balance Sheet | 1.77 | (4.02) | 151.49 | 7.16 | 1.56 |
| 6. | Profit / Loss for the year | | | | | |
| | i. Considered in Consolidation | 0.01 | - | (7.90) | 0.79 | (0.04) |
| | ii. Not Considered in Consolidation | - | (2.07) | - | - | - |

₹ in crores

| | Name of Associates/ Joint Ventures | Joint ventures | | | | |
|---|---|---|---|---|---|---|
| | | JSW MI Service centre Private Limited | JSW Ispat Special Products Limited | Creixent Special Steels Limited | Piombino Steel Limited * | Bhushan Power & Steel limited * |
| 1. | Latest audited Balance Sheet Date | 31 March 2021 | 31 March 2021 | 31 March 2021 | 31 March 2020 | 31 March 2020 |
| 2. | Shares of Associate/Joint Ventures held by the company on the year end | | | | | |
| | Number of shares | 66,500,000 | 108,448,611 | 4,800,000 | 980,000,000 | 49,000,000 |
| | Amount of Investment | 66.50 | 108.45 | 4.80 | 980.00 | 49.00 |
| | Extend of Holding % | 50.00% | 23.10% | 48.00% | 49.00% | 49.00% |
| 3. | Description of how there is significant influence | | | Joint Venture Agreement | | |
| 4. | Reason why the associate/joint venture is not consolidated | NA | NA | NA | NA | NA |
| 5. | Networth attributable to Shareholding as per latest audited Balance Sheet | 93.64 | 321.81 | (59.30) | NA | NA |
| 6. | Profit / Loss for the year | | | | | |
| | i. Considered in Consolidation | 8.85 | 47.66 | (38.33) | - | - |
| | ii. Not Considered in Consolidation | - | - | - | - | - |

* - joint venture w.e.f. 27 March 2021

## Part B: Associates and Joint Ventures (Continued)

| Additional disclosure | Name of associates and Joint Ventures |
|---|---|
| Associates and Joint Ventures yet to commence operation | Rohne Coal Company Private Limited<br>Gourangdih Coal Limited |
| Associates and Joint Ventures liquidated or sold during the year | None |

For and on behalf of Board of Directors

**SAJJAN JINDAL**
Chairman & Managing Director
DIN 00017762

**RAJEEV PAI**
Chief Financial Officer

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

**LANCY VARGHESE**
Company Secretary
ICSI Membership No. FCS 9407

Place: Mumbai
Date: 21 May 2021





# Financial Highlights (Standalone)

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| **Revenue Accounts (₹ in crores)** | | | | | |
| Gross Turnover | 56,244 | 66,235 | 75,210 | 62,315 | 69,458 |
| Net Turnover | 51,621 | 64,976 | 75,210 | 62,315 | 69,458 |
| Operating EBIDTA | 11,544 | 13,741 | 18,512 | 12,517 | 19,259 |
| Depreciation and Amortisation | 3,025 | 3,054 | 3,421 | 3,522 | 3,781 |
| Finance Costs | 3,643 | 3,591 | 3,789 | 4,022 | 3,565 |
| Exceptional Items | - | 234 | - | 1,309 | 386 |
| Profit Before Taxes | 5,131 | 7,075 | 11,707 | 4,292 | 12,196 |
| Provision for Taxation | 1,554 | 2,450 | 3,586 | (999) | 3,803 |
| Profit after Taxes | 3,577 | 4,625 | 8,121 | 5,291 | 8,393 |
| **Capital Accounts (₹ in crores)** | | | | | |
| Net Fixed Asset (including ROU assets) | 50,266 | 49,568 | 51,772 | 50,542 | 51,942 |
| Debt* | 38,273 | 36,181 | 48,539 | 58,713 | 54,138 |
| Net Debt | 36,946 | 35,580 | 42,725 | 47,312 | 42,393 |
| Equity Capital | 240 | 241 | 240 | 240 | 241 |
| Other Equity (Reserve & Surplus) | 23,797 | 27,605 | 34,592 | 38,061 | 46,675 |
| Shareholders' Funds | 24,098 | 27,907 | 34,893 | 38,362 | 46,977 |
| **Ratios** | | | | | |
| Book Value Per Share (₹) | 99.69 | 115.45 | 144.35 | 158.70 | 194.34 |
| Market price Per Share (₹) | 188.20 | 288.15 | 293.05 | 146.25 | 468.45 |
| Earning per Share (Diluted) (₹) | 14.80 | 19.14 | 33.60 | 21.89 | 34.72 |
| Market Capitalisation (₹ in crores) | 45,492 | 69,652 | 70,837 | 35,352 | 113,235 |
| Equity Dividend per Share (₹) | 2.25 | 3.20 | 4.10 | 2.00 | 6.50 |
| Fixed Assets Turnover Ratio | 1.03 | 1.31 | 1.45 | 1.23 | 1.34 |
| Operating EBIDTA Margin | 22.1% | 20.7% | 24.0% | 19.5% | 27.2% |
| Interest Service Coverage Ratio | 3.38 | 4.05 | 5.26 | 3.61 | 6.52 |
| Net Debt Equity Ratio | 1.53 | 1.27 | 1.22 | 1.23 | 0.90 |
| Net Debt to EBIDTA | 3.20 | 2.59 | 2.31 | 3.78 | 2.20 |

