INDEPENDENT AUDITOR'S REPORT

To the Members of JSW Steel Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of JSW Steel Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its joint ventures, comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

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

Key audit matters	How our audit addressed the key audit matter
Recoverability of Goodwill, Property plant and Equipment (PPE), Capital work in progress (CWIP), Right-of-use assets and Advances related to certain business *(as described in note 48 of the consolidated Ind AS financial statements)*	
As at March 31, 2020, the Group has carrying amount of: • Goodwill of ₹ 396 crores, • Property plant and Equipment, capital work in progress, advances and license fees of ₹ 8,126 crores • Inventories ₹ 91 crores • Right-of-use assets ₹ 78 crores • Investment in equity and preference share ₹ 449 crores • Loan to related party ₹ 1 crore related to certain businesses incurring losses or where projects are on hold. The Group has also recognised impairment allowance of ₹ 725 crores during the year ended March 31, 2020 in respect of property plant and equipment and goodwill and other receivables related to certain overseas businesses, as described in note 47 of the consolidated Ind AS financial statements. Assessment of the recoverable amount of Goodwill, Property plant and Equipment (PPE), capital work in progress, Capital work in progress (CWIP), Leasehold land, Inventories and Advances related to certain businesses has been identified as a key audit matter due to: • Significance of the carrying amount of these balances. • The assessment requires management to make significant estimates concerning the estimated future cash flows, qualitative assessments of the status of the project and its future depending on balance work to be performed or approvals to be received, associated discount rates and growth rates based on management's view of future business prospects including any possible impact arising out of the pandemic on these estimates. • Changes to any of these assumptions could lead to material changes in the estimated recoverable amount, impacting both potential impairment charges and potential reversals of impairment taken in prior years.	Our audit procedures included the following: • We obtained and read management's assessment for impairment. • We performed test of controls over impairment process through inspection of evidence of performance of these controls. • We assessed the impairment model prepared by the management and the assumptions used, with particular attention to the following: - Benchmarking or assessing key market related assumptions used in the impairment models, including discount rates, long term growth rate, risk free rate of return, weight average cost of capital, production schedule against external data. - assessing the cash flow forecasts including possible impact on account of global pandemic through analysis of actual past performance and comparison to previous forecasts; - testing the mathematical accuracy and performing sensitivity analyses of the models and scenarios built into these models for varied potential impact on account of pandemic; - understanding the commercial prospects of the assets/ projects, and comparison of assumptions with external data sources; • We assessed the competence, capabilities and objectivity of the experts used by the Group in the process of determining recoverable amounts. • We assessed the conclusions reached by management and those charged with governance on account of various estimates and judgements including possible impact of pandemic. • We assessed the compliance of the disclosures made in note 48 of the consolidated Ind AS financial statements with the accounting standards.
Recoverability of VAT deferral / refunds under the GST regime *(as described in note 31 of the consolidated Ind AS financial statements)*	
The Group's units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible and have been availing interest free VAT deferral loan / Net VAT refunds as an incentive under the incentive schemes notified by the State of Maharashtra and Karnataka. 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. The State Government of Maharashtra ('GoM') vide its Government Resolution (GR) dated 20 December 2018, revised on 8 March 2019, has issued the modalities for sanction and disbursement of Incentives under GST regime, which includes certain additional conditions for eligibility and prescribed a new formula for determination of the incentives. Further during the year GOM vide its GR dated 16 September 2019 amended definition of 'Gross SGST', 'Net SGST' and certain conditions related to eligibility of incentive prescribed in GR dated 20 December 2018. The State Government of Karnataka vide its circular dated 26 February 2019, has issued guidelines for certification of the eligible incentive amount. The amount of incentive recognized during the year amounts to ₹ 1,089 crores and cumulative balance of these receivables amount to ₹ 2,917 crores	Our audit procedures included the following: • We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the recognition and measurement of government grants and income accruing therefrom. • We read eligibility certificates in respect of VAT deferral / refund incentives available to Company. • We read the notification issued by the Government of Maharashtra and Government of Karnataka stating eligibility of VAT deferral / refunds under the GST regime. • We read Government Resolution dated 20 December 2018, revision made on 8 March 2019, and amendment made on 16 September 2019 issued by Government of Maharashtra in respect of modalities for sanction and disbursement of Incentives under GST regime. • We read circular dated 26 February 2019 issued by the State Government of Karnataka in respect of guidelines for certification of the eligible incentive amount. • We read letter dated October 18, 2019 issued by Director of Industries of Maharashtra for in-principle approval for issuance of eligibility certificate for availing incentive under PSI 2007 scheme.

Key audit matters	How our audit addressed the key audit matter
We considered VAT deferral / refund incentive as a Key audit matter due to: • Significance of amount accrued during the year and carrying amount of these receivables as at March 31, 2020 • Significant judgement involved in assessment of the eligibility of incentive under the new GST regime.	• We read the legal opinion obtained by the management for assessing the impact of new eligibility conditions and formula for determination incentives based on latest Government Resolution issued by GoM including assessing the amounts withheld by the GOM on eligibility of certain duties which were refundable in the erstwhile VAT regime but have been denied in the new GST regime. • We involved specialists to assist us in reviewing and evaluating the management's assessment of latest Government Resolution issued by GoM. • We have tested the calculation of incentives accrued for the year ended March 31, 2020.
Capital Expenditure in respect of property, plant and equipment and capital work in progress *(as described in note 4 and 5 of the consolidated Ind AS financial statements)*	
The Group has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plant and equipment and capital work in progress in notes 4 and 5 of the consolidated Ind AS financial statements. The Group is in process of executing various projects for setting up new facilities expansions of existing capacity across the locations. These projects take a substantial period of time to get ready for intended use. We considered Capital expenditure as a Key audit matter due to: • Significance of amount incurred on such items during the year ended March 31, 2020. • Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment. • Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment.	Our audit procedures included the following: • We obtained an understanding of the Group's capitalisation policy and assessed for compliance with the relevant accounting standards; • We obtained as understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalisation of assets; • We performed substantive testing on a sample basis for each element of capitalised costs including inventory issued to contractors for the purpose of these projects and physical verification performed by management alongwith reconciliation and directly attributable cost including verification of underlying supporting evidence and understanding nature of the costs capitalised. • In relation to borrowing costs we obtained the supporting calculations, verified the inputs to the calculation and tested the arithmetical accuracy of the model. • We assessed accounting for costs incurred when projects are suspended or delayed for any reasons including the global pandemic • We obtained understanding on management assessment relating to progress of projects and their intention to bring the asset to its intended use.
Accuracy and completeness of disclosure of related party transactions and compliance with the provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI (LODR) 2015') *(as described in note 44 of the 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: • the significance of transactions with related parties during the year ended March 31, 2020. • Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015.	Our audit procedures in relation to the disclosure of related party transactions included the following: • We obtained an understanding of the Group's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the consolidated Ind AS financial statements. • 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. • We agreed the amounts disclosed with underlying documentation and read relevant agreements, evaluation of arms-length by management, on a sample basis, as part of our evaluation of the disclosure. • We assessed management evaluation of compliance with the provisions of Section 177 and Section 188 of the companies Act 2013 and SEBI (LODR) 2015. • We evaluated the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.

Key audit matters	How our audit addressed the key audit matter
Claims and exposures relating to taxation and litigation *(as described in note 45 of the consolidated Ind AS financial statements)*	
The Group has disclosed in Note 45 of the consolidated Ind AS financial statements contingent liabilities of ₹ 4,019 crores in respect of disputed claims/ levies under various tax and legal matters and ₹ 2,588 crores towards Claims related to Forex development tax/ fee. Taxation and litigation exposures have been identified as a key audit matter due to: • Significance of these amounts and large number of disputed matters with various authorities. • Significant judgement and assumptions required by management in assessing the exposure of each case to evaluate whether there is a need to set up a provision and measurement of exposures as well as the disclosure of contingent liabilities. We focused on this matter because of the potential financial impact on the 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: • We obtained understanding, evaluated the design, and tested the operating effectiveness of the controls related to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities. • We obtained the details of legal and tax disputed matters and evaluation made by the management and assessed management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss. • We read external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims. • We involved tax specialists to assist us in evaluating tax positions taken by management. • We assessed the relevant disclosures made in the consolidated Ind AS financial statements for compliance in accordance with the requirements of Ind AS 37.

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

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of 25 subsidiaries, whose Ind AS financial statements include total assets of ₹ 7,445 crores as at March 31, 2020, and total revenues of ₹ 7,800 crores and net cash inflows of Re 1 crore for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 122 crores for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 6 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of such other auditors.

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

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 3 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 1,197 crores as at March 31, 2020, and total revenues of ₹ 107 crores and net cash outflows of ₹ 0.19 crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 32 crores for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 3 joint ventures, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies, its joint ventures incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint ventures in its consolidated Ind AS financial statements – Refer Note 45 to the consolidated Ind AS financial statements;

ii. The Group and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint ventures incorporated in India during the year ended March 31, 2020.

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

per Vikram Mehta
Partner
Membership Number: 105938
UDIN: 20105938AAAACB6991

Place of Signature: Mumbai
Date: May 22, 2020

ANNEXURE 1

Annexure 1 to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of JSW Steel Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of JSW Steel Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of JSW Steel Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these consolidated Ind AS financial statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these consolidated Ind AS financial statements

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

Opinion

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

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these 16 subsidiary companies and 5 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and joint ventures incorporated in India.

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

per Vikram Mehta
Partner
Membership Number: 105938
UDIN: 20105938AAAACB6991

Place of Signature: Mumbai
Date: May 22, 2020

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2020

₹ in crores

	Notes	As at 31 March 2020	As at 31 March 2019
I ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	**57,758**	61,604
(b) Capital work-in-progress	5	**26,857**	11,540
(c) Right of use assets	6	**3,471**	-
(d) Goodwill	7	**415**	840
(e) Other intangible assets	8	**350**	200
(f) Intangible assets under development		**334**	349
(g) Investments in joint ventures	9	**283**	628
(h) Financial assets			
(i) Investments	10	**974**	1,184
(ii) Loans	11	**772**	433
(iii) Other financial assets	12	**696**	299
(i) Current tax assets (net)		**385**	240
(j) Deferred tax assets (net)	25	**-**	117
(k) Other non-current assets	13	**2,956**	3,925
Total non-current assets		**95,251**	**81,359**
(2) Current assets			
(a) Inventories	14	**13,864**	14,548
(b) Financial assets			
(i) Investments	15	**2**	82
(ii) Trade receivables	16	**4,505**	7,160
(iii) Cash and cash equivalents	17(a)	**3,966**	5,581
(iv) Bank balances other than (iii) above	17(b)	**8,037**	606
(v) Loans	11	**742**	561
(vi) Derivative assets	18	**294**	321
(vii) Other financial assets	12	**2,858**	2,217
(c) Current tax assets (net)		**6**	6
(d) Other current assets	13	**2,286**	2,461
(e) Assets classified as held for sale		**9**	12
Total current assets		**36,569**	**33,555**
TOTAL-ASSETS		**131,820**	**114,914**
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	19	**301**	301
(b) Other equity	20	**36,298**	34,494
Equity attributable to owners of the Company		**36,599**	**34,795**
Non-controlling interests		**(575)**	(450)
Total equity		**36,024**	**34,345**
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	**44,673**	29,656
(ii) Lease liabilities	6	**1,744**	-
(iii) Derivative liabilities	22 (a)	**130**	-
(iv) Other financial liabilities	23	**464**	532
(b) Provisions	24	**348**	258
(c) Deferred tax liabilities (net)	25	**1,677**	3,894
(d) Other non-current liabilities	26	**3,072**	4,221
Total non-current liabilities		**52,108**	**38,561**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	**8,325**	6,333
(ii) Trade payables	28		
(a) Total outstanding, dues of micro and small enterprises		**142**	39
(b) Total outstanding, dues of creditors other than micro and small enterprises		**17,776**	16,120
(iii) Derivative liabilities	22 (b)	**251**	379
(iv) Lease liabilities	6	**306**	
(iv) Other financial liabilities	29	**14,143**	16,831
(b) Provisions	24	**161**	134
(c) Other current liabilities	30	**2,455**	1,976
(d) Current tax liabilities (net)		**129**	196
Total current liabilities		**43,688**	**42,008**
Total liabilities		**95,796**	**80,569**
TOTAL-EQUITY AND LIABILITIES		**131,820**	**114,914**

See accompanying notes to the Consolidated Financial Statements

As per our report of even date

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

per VIKRAM MEHTA
Partner
Membership No. 105938

Place: Mumbai
Date: 22 May 2020

For and on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

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

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

		Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
I	**Revenue from operations**		72,610	84,757
	Fees for assignment of procurement contract		250	-
	Government grant income – VAT/GST incentive relating to earlier years		466	-
	Total Revenue from operations	31	**73,326**	**84,757**
II	Other income	32	546	204
III	**Total income (I + II)**		**73,872**	**84,961**
IV	**Expenses**			
	Cost of materials consumed		38,865	43,476
	Purchases of stock-in-trade		135	320
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	(270)	(590)
	Employee benefits expense	34	2,839	2,489
	Finance costs	35	4,265	3,917
	Depreciation and amortisation expense	36	4,246	4,041
	Other expenses	37	19,884	20,110
	Total expenses		**69,964**	**73,763**
V	**Profit before share of profit/(loss) from joint ventures (net), exceptional items and tax (III-IV)**		**3,908**	**11,198**
VI	Share of profit/(loss) from joint ventures (net)		(90)	(30)
VII	**Profit before exceptional items and tax (V+VI)**		**3,818**	**11,168**
VIII	Exceptional items	47	805	-
IX	**Profit before tax (VII-VIII)**		**3,013**	**11,168**
X	**Tax expense/(credit)**	25		
	Current tax		943	2,473
	Deferred tax		(1,849)	1,171
	Total tax expense/(credit)		**(906)**	**3,644**
XI	**Profit for the year (IX-X)**		**3,919**	**7,524**
XII	**Other comprehensive income / (loss)**			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement losses of the defined benefit plans	42	(23)	(19)
	(b) Equity instruments through other comprehensive income		(304)	(2)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		7	7
	Total (A)		**(320)**	**(14)**
B	(i) Items that will be reclassified to profit or loss			
	(a) The effective portion of gain/(loss) on hedging instruments		(825)	85
	(b) Changes in Foreign currency monetary item translation difference account (FCMITDA)		87	(49)
	(c) Foreign currency translation reserve (FCTR)		(316)	(60)
	(ii) Income tax relating to items that will be reclassified to profit or loss		253	(12)
	Total (B)		**(801)**	**(36)**
	Total other comprehensive income/(loss) (A+B)		**(1,121)**	**(50)**
XIII	**Total comprehensive income/(loss) (XI+XII)**		**2,798**	**7,474**
	Total Profit /(loss) for the year attributable to:			
	- Owners of the Company		4,030	7,639
	- Non-controlling interests		(111)	(115)
			3,919	**7,524**
	Other comprehensive income/(loss) for the year attributable to:			
	- Owners of the Company		(1,076)	(24)
	- Non-controlling interests		(45)	(26)
			(1,121)	**(50)**
	Total comprehensive income/(loss) for the year attributable to:			
	- Owners of the Company		2,954	7,615
	- Non-controlling interests		(156)	(141)
			2,798	**7,474**
XIV	**Earnings per equity share of ₹ 1 each**	38		
	Basic (in ₹)		16.78	31.77
	Diluted (in ₹)		16.67	31.60

See accompanying notes to the Consolidated Financial Statements

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

per VIKRAM MEHTA
Partner
Membership No. 105938

Place: Mumbai
Date: 22 May 2020

For and on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

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

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

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

A. Equity share capital

₹ in crores

As at 1 April 2018	Movement during 2018-19	As at 31 March 2019	Movement during 2019-20	As at 31 March 2020
302	@@	301	@	301

@ - ₹ (0.07) crore; @@ – ₹(0.45) crore

B. Other equity

₹ in crores

	Reserves and surplus								Other comprehensive income / (loss)				Attributable to owners of the parent	Non-controlling interest	Total
	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Equity settled share-based payment reserve	General reserve	Capital reserve on bargain purchase	FCTR	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	FCMITDA			
Balance as at 1 April 2018	**3,585**	**5,417**	**149**	**141**	**7,528**	**41**	**10,281**	**609**	**(518)**	**478**	**10**	**(25)**	**27,696**	**(464)**	**27,232**
Profit for the year	-	-	-	-	7,639	-	-	-	-	-	-	-	7,639	(115)	7,524
Other comprehensive income for the year, net of income tax (refer note 25)	-	-	-	-	(12)	-	-	-	(34)	(2)	56	(32)	(24)	(26)	(50)
Dividends including dividend distribution tax	-	-	-	-	(933)	-	-	-	-	-	-	-	(933)	-	(933)
Impact of ESOP trust consolidation	-	-	-	-	(149)	-	-	-	-	-	-	-	(149)	-	(149)
Recognition of share-based payments	-	-	-	-	-	50	-	-	-	-	-	-	50	-	50
Transfer between reserves	-	-	382	144	(144)	-	(382)	-	-	-	-	-	-	-	-
Acquisition of business	-	-	-	-	-	-	-	408	-	-	-	-	408	59	467
Acquisition of non-controlling interests	-	-	-	-	(190)	-	-	-	-	-	-	-	(190)	81	(109)
Equity component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	15	15
Others	-	-	-	-	(3)	-	-	-	-	-	-	-	(3)	-	(3)
Balance as at 31 March 2019	**3,585**	**5,417**	**531**	**285**	**13,736**	**91**	**9,899**	**1,017**	**(552)**	**476**	**66**	**(57)**	**34,494**	**(450)**	**34,044**

₹ in crores

	Reserves and surplus								Other comprehensive income / (loss)				Attributable to owners of the parent	Non-controlling interest	Total
	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Equity settled share-based payment reserve	General reserve	Capital reserve on bargain purchase	FCTR	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	FCMITDA			
Balance as at 1 April 2019	3,585	5,417	531	285	13,736	91	9,899	1,017	(552)	476	66	(57)	34,494	(450)	34,044
Profit for the year	-	-	-	-	4,030	-	-	-	-	-	-	-	4,030	(111)	3,919
Other comprehensive income for the year, net of income tax (refer note 25)	-	-	-	-	(16)	-	-	-	(271)	(304)	(542)	57	(1,076)	(45)	(1,121)
Dividends including dividend distribution tax	-	-	-	-	(1,195)	-	-	-	-	-	-	-	(1,195)	-	(1,195)
Impact of ESOP trust consolidation	-	-	-	-	10	-	-	-	-	-	-	-	10	-	10
Recognition of share-based payments	-	-	-	-	-	37	-	-	-	-	-	-	37	-	37
Transfer between reserves	-	-	243	(285)	-	-	42	-	-	-	-	-	-	-	-
Acquisition of business (refer note 40)	-	-	-	-	-	-	-	2	-	-	-	-	2	25	27
Equity component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	5	5
Transfer to general reserve after exercise of options	-	-	-	-	-	(6)	6	-	-	-	-	-	-	-	-
Others	-	-	-	-	(4)	-	-	-	-	-	-	-	(4)	1	(3)
Balance as at 31 March 2020	**3,585**	**5,417**	**774**	**-**	**16,561**	**122**	**9,947**	**1,019**	**(823)**	**172**	**(476)**	**-**	**36,298**	**(575)**	**35,723**

See accompanying notes to the Consolidated Financial Statements

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

per VIKRAM MEHTA
Partner
Membership No. 105938

Place: Mumbai
Date: 22 May 2020

RAJEEV PAI
Chief Financial Officer

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

For and on behalf of the Board of Directors
SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

₹ in crores

	For the year ended 31 March 2020		For the year ended 31 March 2019	
A. Cash flow from operating activities				
Profit before tax		3,013		11,168
Adjustments for:				
Depreciation and amortisation expense	4,246		4,041	
Loss on sale of property, plant and equipment (net)	30		8	
Gain on sale of financial investments designated as FVTPL	(5)		(19)	
Export obligation deferred income amortisation	(144)		(165)	
Interest income	(439)		(134)	
Dividend income	(10)		-	
Interest expense	3,924		3,582	
Unrealised exchange loss	687		155	
Gain on financial instruments designated as FVTPL	(4)		(6)	
Unwinding of interest on financial assets carried at amortised cost	(45)		(25)	
Fair value gain on joint venture's previously held stake on acquisition of control	(13)		-	
Share-based payment expense	37		50	
Share of loss from joint ventures (net)	90		30	
Fair value loss on financial instrument designated as FVTPL	2		1	
Allowances for doubtful receivable and advances	113		152	
Non-cash expenditure debit to the consolidated statement of profit and loss	14		6	
Exceptional items	805		-	
		9,288		7,676
Operating profit before working capital changes		12,301		18,844
Adjustments for:				
Decrease / (Increase) in inventories	744		(1,741)	
Decrease / (Increase) in trade receivables	2,458		(2,203)	
(Increase) in other assets	(1,837)		(1,084)	
Increase in trade payable and other liabilities	183		3,406	
Increase in provisions	91		41	
		1,639		(1,581)
Cash flow from operations		13,940		17,263
Income taxes paid (net of refund received)		(1,155)		(2,630)
Net cash generated from operating activities		12,785		14,633
B. Cash flow from investing activities				
Purchases of property, plant and equipment and intangibles assets (including under development and capital advances)		(12,810)		(10,206)
Proceeds from sale of property, plant and equipment		43		44
Cash outflow on acquisition of a subsidiary		(64)		(1,014)
Investment in joint ventures		-		(413)
Proceeds from sale of stake in joint venture		164		-
Purchase of current investments		(762)		(8,340)
Sale of current investments		847		8,591
Bank deposits not considered as cash and cash equivalents (net)		(7,517)		(268)
Interest received		503		158
Dividend received		10		-
Net cash used in investing activities		(19,586)		(11,448)
C. Cash flow from financing activities				
Proceeds from sale of treasury shares		107		-
Payment for purchase of treasury shares		(101)		(153)
Proceeds from non-current borrowings		20,814		8,999
Repayment of non-current borrowings		(11,107)		(6,273)
Proceeds from / (repayment) of current borrowings (net)		1,940		4,155