* including Lease liabilities, APSA and excluding acceptance

# Financial Highlights (Consolidated)

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| **REVENUE ACCOUNTS (₹ in crores)** | | | | | |
| Gross Turnover | 59,560 | 71,349 | 82,499 | 71,116 | 78,059 |
| Net Turnover | 54,628 | 70,071 | 82,499 | 71,116 | 78,059 |
| Operating EBIDTA | 12,174 | 14,794 | 18,952 | 11,873 | 20,141 |
| Depreciation and Amortisation | 3,430 | 3,387 | 4,041 | 4,246 | 4,679 |
| Finance Costs | 3,768 | 3,701 | 3,917 | 4,265 | 3,957 |
| Exceptional Items | - | 264 | - | 805 | 83 |
| Profit Before Taxes | 5,128 | 7,651 | 11,168 | 3,013 | 12,015 |
| Provision for Taxation | 1,674 | 1,538 | 3,644 | (906) | 4,142 |
| Profit after Taxes | 3,467 | 6,113 | 7,524 | 3,919 | 7,873 |
| **CAPITAL ACCOUNTS (₹ in crores)** | | | | | |
| Net Fixed Asset (including ROU assets) | 57,858 | 57,141 | 61,804 | 61,670 | 64,581 |
| Debt* | 43,334 | 39,393 | 52,238 | 65,477 | 65,436 |
| Net Debt | 41,549 | 38,019 | 45,969 | 53,473 | 52,615 |
| Equity Capital | 240 | 241 | 240 | 240 | 241 |
| Other Equity (Reserve & Surplus) | 22,346 | 27,696 | 34,494 | 36,298 | 46,462 |
| Shareholders' Funds | 22,401 | 27,534 | 34,345 | 36,024 | 46,144 |
| **RATIOS** | | | | | |
| Book Value Per Share (₹) | 92.67 | 113.91 | 142.08 | 149.03 | 190.90 |
| Market price Per Share (₹) | 188.20 | 288.15 | 293.05 | 146.25 | 468.45 |
| Earning per Share (Diluted) (₹) | 14.58 | 25.71 | 31.60 | 16.67 | 32.73 |
| Market Capitalisation (₹ in crores) | 45,492 | 69,652 | 70,837 | 35,352 | 113,235 |
| Equity Dividend per Share (₹) | 2.25 | 3.20 | 4.10 | 2.00 | 6.50 |
| Fixed Assets Turnover Ratio | 0.94 | 1.23 | 1.33 | 1.15 | 1.21 |
| Operating EBIDTA Margin | 21.9% | 20.6% | 22.4% | 16.2% | 25.2% |
| Interest Service Coverage Ratio | 3.34 | 4.15 | 5.02 | 3.11 | 5.82 |
| Net Debt Equity Ratio | 1.85 | 1.38 | 1.34 | 1.48 | 1.14 |
| Net Debt to EBIDTA | 3.41 | 2.57 | 2.43 | 4.50 | 2.61 |

* including Lease liabilities, APSA and excluding acceptance