₹ in crores

	For the year ended 31 March 2020	For the year ended 31 March 2019
Repayment of lease liabilities / finance lease obligations	(177)	(227)
Interest paid	(4,520)	(3,815)
Dividend paid (including corporate dividend tax)	(1,195)	(933)
Premium paid on redemption of debentures	(572)	-
Net cash generated from financing activities	**5,189**	**1,753**
Net (decrease) / increase in cash and cash equivalents(A+B+C)	**(1,612)**	**4,938**
Cash and cash equivalents at the beginning of year	**5,581**	**582**
Add: Translation adjustment in cash and cash equivalents	(6)	3
Add: Cash and cash equivalents pursuant to business combinations (refer note 40)	3	58
Cash and cash equivalents at the end of year	**3,966**	**5,581**

Reconciliation forming part of Statement of Cash flows

₹ in crores

Particulars	1 April 2019	Cash flows (net)	Foreign exchange difference	Changes in fair values	New leases	Others	31 March 2020
Borrowings (non-current) other than Lease liabilities) (including current maturities of long-term borrowing included in other financial liabilities note 29)	39,106	9,707	2,401	(113)	-	(52)	**51,049**
Lease liabilities (including Current maturities)*	1,957	(177)	-	-	405	(135)	**2,050**
Borrowings (current)	6,333	1,940	-	-	-	52	**8,325**

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

₹ in crores

Particulars	1 April 2018	Cash flows (net)	Foreign exchange difference	Changes in fair values	New leases	Other	31 March 2019
Borrowings (non-current) other than finance lease obligations (including current maturities of long-term borrowing included in other financial liabilities note 29)	35,435	2,726	926	32	-	(13)	**39,106**
Finance lease obligations (including current maturities of finance lease obligations)	1,781	(227)	-	-	403	-	**1,957**
Borrowings (current)	2,177	4,155	1	-	-	-	**6,333**

Other comprises of upfront fees amortisation and interest cost accrual on preference shares.

Notes:

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

See accompanying notes to the Consolidated Financial Statements

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

per VIKRAM MEHTA
Partner
Membership No. 105938

Place: Mumbai
Date: 22 May 2020

RAJEEV PAI
Chief Financial Officer

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

For and on behalf of the Board of Directors
SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

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

1. General Information

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

The Parent and its subsidiaries (together referred to as "the Group") are manufacturer of diverse range of steel products with its manufacturing facilities located in states of Karnataka, Maharashtra and Tamil Nadu in India and also in the United States of America and Italy.

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

2. Significant Accounting policies

I. Statement of compliance

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

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

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

II. Basis of preparation and presentation

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

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

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

› Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

› Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

› Level 3 inputs are unobservable inputs for the asset or liability.

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

Current and non-current classification

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

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

› it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle. it is held primarily for the purpose of being traded;

› it is expected to be realised within 12 months after the reporting date; or

› it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

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

› it is expected to be settled in the Company's normal operating cycle;

› it is held primarily for the purpose of being traded;

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

All other liabilities are classified as non-current.

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

III. Basis of consolidation

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

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

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

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

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

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

Consolidation procedure:

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

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

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

IV. Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

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

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

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

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

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

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

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

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

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

V. Goodwill

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

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

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

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

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

VI. Investment in associates and joint ventures

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

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

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

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

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

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

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

VII. Revenue recognition

A. Sale of Goods

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

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

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

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

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

For 'Bill and Hold' sales in which delivery is delayed at the buyers request but the buyer takes title and accepts billing, revenue is recognised when the buyer takes title, provided the product is separately identified as belonging to the buyer, is ready for physical transfer to the buyer and the Company does not have the ability to use the product or direct it to another customer.

Revenue from sale of by products are included in revenue. Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

Contract balances

i) Contract assets including trade receivables

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

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

ii) Contract liabilities

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

iii. Refund liabilities

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

B. Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentives payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract cost incurred that it is probable will be recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

C. Dividend and interest income

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

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

VIII. Leases

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The Group as a lessee

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

Right-of-use assets

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

Class of assets	Years
Leasehold land	75 to 99 Years
Buildings	3 to 30 years
Plant & Machinery	3 to 15 years

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

Lease liabilities

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

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

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

Short-term leases and leases of low-value assets

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

IX. Foreign currencies

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

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

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

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

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

› exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items; and

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

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Goodwill, capital reserve on bargain purchase and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

X. Borrowing costs

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

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

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

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

XI. Government grants

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

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

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

XII. Employee benefits

Retirement benefit costs and termination benefits

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

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

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

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

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

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

Short-term and other long-term employee benefits

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

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

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

XIII. Share-based payment arrangements

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

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

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

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

XIV. Taxes

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

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

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

Current and deferred tax for the year

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

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

XV. Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

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

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

Depreciation on the property, plant and equipment of the Company's foreign subsidiaries and jointly controlled entities has been provided on straight-line method as per the estimated useful life of such assets as follows:

Class of assets	Years
Buildings	15 to 50 years
Plant and machinery	3 to 30 years
Furniture and fixtures	3 to 10 years
Vehicles and aircrafts	4 to 5 years
Office equipment	3 to 10 years

XVI. Intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Years
Computer software	3 to 5 years
Licenses	Over the period of license

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

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

XVII. Mining Assets

Exploration and evaluation

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

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

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

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

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

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

Stripping cost

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

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

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

Site restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to consolidated statement of profit and loss over the life of the asset through depreciation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of such provisions are set out in note 24.

XVIII. Impairment of Non-financial assets

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

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

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

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

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

XIX. Inventories

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

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

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

NOTES

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

XX. Provisions

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

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

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

Onerous contracts

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

XXI. Financial Instruments

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

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

A. Financial assets

a) Recognition and initial measurement

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

b) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit and loss.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

All other financial assets are classified as measured at FVTPL.

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

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

- The Group's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Derecognition of financial assets

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

d) Impairment

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

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

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

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

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

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

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

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

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

e) Effective interest method

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

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

B. Financial liabilities and equity instruments

a) Classification as debt or equity

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

b) Equity instruments

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

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

c) Financial liabilities

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

Financial liabilities at FVTPL:

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

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

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

Other financial liabilities:

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

Derecognition of financial liabilities:

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

d) Derivative financial instruments

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

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

e) Embedded derivatives

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

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

f) Hedge accounting

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

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

(i) Fair value hedges

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

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

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

(ii) Cash flow hedges

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

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

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

(iii) Hedges of net investments in a foreign operation

Hedges of net investments in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognised immediately in the profit or loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to Consolidated Statement of Profit and Loss on the disposal of the foreign operation.

XXII. Segment reporting

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

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

XXIII. Cash and cash equivalents

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

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

XXIV. Earnings per share

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

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

3. Key sources of estimation uncertainty and critical accounting judgements

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

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

A) Key sources of estimation uncertainty

i) Useful lives of property, plant and equipment

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

ii) Impairment of investments in joint ventures and associate

Determining whether the investments in joint ventures and associate are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses / operations of the investee companies as more fully described in note 48. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

iii) Contingencies

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

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

iv) Fair value measurements

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

v) Taxes

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

During the year, the Group has assessed the outstanding deferred tax liability, and written back an amount to the extent of ₹2,225 crores to the Consolidated Statement of Profit and Loss. This is arising from the re-measurement of deferred tax liability that is expected to reverse in future when the Company and one of its subsidiary would migrate to the new tax regime.

vi) Impairment of Goodwill

Determining whether the goodwill acquired in business combinations are impaired, requires an estimate of recoverable amount of the Group's cash Generating unit (or groups of cash generating units). In considering the recoverable value of cash generating unit, the management have anticipated the future benefits to arise from commodity prices, capacity utilisation of plants, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying unit. If the recoverable amount of cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any Impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss.

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

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

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

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

B) Critical accounting judgements

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

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

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

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

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

iii) Joint control over Monnet Ispat and Energy Limited

The consortium of JSW Steel Limited and AION Investments Private II Limited. completed the acquisition of Monnet Ispat and Energy Limited ("MIEL") through their jointly controlled entity Creixent Special Steels Limited ("CSSL") on 31 August 2018. The Company has made an investment in the year 2018-19 of ₹ 375 crores through equity and redeemable preference shares in CSSL to acquire joint control in MIEL and have an effective shareholding of 23.1% in MIEL. As per the Shareholding agreement, all the relevant activities of CSSL that affect the Company's variable returns from its involvement with CSSL/ MIEL have to be decided unanimously by a Steering Committee on which the Company has representation and thus the Company has concluded that it has joint control over CSSL.

iv) Incentives under the State Industrial Policy

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

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

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

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

C) New and amended accounting standards:

Ind AS 116 – Leases

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

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

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

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

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

Leases previously classified as finance leases

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

Leases previously accounted for as operating leases

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

The Group also applied the available practical expedients wherein it:

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

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

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

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

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

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

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

Based on the above, as at 1 April 2019:

Right-of-use asset of ₹ 3,702 crores and a lease liability of ₹ 2,331 crores on the date of initial application, including right-of-use asset amounting to ₹ 2,515 crores and lease liability amounting to ₹ 1,957 crores recognised as finance lease asset and obligation respectively under erstwhile lease standard as at 31 March 2019.

4. Property, plant and equipment

₹ in crores

Particulars	Freehold land	Leasehold land	Buildings (owned)	Buildings (on finance lease)	Plant and equipment (owned)	Plant and equipment (on finance lease)	Furniture and fixtures	Vehicles and aircrafts	Office equipment	Mining development and projects	Total
Cost / deemed cost											
At 1 April 2018	**1,426**	**711**	**8,454**	**9**	**53,299**	**2,772**	**119**	**144**	**69**	**942**	**67,945**
Additions	103	53	700	18	5,002	385	28	23	16	21	**6,349**
Acquired pursuant to business combination	254	-	205	-	1,262	-	-	@	1	-	**1,722**
Deductions	6	-	3	-	296	-	5	10	1	-	**321**
Other adjustments (refer note c below)	-	-	-	-	263	-	-	-	-	-	**263**
Translation reserve	(5)	-	49	-	289	-	@	@	@	61	**394**
At 31 March 2019	**1,772**	**764**	**9,405**	**27**	**59,819**	**3,157**	**142**	**157**	**85**	**1,024**	**76,352**
Transfer out to ROU assets	-	764	-	27	-	3,157	-	-	-	-	**3,948**
Additions	28	-	507	-	1,949	-	9	18	25	10	**2,546**
Acquired pursuant to business combination (refer note 40)	7	-	28	-	180	-	-	-	-	-	**215**
Deductions	17	-	4	-	204	-	1	11	-	-	**237**
Other adjustments (refer note c below)	-	-	-	-	311	-	-	-	-	-	**311**
Translation reserve	26	-	104	-	603	-	1	1	1	95	**831**
At 31 March 2020	**1,816**	**-**	**10,040**	**-**	**62,644**	**-**	**151**	**165**	**111**	**1,129**	**76,056**
Accumulated depreciation and impairment											
At 1 April 2018	**4**	**25**	**1,163**	**1**	**8,520**	**487**	**47**	**38**	**29**	**577**	**10,891**
Depreciation	-	9	390	1	3,382	180	14	17	13	6	**4,012**
Deductions	-	-	1	-	261	-	1	6	1	-	**270**
Translation reserve	@	-	10	-	67	-	@	@	-	38	**115**
At 31 March 2019	**4**	**34**	**1,562**	**2**	**11,708**	**667**	**60**	**49**	**41**	**621**	**14,748**
Transfer out to ROU assets	-	34	-	2	-	667	-	-	-	-	**703**
Depreciation	-	-	390	-	3,491	-	15	18	20	9	**3,943**
Deductions	-	-	1	-	164	-	1	5	-	-	**171**
Impairment (refer note 47)	-	-	3	-	77	-	-	-	-	143	**221**
Translation reserve	-	-	23	-	183	-	-	-	-	60	**266**
At 31 March 2020	**4**	**-**	**1,977**	**-**	**15,287**	**-**	**74**	**62**	**61**	**833**	**18,298**
Net book value											
At 31 March 2020	**1,812**	**-**	**8,063**	**-**	**47,357**	**-**	**77**	**103**	**50**	**296**	**57,758**
At 31 March 2019	**1,768**	**730**	**7,843**	**25**	**48,111**	**2,490**	**82**	**108**	**44**	**403**	**61,604**

@ - between ₹ (0.50) crore to ₹ 0.50 crore

NOTES

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

Notes:

₹ in crores

		As at 31 March 2020	As at 31 March 2019
a) Freehold land which is yet to be registered in the name group entities	Acre	20	21
	Deemed cost	9	14
b) Freehold land and buildings which have been/agreed to be hypothecated/ mortgaged to lenders of related parties	Deemed cost	111	82
c) Other adjustments comprises:			
Borrowing cost		15	26
Foreign exchange loss / (gain) (including regarded as an adjustment to borrowing costs)		296	237

d) Assets given on operating lease:

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

Category of Asset	Area	Period
Land at Vijayanagar	491 acres	8 months to 30 years
Land at Dolvi along with certain buildings	43 acres	3 years to 20 years
Land at Palwal	6 acres	15 years
Office Premises at Mittal Tower	1,885 sq. feet	24 months
Office Premises at CBD Belapur	33,930 sq. feet	5 years
Building for Vijayanagar Sports Institute	1,96,647 sq. feet	3 years
Hospital premises at Vijayanagar	81,500 sq. feet	20 years
Land at Vasind	22,303 sq. mtr.	25 years

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

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

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Land		
Cost/Deemed cost	86	65
Building		
Cost/Deemed cost	119	102
Accumulated depreciation	10	8
Depreciation for the year	4	4

e) Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 21 and 27.

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

₹ in crores

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

5. Capital work-in-progress includes exchange fluctuation loss (including regarded as an adjustment to borrowing costs of ₹936 crores (previous year ₹317 crores) and borrowing cost of ₹ 648 crores (previous year ₹ 194 crores), capitalised during the year.

6. Right of Use assets and Lease liability

₹ 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**

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

Lease liabilities

Particulars	₹ in crores
At 1 April 2019 (transferred from finance lease obligations)	**1,957**
Additional leases (recognised pursuant to Ind AS 116 adoption)	374
Lease liabilities on initial recognition as on 1 April 2019	**2,331**
Additions	31
Interest accrued	252
Lease principal payments	(177)
Lease interest payments	(252)
Others	(135)
At 31 March 2020	**2,050**
Current	306
Non-current	1,744

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

Particulars	₹ in crores
Less than 1 year	552
1-5 years	1,589
More than 5 years	954
At 31 March 2020	**3,095**

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

The Group has lease contracts for machinery that contains variable payments amounting to ₹ 427 crores shown under Cost of material consumed.

The Group has recognised ₹54 crores as rent expenses during the year which pertains to short-term lease/ low value asset which was not recognised as part of right of use asset.

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

NOTES

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

7. Goodwill

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Cost / deemed cost		
Balance at the beginning of the year	1,831	1,642
Acquired pursuant to business combination (refer note 40)	15	90
Translation reserve	156	99
Balance at the end of the year (a)	2,002	1,831
Accumulated amortisation and impairment		
Balance at the beginning of the year	991	935
Impairment (refer note 47)	513	-
Translation reserve	83	56
Balance at the end of the year (b)	1,587	991
Net book value (a-b)	415	840

Allocation of goodwill to Cash Generating Units (CGU's)

₹ in crores

CGU	As at 31 March 2020	As at 31 March 2019
Coal mines at West Virginia, USA	266	244
Iron ore mines at Chile	-	471
Steel plant at Mingo Junction, USA	98	90
Others	51	35
Total	415	840

Alawest coal mines at West Virginia, USA

The recoverable amount of Alawest coal mines is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering the mining lease concession period, and a pre-tax discount rate of 16.7% per annum (18.0% for 31 March 2019). The discount rate commensurate with the risk specific to the projected cash flow and reflects the rate of return required by an investor.

Cash flow projections during the budget period are based on estimated coal extraction schedule and future prices of coal determined based on the average of coal prices published in various analyst reports. The projections do not consider growth rate in the coal prices from the year 2023-24 onwards.

Considering past trend of movement in coal prices, the management believes that the following changes in these key estimates would result into carrying amount exceeding the recoverable amount:

a) Decrease in coal prices by 1% would result into change in recoverable value by ₹ 29 crores.

b) Decrease in extraction schedule by 5% would result into change in recoverable value by ₹44 crores.

Steel plant at Mingo Junction, USA

The recoverable amount of steel plant is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors, and a pre-tax discount rate of 18.4% per annum. The discount rate commensurate with the risk specific to the projected cash flow and reflects the rate of return required by an investor.

Cash flow projections during the budget period are based on estimated steel production till FY 2023-24 and future prices of steel prices. The projections do not consider growth rate in production and price in terminal year.

Considering past trend of movement in steel prices, the management believes that the following changes in these key estimates would result into carrying amount exceeding the recoverable amount:

a) Decrease in steel prices by 1% would result into change in recoverable value by ₹ 119 crores.

b) Decrease in production schedule by 5% would result into change in recoverable value by ₹234 crores.

8. Other intangible assets

₹ in crores

Particulars	Computer software	Licences	Mining concession	Port concession	Total
Cost / deemed cost					
At 1 April 2018	**105**	**36**	**23**	**1**	**165**
Additions	29	-	105	-	134
Acquired pursuant to business combination	2	5	-	-	7
Disposals	@	-	-	-	@
Translation reserve	@	@	@	@	@
At 31 March 2019	**136**	**41**	**128**	**1**	**306**
Additions	34	9	154	-	197
Disposals	-	-	-	-	-
Translation reserve	-	2	1	-	3
At 31 March 2020	**170**	**52**	**283**	**1**	**506**
Accumulated amortisation and impairment					
At 1 April 2018	**62**	**15**	**1**	**-**	**78**
Amortisation	18	5	6	-	29
Disposals	@	-	-	-	@
Translation reserve	(1)	@	-	-	(1)
At 31 March 2019	**79**	**20**	**7**	**-**	**106**
Amortisation	20	8	14	-	42
Disposals	-	-	-	-	-
Impairment (refer note 47)	-	-	6	1	7
Translation reserve	1	-	-	-	1
At 31 March 2020	**100**	**28**	**27**	**1**	**156**
Net book value					
At 31 March 2020	**70**	**24**	**256**	**-**	**350**
At 31 March 2019	**57**	**21**	**121**	**1**	**200**

@ - Less than ₹0.50 crore

9. Investments in joint ventures

Particulars	Paid up value	As at 31 March 2020		As at 31 March 2019	
		No. of Shares	₹ in crores	No. of Shares	₹ in crores
Investment in equity shares accounted for using equity method					
Joint ventures					
Gourangdih Coal Limited					
Equity shares	₹ 10 each	2,450,000	2	2,450,000	2
Add: Share of profit/(loss) (net)			@		@
			2		**2**
JSW MI Steel Service Centre Private Limited					
Equity shares	₹ 10 each	66,500,000	67	66,500,000	67
Add: Share of profit/(loss) (net)			18		14
			85		**81**
JSW Severfield Structures Limited					
Equity shares	₹ 10 each	198,937,940	198	198,937,940	198
Add: Share of profit/(loss) (net)			(35)		(65)
			163		**133**
Rohne Coal Company Private Limited					
Equity shares	₹ 10 each	490,000	@@	490,000	@@
Add: Share of profit/(loss) (net)			@@@		@@@
			-		**-**
JSW Vallabh Tin Plate Private Limited (refer note 40)					
Equity shares	₹ 10 each		-	25,019,600	30
Add: Share of profit/(loss) (net)			-		(1)
			-		**29**
Vijayanagar Minerals Private Limited					
Equity shares	₹ 10 each	4,000	@@@@	4,000	@@@@
Add: Share of profit/(loss) (net)			2		2
			2		**2**

NOTES

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

Particulars	Paid up value	As at 31 March 2020		As at 31 March 2019	
		No. of Shares	₹ in crores	No. of Shares	₹ in crores
Creixent Special Steels Limited					
Equity shares	₹ 10 each	4,800,000	255	4,800,000	255
Add: Share of profit/(loss) (net)			(224)		(78)
			31		177
Monnet Ispat and Energy Limited					
Equity shares	₹ 10 each	399	&	399	&
			&		&
Geo Steel LLC (refer note a below)					
Investment			-		26
Add: Share of profit/(loss) (net)			-		178
			-		204
Total			283		628
Unquoted					
Aggregate book value			283		628

Note:

a) During the year, a subsidiary of the Company has sold 39% stake in Geo Steel LLC. Consequent to the sale, GEO Steel ceased to be a joint venture of the Group w.e.f. 28 January 2020.

@ - ₹ 0.18 crore (previous year 0.15 crore)
@@ - ₹ 0.49 crore
@@@ - ₹ (0.49) crore
@@@@ - ₹ 40,000/-
& - ₹ 3,990/-

10. Investments (non-current)

Particulars	Paid up value	As at 31 March 2020		As at 31 March 2019	
		No. of Shares	₹ in crores	No. of Shares	₹ in crores
A Investment in equity instruments					
Fully paid up					
Quoted (at fair value through other comprehensive income)					
JSW Energy Limited	₹ 10 each	101,605,500	434	101,605,500	738
Unquoted (at fair value through other comprehensive income)					
Tarapur Environment Protection Society	₹ 100 each	244,885	4	244,885	4
Toshiba JSW Power Systems Private Limited	₹ 10 each	11,000,000	-	11,000,000	-
MJSJ Coal Limited	₹ 10 each	10,461,000	9	10,461,000	9
SICOM Limited	₹ 10 each	600,000	5	600,000	5
Kalyani Mukand Limited	₹ 1 each	480,000	$	480,000	$
Ispat Profiles India Limited	₹ 1 each	1,500,000	$	1,500,000	$
Vallabh Steels Limited	₹ 10 each	295,000	$	-	-
SBI Infrastructure Fund	₹ 10 each	40,000	$	-	-
Geo Steel LLC			45	-	-
B Investments in preference shares					
Fully paid up					
Joint ventures					
Unquoted (at fair value through profit or loss)					
Rohne Coal Company Private Limited					
1% non-cumulative preference shares	₹ 10 each	23,642,580	-	23,642,580	-
1% Series-A non-cumulative preference shares	₹ 10 each	7,152,530	4	7,152,530	5
1% Series-B non-cumulative preference shares	₹ 10 each	1,661,686	2	1,370,786	1
Unquoted (at amortised cost)					
Creixent Special Steels Limited					
0.01% Redeemable preference shares I	₹ 10 each	171,969,200	207	171,969,200	184
0.01% Redeemable preference shares II	₹ 10 each	198,300,410	211	198,300,410	190
Monnet Ispat and Energy Limited					
0.01% compulsorily convertible, non-cumulative preference shares	₹ 10 each	601	@@	601	@@
Others					
Unquoted (at fair value through profit or loss)					
JSW Investments Private Limited					
8% Non-Cumulative Non-Convertible Preference shares	₹ 10 each	100,000,000	47	100,000,000	45
Unquoted (at cost)					
Metal interconnector SCPA	EUR 1 each	1,192,771	14	1,192,771	13

Particulars	Paid up value	As at 31 March 2020		As at 31 March 2019	
		No. of Shares	₹ in crores	No. of Shares	₹ in crores
C Investments in government securities (unquoted – Others) (at amortised cost)					
National Savings Certificates (pledged with commercial tax department)			@		@
Total			982		1,194
Less: Aggregate amount of provision for impairment in the value of investments			(8)		(10)
Total			974		1,184
Quoted					
Aggregate book value			434		738
Aggregate market value			434		738
Unquoted					
Aggregate book value (net of impairment)			540		446
Investment at cost/deemed cost			59		13
Investment at fair value through other comprehensive income			452		756
Investment at fair value through profit and loss			45		41
Investment at amortised cost			418		374

$ ₹ 1, @ - ₹ 0.15 crore, @@ - ₹6,010/-

11. Loans (unsecured)

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Loans				
to related parties	141	508	140	411
to other body corporates	17	13	9	57
Security deposits	623	223	294	93
Less: Allowance for doubtful loans	(9)	(2)	(10)	-
Total	772	742	433	561
Notes:				
Loans Receivable Considered good	772	742	433	561
Loans Receivable which have significant increase in Credit Risk				
Loans Receivable – credit impaired	-	2	1	-
Loans and advances to other body corporate	9	-	9	-

12. Other financial assets (unsecured)

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Export benefits and entitlements	25	115	25	115
Insurance claim receivable	-	-	43	-
Application money paid towards securities	1	-	@	-
Receivable for coal block development expenditure	117	-	117	-
Indirect tax balances refund due	-	22	-	73
Government grant incentive income receivable (refer note 31(a))	444	2,473	98	1,949
Interest receivable on loan to related parties	-	11	-	-
Others	121	328	16	160
Less: Allowance for doubtful balances	(12)	(91)	-	(80)
Total	696	2,858	299	2,217
Notes:				
Considered good	696	2,858	299	2,217
Considered doubtful, provided				
Export benefits and entitlements	12	4	-	-
Others	-	87	-	80

@ - Less than ₹ 0.50 crore

NOTES

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

13. Other assets (unsecured)

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Capital advances	1,000	-	2,064	-
Less: Allowances for doubtful advances	(7)	-	(8)	-
(A)	**993**	**-**	**2,056**	**-**
Advances to suppliers	271	1,154	272	882
Export benefits and entitlements	56	78	56	87
Advance royalty	94	-	90	-
Security deposits	164	86	156	159
Indirect tax balances/ recoverable/ credits	1,568	741	1,365	1,132
Prepayments and others	125	253	184	221
Less: Allowances for doubtful advances	(315)	(26)	(254)	(20)
(B)	**1,963**	**2,286**	**1,869**	**2,461**
Total (A+B)	**2,956**	**2,286**	**3,925**	**2,461**
Notes:				
Capital advances				
Considered good	993	-	2,056	-
Considered doubtful, provided	7	-	8	-
Other advances				
Considered good	1,963	2,279	1,869	2,461
Considered doubtful, provided				
Advance to suppliers	252	-	250	-
Prepayment and others	17	26	2	20
Indirect tax balances/recoverable/credits	3	-	2	-
Advance Royalty	53	-	-	-

14. Inventories

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials (at cost)	6,334	7,153
Work-in-progress (at cost)	451	583
Semi-finished/finished goods (at cost or net realisable value)	4,972	4,564
Production consumables, fuel stock and stores and spares (at cost)	2,085	2,248
Traded goods	22	-
Total	**13,864**	**14,548**
Notes:		
Details of stock-in-transit		
Raw materials	2,008	2,189
Production consumables and stores and spares	190	151
Total	**2,198**	**2,340**

Write down of inventories to net realisable value amounted to ₹ 291 crores (31 March 2019 – ₹ 47 crores). These were recognised as an expense during the year and included in cost of materials consumed and changes in inventories of finished goods, work-in-progress and stock-in-trade.

Inventories have been pledged as security against certain bank borrowings, the details relating to which have been described in note 21 and 27.

15. Investments (current)

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Mutual funds (quoted)	2	82
Total	**2**	**82**
Quoted		
Aggregate book value	2	82
Aggregate market value	2	82

16. Trade receivables

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables considered good – Secured	-	4
Trade receivables considered good – Unsecured	4,488	7,068
Trade receivables which have significant increase in credit risk	160	160
Less: Allowance for doubtful debts	(143)	(72)
Trade Receivables – credit impaired	38	34
Less: Allowance for doubtful debts	(38)	(34)
Total	**4,505**	**7,160**

Ageing of receivables that are past due:

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
60 – 90 days	91	97
91 – 180 days	164	315
>180 days	308	382
Total	**563**	**794**

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

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

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

Trade receivable have been given as collateral towards borrowings, the details relating to which has been described in note 21 and 27.

Credit risk management regarding trade receivables has been described in note 43 (H).

Trade receivables from related party has been disclosed in note 44.

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

17. (a) Cash and cash equivalents

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
In current accounts	1,887	566
In term deposit accounts with maturity less than 3 months at inception	2,078	4,908
Cheques on hand	-	100
Cash on hand	1	7
Total	**3,966**	**5,581**

17. (b) Bank balances other than cash and cash equivalents

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Earmarked balances in current account	35	29
Balance with banks		
In term deposit accounts		
with maturity more than 3 months but less than 12 months at inception	7,790	285
with maturity more than 12 months at inception	161	150
In margin money	51	142
Total	**8,037**	**606**

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

NOTES

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

18. Derivative assets

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Forward contracts	278	250
Commodity contracts	@	50
Commodity options	-	@
Interest rate swaps	1	20
Currency options	15	1
Total	**294**	**321**

@ - Less than ₹ 0.50 crores

19. Equity share capital

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

a) Shares held under ESOP Trust:

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

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

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

Movement in treasury shares

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

@ - ₹ (0.07) crore (previous year – ₹ 0.45 crore)

B) Rights, preferences and restrictions attached to Equity Shares

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

c) Shareholders Holding more than 5% share in The Company are set out below

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

d) Shares allotted as fully paid-up pursuant to contracts without payment being received in cash during the period of five years immediately preceding the date of the balance sheet are as under:

Nil

20. Other equity

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
General reserve	9,947	9,899
Retained earnings	16,561	13,736
Other comprehensive income		
Equity instruments through other comprehensive income	172	476
Effective portion of cash flow hedges	(476)	66
Foreign currency translation reserve	(823)	(552)
Foreign currency monetary item translation difference account	-	(57)
Other reserves		
Equity settled share-based payment reserve	122	91
Capital reserve	3,585	3,585
Capital redemption reserve	774	531
Capital reserve on bargain purchase	1,019	1,017
Securities premium reserve	5,417	5,417
Debenture redemption reserve	-	285
Total	**36,298**	**34,494**

(i) General reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.0% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserve for that year.

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

(ii) Retained earnings

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

(iii) Equity instruments through other comprehensive income

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

(iv) Effective portion of cash flow hedges

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

(v) Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Indian rupees) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

(vi) Foreign currency monetary item translation difference account

The Group has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements prepared under previous GAAP for the year ended 31 March 2016. The reserve pertains to exchange differences relating to long-term foreign

NOTES

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

currency monetary items in so far as they do not relate to acquisition of depreciable capital assets, which are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised in the Statement of Profit and Loss over the balance period of such long-term foreign currency monetary items. The Company has fully amortised the balance in the current year and the outstanding balance as on 31 March 2020 stands to Nil.

(vii) Equity settled share-based payment reserve

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

(viii) Capital reserve

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

(ix) Capital redemption reserve

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

(x) Securities Premium

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

(xi) Debenture redemption reserve

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

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

21. Borrowings

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Bonds (unsecured)	10,554	-	3,459	3,459
Debentures (secured)	5,180	120	2,300	1,841
Term loans:				
Secured	13,022	3,301	12,474	2,760
Unsecured	14,296	2,841	9,790	2,905
Acceptances for capital projects with maturity more than 1 year				
Secured	673	61	-	-
Unsecured	1,057	115	-	-
Deferred government loans (unsecured)	142	25	88	33
Other loans:				
Finance lease obligations (unsecured)	-	-	1,697	260
Preference shares (unsecured)	24	-	20	231
Unamortised upfront fees on borrowing	(275)	(88)	(172)	(82)
Total	**44,673**	**6,375**	**29,656**	**11,407**
Less: Current maturities of long-term debt clubbed under other financial liabilities (current) (refer note 29)	-	(6,375)	-	(11,407)
Total	**44,673**	**-**	**29,656**	**-**

Details of security and terms of repayment

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non- Current	**Current**	Non-Current	Current		
A. Bonds/Debentures					
Bonds (Unsecured)					
-	-	-	3,459	4.75% Repaid on 12 November 2019	
3,769	-	3,459	-	5.25% Repayable on 13 April 2022	
3,769	-	-	-	5.95% Repayable on 18 April 2024	
3,014	-	-	-	5.375% Repayable on 4 April 2025	
10,554	**-**	**3,459**	**3,459**		
Debentures (secured)					
1,000	-	1,000	-	10.02% secured NCDs of ₹ 10,00,000 each are redeemable in two tranches a. ₹ 500 crores on 20 May 2023 b. ₹ 500 crores on 19 July 2023	First pari passu charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
1,000	-	1,000	-	10.34% secured NCDs of ₹ 10,00,000 each are redeemable in three tranches a) ₹ 330 crores on 18 January 2022 b) ₹ 330 crores on 18 January 2023 c) ₹ 340 crores on 18 January 2024	First pari passu charge on property, plant and equipment related to 2.8 mtpa expansion project located at Vijayanagar Works, Karnataka and a flat at Vasind, Maharashtra.
2,000	-	-	-	8.79% secured NCDs of ₹ 10,00,000 each are redeemable in four tranches a) ₹ 500 crores on 18 October 2026 b) ₹ 500 crores on 18 October 2027 c) ₹ 500 crores on 18 October 2028 d) ₹ 500 crores on 18 October 2029	First pari passu charge on property, plant and equipment up to 5 mtpa capacity situated at Dolvi works, Maharashtra (other than specifically carved out).
1,000	-	-	-	8.90% secured NCDs of ₹ 10,00,000 each are redeemable in four tranches a) ₹ 250 crores on 23.01.2027 b) ₹ 250 crores on 23.01.2028 c) ₹ 250 crores on 23.01.2029 and d) ₹ 250 crores on 23.01.2030.	First pari passu charge on property, plant and equipment related to Cold Rolling Mill 1 and 2 complex located at Vijayanagar Works, Karnataka (other than specifically carved out).
-	-	-	400	9.72% secured NCDs of ₹ 10,00,000 each are redeemed on 23 December 2019	First pari passu charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	250	10.40% secured NCDs of ₹ 10,00,000 each are redeemed on 19 August 2019	First pari passu charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	425	10.60% secured NCDs of ₹ 10,00,000 each are redeemed on 19 August 2019	First pari passu charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	44	10.60% secured NCDs of ₹ 7,50,000 each are redeemed as 2 half yearly instalments of ₹21.875 crores each from 2 August 2019 to 2 February 2020	Pari passu first charge by way of legal mortgage on land situated in the State of Gujarat. Pari passu first charge by way of equitable mortgage on property, plant and equipment related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka

NOTES

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

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non- Current	Current	Non-Current	Current		
-	-	-	22	10.60% secured NCDs of ₹ 6,25,000 each are redeemed on 2 July 2019.	Pari passu first charge by way of legal mortgage on land situated in the State of Gujarat. Pari passu first charge by way of equitable mortgage on property, plant and equipment related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka
-	-	-	700	Secured zero coupon NCDs redeemed at a premium of 12.15% p.a. accrued quarterly on 22 October 2019	Secured by way of a pledge of 40,000,000 equity shares of an erstwhile subsidiary Dolvi Minerals and Metals Private Limited (DMMPL) held by the Company. (DMMPL merged into the Company with an appointed date 1 April 2019).
180	-	180	-	8.75% Secured NCDs of ₹ 10,00,000 each is redeemable on 10 February 2022.	Secured by way of first ranking charge on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of pellet project situated at Village JuiBapuji, Taluka Alibaug, District Raigad, Maharashtra.
-	120	120	-	8.65% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 120 crores is redeemable on 12 May 2020.	Secured by way of first ranking charge on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of pellet project situated at Village JuiBapuji, Taluka Alibaug, District Raigad, Maharashtra.
5,180	**120**	**2,300**	**1,841**		
B. Term Loans					
Term Loans From Banks (Secured)				**Weighted average interest rate – 8.39 %**	
563	75	638	75	2 Quarterly instalments of ₹ 18.75 crores each from 27 July 2020 – 27 October 2020 16 Quarterly instalments of ₹ 37.50 crores each from 27 January 2021 – 27 October 2024	First pari passu charge on property, plant and equipment up to 5 mtpa capacity situated at Dolvi works, Maharashtra.
600	200	750	125	16 Quarterly instalment of ₹ 50 crores each from 30 June 2020 – 31 March 2024	First charge on 3.2 mtpa expansion property, plant and equipment situated at Vijayanagar Works, Karnataka
937	94	1,031	63	2 Quarterly instalments of ₹ 15.625 crores each from 31 July 2020 – 31 October 2020 4 Quarterly instalments of ₹ 62.50 crores each from 31 January 2021 – 31 October 2021 8 Quarterly instalments of ₹ 93.75 crores each from 31 January 2022 – 31 October 2023	First charge on property, plant and equipment up to 5 mtpa capacity situated at Dolvi works, Maharashtra.
700	150	812	150	8 quarterly instalments of ₹ 37.5 crores each from 30 June 2020 – 31 March 2022 4 quarterly instalments of ₹ 43.75 crores each from 30 June 2022 – 31 March 2023 2 quarterly instalments of ₹ 187.5 crores each from 30 June 2023 – 30 September 2023	First pari passu charge on 3.8 mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
1,250	200	1,400	200	5 Quarterly instalments of ₹ 50 crores each from 30 June 2020 – 30 June 2021	First charge on property, plant and equipment up to 5 mtpa capacity situated at Dolvi works, Maharashtra.

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non- Current	Current	Non-Current	Current		
				4 Quarterly instalments of ₹ 125 crores each from 30 September 2021 – 30 June 2022 2 Quarterly instalments of ₹ 350 crores each from 30 September 2022- 31 December 2022	
388	150	500	150	5 quarterly instalments of ₹ 37.5 crores each from 30 June 2020 – 30 June 2021 4 quarterly instalments of ₹ 43.75 crores each from 30 June 2021 – 30 June 2022 2 quarterly instalments of ₹ 87.5 crores each from 30 September 2022 – 31 December 2022.	First pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
758	192	902	192	7 quarterly instalments of ₹ 48 crores each from 30 June 2020 – 31 December 2021 9 quarterly instalments of ₹ 64 crores each from 31 March 2022 – 31 March 2024 1 quarterly instalment of ₹ 38.35 crores on 30 June 2024.	First charge on entire movable and immovable property, plant and equipment up to 5 mtpa capacity situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/machinery procured out of proceeds of ECA/ ECB/ FCL) both present and future.
125	50	163	50	14 Quarterly instalments of ₹ 12.5 crores each from 30 June 2020 – 30 September 2023.	First charge on property, plant and equipment up to 5 mtpa capacity situated at Dolvi works, Maharashtra.
90	160	215	125	2 quarterly instalments of ₹ 35 crores each from 30 June 2020 – 30 September 2020 4 quarterly instalments of ₹ 45 crores each from 31 December 2020 – 30 September 2021	First charge on 3.2 mtpa expansion property, plant and equipment (other than assets specifically carved out) situated at Vijayanagar Works, Karnataka
225	100	325	100	13 quarterly instalments of ₹ 25 crores each from 1 June 2020 to 1 June 2023	First charge on 3.2 mtpa expansion property, plant and equipment situated at Vijayanagar Works, Karnataka
-	375	338	337	2 quarterly instalments of ₹ 37.50 crores each from 30 June 2020 to 30 September 2020 2 quarterly instalments of ₹ 150 crores each from 31 December 2020 to 31 March 2021	First charge on 3.2 mtpa expansion property, plant and equipment (other than assets specifically carved out) situated at Vijayanagar Works, Karnataka
319	75	375	75	5 quarterly instalments of ₹ 18.75 crores each from 30 June 2020 to 30 June 2021 12 quarterly instalments of ₹ 25 crores each from 30 September 2021 to 30 June 2024	First pari passu charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out).
394	66	450	37	1 quarterly instalment of ₹ 9.375 crores on 30 June 2020 8 quarterly instalments of ₹ 18.75 crores each from 30 September 2020 to 30 June 2022 12 quarterly instalments of ₹ 25 crores each from 30 September 2022 to 30 June 2025	First pari passu charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out).
109	63	156	63	11 quarterly instalments of ₹ 15.625 crores each from 30 June 2020 to 31 December 2022.	First pari passu charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out).

NOTES

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

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non- Current	Current	Non-Current	Current		
709	-	110	-	12 quarterly instalments of ₹ 8.861 crores each from 30 June 2021 to 31 March 2024 4 quarterly instalments of ₹ 44.306 crores each from 30 June 2024 to 31 March 2025 8 quarterly instalments of ₹ 53.167 crores each from 30 June 2025 to 31 March 2027	First pari passu charge on expansion project at Dolvi Works, Maharashtra from 5 mtpa to 10 mtpa capacity (other than specifically carved out).
375	100	475	25	19 quarterly instalments of ₹ 25 crores each from 15 June 2020 to 15 December 2024	First pari passu charge on property, plant and equipment situated at Salem Works, Tamil Nadu.
1,164	-	-	-	4 quarterly instalments of ₹ 116.40 crores each from 30 June 2021 to 31 March 2022 4 quarterly instalments of ₹ 174.60 crores each from 30 June 2022 to 31 March 2023	First pari passu charge on the mining rights/assets proposed to be acquired for the 4 iron ore blocks acquired in the State of Odisha.
400	100	-	-	20 quarterly instalments of ₹ 25 crores each from 30 June 2020 to 31 March 2025	First pari passu charge on property, plant and equipment related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka.
418	86	393	47	23 equal quarterly instalments of ₹ 21.43 crores each from 30 June 2020 to 31 December 2025 1 instalment of ₹ 11.06 Crore on 31 March 2026	First pari passu charge on property, plant and equipment of 1.5 mtpa coke oven plant (i.e. Phase I under erstwhile Dolvi Coke Projects Ltd.) at Dolvi Works, Maharashtra.
219	31	-	-	23 Quarterly instalments of ₹ 10.41 Crore each from 30 September 2020 – 31 March 2026 1 instalment of ₹ 10.57 crore on 30 June 2026	First pari passu charge on property, plant and equipment related to new 5 mtpa Hot Strip Mill (HSM-2) at Vijayanagar Works, Karnataka.
470	105	550	100	3 quarterly instalments of ₹ 25 crores each from 30 June 2020 to 31 December 2020 12 quarterly instalments of ₹ 30 crores each from 31 March 2021 to 31 December 2023 4 quarterly instalments of ₹ 35 crores each from 31 March 2024 to 31 December 2024	First charge on entire immovable and movable property, plant and equipment located at Salav works, Maharashtra.
377	80	457	96	12 quarterly instalments of ₹26.56 crore each from 30 April 2020 to 31 January 2023 2 quarterly instalments of ₹69.06 crore each from 30 April 2023 to 31 July 2023	First charge by way of legal mortgage on 2,400 sq. feet land at Toranagallu village in the state of Karnataka. First charge on the entire property, plant and equipment of the Company situated at Vasind, Tarapur and Kalmeshwar both present and future.
500	-	-	-	4 equal quarterly instalments of ₹ 35 crores each from 30 November 2021 to 30 August 2022 4 equal quarterly instalments of ₹ 40 crores each from 16 March 2022 to 16 December 2022 4 equal quarterly instalments of ₹ 50 crores each from 7 May 2022 to 7 February 2023	First pari passu charge on the entire property, plant and equipment of the Company situated at Vasind, Tarapur and Kalmeshwar both present and future.
167	103	244	103	9 quarterly instalments of ₹ 25.675 crores each from 30 June 2020 to 30 June 2022 4 quarterly instalments of ₹ 9.65 crores each from 30 June 2022 to 31 March 2023.	First ranking charge/ mortgage/ collateral on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of coke oven project situated at Village JuiBapuji, Taluka Alibag, District Raigad, Maharashtra.

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non- Current	Current	Non-Current	Current		
150	86	214	86	11 quarterly instalments of ₹ 21.43 crores from 30 June 2020 to 31 December 2022	First ranking charge/ mortgage/ security interest on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of pellet project situated at Village JuiBapuji Taluka Ali bag, District Raigad, Maharashtra.
115	40	92	33	Repayable in equal monthly instalment in 10 years.	Secured by way of equitable mortgage by deposit of title deeds of project assets and by way of mortgage of Phase III of JSW township at Basapur village site, extension of mortgage of phase I & II of housing colony at Torangallu, assignment of receivables from the property financed and comfort letter from the parent for loan repayment.
18	13	-	-	3 quarterly instalments of ₹ 3 crores each from 30 June 2020 to 31 December 2020 5 quarterly instalments of ₹ 3.75 crores each from 31 March 2021 to 31 March 2022 1 quarterly instalment of ₹ 3.32 crores on 30 June 2022	First pari passu charge on all the fixed assets and current assets of the respective entity situated at Rajpura, Punjab.
1	2	-	-	2 quarterly instalments of ₹ 0.45 crores each from 30 June 2020 to 30 September 2020 7 quarterly instalments of ₹ 0.36 crores each from 31 December 2020 to 30 June 2022 1 quarterly instalment of ₹ 0.05 crores on 30 September 2022	First pari passu charge on all the fixed assets and current assets of the respective entity situated at Rajpura, Punjab.
8	6	-	-	8 quarterly instalments of ₹ 1.51 crores each from 30 June 2020 to 31 March 2022 1 quarterly instalment of ₹ 1.46 crores on 30 June 2022	First pari passu charge on all the fixed assets and current assets of the respective entity situated at Rajpura, Punjab.
530	96	556	66	24 equal quarterly instalments of USD 3.214 mio (equivalent ₹ 24.23 crores) each from 30 June 2020 to 31 March 2026 1 instalment of USD 6.11 mio (equivalent ₹ 46.09 crores) on 30 June 2026	First pari passu charge on property, plant and equipment of 1.5 mtpa coke oven plant (i.e. Phase I under erstwhile Dolvi Coke Projects Ltd.) at Dolvi Works, Maharashtra.
-	503	461	461	1 instalment of USD 66.67 mio (equivalent ₹ 503 crores) on 9 September 2020	Secured through an unconditional and irrevocable standby letter of credit (SBLC) to the bank. The SBLC is secured corporate guarantee of JSW Steel Limited, India and a 1st charge on property, plant and equipment of Dolvi unit up to 3.3 mtpa.
1	1	2	1	18 varying instalments commencing from April 20 to September 2021	Secured against equipment for its Preparation plant
942	-	865	-	2 equal instalments of USD 41.25 mio each (equivalent ₹ 311 crores each) from August 2021 to August 2022 and USD 42.5 mio (equivalent to ₹ 320 crores) payable in August 2023	Secured against the property, plant and equipment (as on date of agreement i.e. August 2018) located at Mingo Junction, Ohio, USA.
13,022	**3,301**	**12,474**	**2,760**		

NOTES

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

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non- Current	Current	Non-Current	Current		
Term Loans From Banks (Unsecured)				**Weighted average interest rate – 4.06 %**	
30	120	150	120	5 quarterly instalments of ₹ 30 crores each from 20 June 2020 to 20 June 2021	
-	250	250	500	1 instalment of ₹ 250 crores each on 20 May 2020	
750	-	-	-	1 instalment of ₹ 250 crores on 5 April 2021 and 1 instalment of ₹ 500 crore on 5 September 2021	
300	218	475	200	3 half yearly instalments of ₹ 62.70 crores each from 31 May 2020 to 31 May 2021	-
				7 half yearly instalments of ₹ 40.07 crores each from 30 April 2020 to 30 April 2023	
				8 half yearly instalments of ₹ 6.10 crores each from 18 September 2020 to 18 March 2024.	
43	14	53	13	8 half yearly instalments of ₹ 7.18 crores each from 28 August 2020 to 28 February 2024	
91	21	103	20	8 half yearly instalments of ₹ 3.40 crores each from 31 July 2020 to 31 July 2024.	
				9 half yearly instalments of ₹ 1.21 crores each from 30 April 2020 to 30 April 2024	
				12 semi-annual instalments of ₹2.23 crores each from 25 September 2020 to 25 March 2026	
				12 semi-annual instalments of ₹2.27 crores each from 25 September 2020 to 25 March 2026	
				13 semi-annual instalments of ₹1.596 crores each from 25 June 2020 to 25 September 2026	
43	14	53	13	8 half yearly instalments of ₹ 7.22 crores each from 30 September 2020 to 31 March 2024	
-	-	-	1,729	Repaid on 20 March 2020	
246	84	300	76	8 half yearly instalments of ₹ 18.01 crores each from 19 July 2020 to 19 January 2024	
				7 half yearly instalments of ₹ 24.02 crores each from 19 July 2020 to 19 July 2023 and 1 half yearly instalment of ₹ 18.24 crores on 19 January 2024	
150	39	172	35	9 equal semi-annual instalments of ₹ 6.32 crores each from 9 July 2020 to 9 July 2024 and 1 semi-annual instalment of ₹ 5.57 crores on 9 January 2025	
				9 equal semi-annual instalments of ₹ 13.004 crores each from 9 July 2020 to 9 July 2024 and 1 semi-annual instalment of ₹ 9.42 crores on 9 January 2025	
141	111	231	102	9 equal semi-annual instalments of ₹3.45 crores each from 25 September 2020 to 25 September 2024 and 1 semi-annual instalment of ₹ 2.906 crores on 25 March 2025	
				2 equal annual instalments of ₹ 100.51 crores from 13 August 2020 to 13 August 2021	
				10 equal semi-annual instalments of ₹ 1.697 crores each from 25 September 2020 to 25 March 2025	

NOTES

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non- Current	Current	Non-Current	Current		
30	10	37	9	8 equal semi-annual instalments of ₹4.966 crores each from 15 June 2020 to 15 December 2023.	
277	260	493	-	Repayable in two tranches a) ₹260.29 crores on 27 April 2020 b) ₹276.56 crores on 27 April 2021	
54	9	59	8	14 semi-annual instalments of ₹4.533 crores each from 31 July 2020 to 31 January 2027	
-	1,131	1,037	-	3 equal instalments of ₹ 376.93 crores each on 7 April 2020, 21 September 2020 and 21 March 2021	
69	14	76	13	12 semi-annual instalments of ₹ 4.715 crores each from 23 July 2020 to 23 January 2026 12 semi-annual instalments of ₹2.21 crores each from 6 August 2020 to 5 February 2026	
678	-	623	-	Repayable in three tranches a) ₹376.93 crores on 21 February 2022 b) ₹37.69 crores on 6 March 2022 c) ₹263.85 crores on 3 July 2022	
1,583	-	1,452	-	4 annual instalments of ₹ 395.78 crores from 12 October 2021 to 12 November 2024	
302	-	277	-	4 annual instalments of ₹ 75.386 crores from 12 July 2022 to 12 July 2025	
942	-	865	-	4 annual instalments of ₹ 235.58 crores from 16 July 2022 to 16 July 2025	
754	-	692	-	Repayable on 5 April 2024	
565	-	519	-	4 equal instalment of ₹ 141.35 crores from 19 October 2022 to 19 October 2025	
176	20	110	-	20 equal semi-annual instalment of ₹ 9.798 crores from 31 August 2020 to 28 February 2030	
142	16	78	-	20 equal semi-annual instalment of ₹ 7.892 crores from 30 June 2020 to 31 December 2029	
364	52	210	11	16 equal semi-annual instalments of ₹ 13.56 crores from 25 September 2020 to 25 March 2028 and 1 instalment of ₹ 0.24 crore on 25 September 2028 16 equal semi-annual instalments of ₹ 12.252 crores from 25 September 2020 to 25 March 2028 and 1 instalment of ₹ 2.637 crores on 25 September 2028	
181	23	168	-	17 equal semi-annual instalments of ₹ 6.515 crores from 25 June 2020 to 25 June 2028 and 1 instalment of ₹ 2.683 crores on 25 December 2028 17 equal semi-annual instalments of ₹ 5.205 crores from 25 June 2020 to 25 June 2028 and 1 instalment of ₹ 1.809 crores on 25 December 2028	
-	188	173	35	USD 25 mio (equivalent ₹ 188.46 crores) is repayable on 9 March 2021	
332	-	-	-	6 equal instalments of EUR 2.5 mio each (equivalent ₹ 20.76 crores) from 21 July 2021 to 21 October 2022 5 equal instalments of EUR 5.0 mio each (equivalent ₹ 41.52 crores) from 21 January 2023 to 21 January 2024	

NOTES

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

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non- Current	Current	Non-Current	Current		
377	-	-	-	2 annual equal instalment of USD 25 mio each (equivalent ₹ 188.46 crores) payable on 14 May 2023 and 14 May 2024	
377	-	-	-	3 annual equal instalment of USD16.67 mio each (equivalent ₹125.67 crores) from 24 March 2022 to 24 March 2024	
225	83	291	19	5 equal instalments of EUR 2.5 mio each (equivalent ₹ 20.76 crores) from 25 April 2020 to 25 April 2021 5 equal instalments of EUR 5 mio each (equivalent ₹ 41.52 crores) from 25 July 2021 to 25 July 2022	
4	2	5	2	3 equal annual instalments of USD 0.24 mio each (equivalent ₹ 1.81 crores)	
204	23	-	-	2 equal semiannual instalments of USD 3 mio each (equivalent ₹ 22.62 crores) from 26 February 2021 to 27 August 2021. 2 equal semiannual instalments of USD 5.25 mio each (equivalent ₹ 39.58 crores) from 26 February 2022 to 27 August 2022. 2 equal semiannual instalments of USD 6.75 mio each (equivalent ₹ 50.89 crores) from 26 February 2023 to 27 August 2023	
1,131	-	727	-	3 equal annual instalments of USD 1.67 mio each (equivalent ₹ 12.59 crores) from 28 March 2023 to 28 March 2025 3 equal annual instalments of USD 6.67 mio each (equivalent ₹ 50.28 crores) from 19 April 2023 to 19 April 2025 3 equal annual instalments of USD 10 mio each (equivalent ₹ 75.38 crores) from 11 July 2023 to 11 July 2025 3 equal annual instalments of USD 6.67 mio each (equivalent ₹ 50.28 crores) from 9 October 2023 to 9 October 2025 3 equal annual instalments of USD 3.33 mio each (equivalent ₹ 25.10 crores) from 11 January 2024 to 11 January 2026 3 equal annual instalments of USD 6.67 mio each (equivalent ₹ 50.28 crores) from 29 January 2024 to 29 January 2026 3 equal annual instalments of USD 15 mio each (equivalent ₹ 113.08 crores) from 29 January 2024 to 29 January 2026	
183	20	111	-	20 equal half-yearly instalments of USD 1.35 mio each (equivalent ₹ 10.18 crores) from 30 June 2020 to 31 December 2029	
186	33	-	-	13 equal semi-annual instalments of ₹ 16.42 crores from 25 June 2020 to 25 June 2026 and 1 instalment of ₹ 5.274 crores on 25 December 2026	
1,885	-	-	-	2 annual instalments of ₹ 621.934 crores from 19 March 2024 to 19 March 2025 and 1 instalment of ₹ 640.78 crores on 19 March 2026	

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non- Current	Current	Non-Current	Current		
286	15	-	-	20 equal semi-annual instalment of ₹ 15.05 crores from 31 October 2020 to 30 April 2030	
786	-	-	-	3 annual instalments of ₹ 238.72 crores from 27 December 2023 to 26 December 2025	
				3 annual instalments of ₹ 23.216 crores from 22 January 2024 to 22 January 2026	
116	37	-	-	8 equal semi-annual instalments of ₹ 18.634 crores from 30 August 2020 to 29 February 2024 and 1 instalment of ₹ 3.987 crores on 31 December 2026	
293	34	-	-	19 equal semi-annual instalment of ₹ 17.238 crores from 30 June 2020 to 30 June 2029	
14,296	**2,842**	**9,790**	**2,905**		
C. Acceptances for capital projects with more than 1 year					
Acceptances for capital projects with more than 1 year (Secured)					
9	-	-	-	Repayment of ₹ 9.12 crores on 1 August 2022	First pari passu charge on movable fixed assets of 1.5 mtpa Coke Oven Plant (Phase 2) at Dolvi Works, Maharashtra.
8	61	-	-	Repayment of 5 cases in 2020-21 - ₹ 61.12 crores	First pari passu charge on expansion project at Dolvi Works, Maharashtra from 5 mtpa to 10 mtpa capacity (other than specifically carved out).
				Repayment of 3 cases 2021-22 - ₹ 7.67 crores	
633	-	-	-	Repayment of 10 cases 2021-22 - ₹ 56.96 crores	First pari passu charge on movable fixed assets of 1.5 mtpa Coke Oven Plant (Phase 2) at Dolvi Works, Maharashtra.
				Repayment of 77 cases 2022-23 - ₹ 576.11 crores	
23	-	-	-	Repayment of 3 cases 2022-23 – ₹ 23.39 crores	Pari-passu first charge over the fixed asset of the respective subsidiary.
673	**61**	**-**	**-**		
Acceptances for capital projects with more than 1 year (Unsecured)					
268	101	-	-	Repayment of 10 cases in 2020-21 – ₹101.23 crores	
				Repayment of 38 cases in 2021-22 – ₹141.59 crores	
				Repayment of 23 cases in 2022-23 – ₹126.42 crores	
662	14	-	-	Repayment of 4 cases in 2020-21 – ₹14.03 crores	
				Repayment of 57 cases in 2021-22 – ₹196.24 crores	
				Repayment of 117 cases in 2022-23 – ₹465.35 crores	
127	-	-	-	Repayment of 4 cases in 2021-22 – ₹17.84 crores	
				Repayment of 2 cases of ₹2.26 crores each on 22 March 2022	
				Repayment of 67 cases in 2022-23 – ₹93.82 crores	
				Repayment of 14 cases in 2022-23 - ₹2.76 crores	
1,057	**115**	**-**	**-**		

NOTES

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

As at 31 March 2020		As at 31 March 2019		Terms of Repayments	Security
Non- Current	Current	Non-Current	Current		
D. Deferred Payment Liabilities					
Deferred Sales Tax Loan (Unsecured)					
1	25	21	31	Interest free loan and payable in 42 varying monthly instalments starting from 12 April 2018 to 12 September 2021.	
134	-	58	-	Interest free loan Payable after 14 years by 31 March 2032.	
7	@	9	2	6 annual equal instalments starting after 12 years of disbursement till July 2032	
-	-	-	1	Repaid in June 19	
142	**25**	**88**	**33**		
E. Finance Lease Obligations					
-	-	1,697	260	Varying monthly instalments from 8 to 15 years	
F. Preference Shares					
-	-	-	231	0.01% CPRS Redeemed by 15 March 2020	
23	-	20	-	10% non-cumulative, Redeemable at their face value after 15 years from the date of allotment at 20% per annum on or before 31 March of each year starting from the 16th year and ending on or before 31 March of the 20th year.	
23	**-**	**20**	**231**		
G. Unamortised Upfront Fees on Borrowing					
(275)	(87)	(172)	(82)		
Total Amount in ₹ Crores					
44,673	**6,375**	**29,656**	**11,407**		

@ - less than ₹ 0.50 crores

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

22. Derivative liabilities

A. Non-current

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Interest rate swaps	130	-
Total	**130**	**-**

B. Current

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Forward contract	181	322
Commodity contract	67	30
Interest rate swaps	-	27
Currency options	3	@
Total	**251**	**379**

@ - less than ₹ 0.50 crores

23. Other financial liabilities (non-current)

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Rent and other deposits	44	66	43	58
Retention money for capital projects	407	1,082	481	182
Premium on redemption of debentures	-	-	-	490
Other payables	13	-	8	-
Total	**464**	**1,148**	**532**	**730**
Less: Amount clubbed under other financial liabilities (refer note 29)	-	(1,148)	-	(730)
Total	**464**	**-**	**532**	**-**

24. Provisions

₹ in crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
Provision for compensated absences	123	43	98	36
Provision for gratuity (refer note 42)	181	95	134	84
Provision for long-term service award (refer note 42)	12	2	-	-
Provision for provident fund (refer note 42)	-	5	-	1
Other provisions				
Provision for contingency	-	-	2	-
Mine closure provision	29	*	18	-
Others	3	16	6	13
Total	**348**	**161**	**258**	**134**

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for contingency		
Balance at the beginning of the year	2	2
Utilisation during the year	2	-
Balance at the end of the year	**-**	**2**
Mine closure provision #		
Balance at the beginning of the year	18	12
Created during the year	9	5
Unwinding of discount and changes in the discount rate	1	*
Movement on account of exchange rate variation	1	1
Balance at the end of the year	**29**	**18**
Others		
Balance at the beginning of the year	19	13
Movement during the year	1	6
Balance at the end of the year	**20**	**19**

* - less than ₹ 0.50 crore

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

25. Income Tax

India

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

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Statutory income tax is charged at 30% plus a surcharge and education cess with tax benefits or 22% plus a surcharge and education cess without tax benefits.

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

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

NOTES

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

United States of America (USA)

Some of the subsidiaries of the Group are a C corporation for federal tax purposes and files a consolidated tax return. The subsidiaries records income taxes pursuant to the liability method and the applicable tax rate is 21%.

Italy

The subsidiaries in Italy records income taxes pursuant to the liability method. The nominal tax rates in Italy are 24% for the Income Tax of the Companies (IRES) and 3.9% for the Regional Tax on Productive Activities (IRAP), calculated on a different tax base.

a) Income tax expense/(benefit)

₹ in crores

Particulars	For the year ended	
	31 March 2020	31 March 2019
Current tax		
Current tax (including earlier years reversal/ adjustments)	943	2,473
Total	**943**	**2,473**
Deferred tax		
Deferred tax	133	1,325
MAT credit entitlement	198	(154)
(Restoration)/Reversal of MAT credit entitlement	(16)	-
Reversal of DTL on measurement due to change in tax rate (Refer note b below)	(2,225)	-
Tax provision/(reversal) for earlier years	61	-
Total	**(1,849)**	**1,171**

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

₹ in crores

Particulars	For the year ended	
	31 March 2020	31 March 2019
Profit before tax	**3,013**	**11,168**
Enacted tax rate in India	34.944%	34.944%
Expected income tax expense at statutory tax rate	**1,053**	**3,903**
Expenses not deductible in determining taxable profits	34	38
Income exempt from taxation/taxable separately	(150)	(314)
Tax holiday allowances	(382)	(371)
Effect of different tax rates of subsidiaries	309	191
Deferred tax assets not recognised	751	250
Dividend distribution tax	-	(46)
Elimination of allowances for loan to subsidiaries on consolidation	(212)	-
Reversal of DTL on measurement due to change in tax rate (refer note b below)	(2,323)	-
Others	(31)	(7)
Total	**(906)**	**3,644**
Effective tax rate	**(30.07)%**	**32.63%**

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

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

During the year ended 31 March 2020, the Group had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. Based on the detailed assessment carried out the management, deferred tax liabilities on temporary differences expected to reverse during the year in which the Company and one of its subsidiaries would be under the new tax regime and accordingly applied the new rate for measuring the said deferred tax liabilities in accordance with the requirements of IND AS 12 - 'Income Taxes". This has resulted in reversal of deferred tax liabilities amounting to ₹ 2,225 crores.

Further, certain components of the Group have opted for the new tax rate from financial year 2019-20 which has resulted into a reversal of deferred tax liabilities upto 31 March 2019 amounting to ₹ 98 crores during the year ended 31 March 2020.

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

b) Deferred tax assets / (liabilities)

The following is the analysis of deferred tax assets / (liabilities) balances presented in the balance sheet:

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities	(1,677)	(3,894)
Deferred tax assets	-	117
Total	**(1,677)**	**(3,777)**

Significant component of deferred tax assets / (liabilities) and movement during the year are as under:

₹ in crores

Deferred tax balance in relation to	As at 31 March 2019	Acquired pursuant to business combination	For the year ended 31 March 2020			As at 31 March 2020
			Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	
Property, plant and equipment	(11,174)	(6)	1,813	-	(87)	(9,454)
Carried forward business loss / unabsorbed depreciation	1,207	-	(596)	-	50	661
Provision for employee benefit / loans and advances	673	-	517	7	-	1,197
Minimum alternate tax (MAT) credit entitlement	4,626	-	(182)	-	-	4,444
Cashflow hedges / FCMITDA	1	-	-	253	-	254
Finance lease obligations	621	-	58	-	-	679
Others	269	(3)	239	-	37	542
Total	**(3,777)**	**(9)**	**1,849**	**260**	**-**	**(1,677)**

₹ in crores

Deferred tax balance in relation to	As at 1 April 2018	Acquired pursuant to business combination	For the year ended 31 March 2019			As at 31 March 2019
			Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	
Property, plant and equipment	(10,549)	(211)	(362)	-	(52)	(11,174)
Carried forward business loss / unabsorbed depreciation	2,322	181	(1,333)	-	37	1,207
Provision for employee benefit / loans and advances	597	-	69	7	-	673
Minimum alternate tax (MAT) credit entitlement	4,473	-	153	-	-	4,626
Cashflow hedges / FCMITDA	19	-	(10)	(8)	-	1
Finance lease obligations	575	-	46	-	-	621
Others	7	-	266	(4)	-	269
Total	**(2,556)**	**(30)**	**(1,171)**	**(5)**	**(15)**	**(3,777)**

The Group offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and relates to income taxes levied by the same tax authority.

Deferred tax assets on carry forward business loss/unabsorbed depreciation have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset at respective entities.

The deferred tax liabilities on temporary differences associated with investment in subsidiaries which have not been recognised aggregate to ₹628 crores (31 March 2019: ₹278 crores), where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES

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

The Group expects to utilise the MAT credit within a period of 15 years.

Expiry schedule of losses on which deferred tax assets is not recognised is as under:

₹ in crores

Expiry of losses (as per local tax laws)	2020-21	2021-22	2022-23	2023-24	2024-25	Beyond 5 years	Indefinite	Total
I. Business losses	88	89	96	128	116	387	5,981	6,885
II. Unabsorbed depreciation	-	-	-	-	-	-	69	69
III. Long-term capital losses	-	203	3	-	2,025	-	-	2,231
IV. Short-term capital losses	-	-	@	-	677	-	-	677
Total	**88**	**292**	**99**	**128**	**2,818**	**387**	**6,050**	**9,862**

@ - Less than ₹ 0.50 crores

26. Other non-current liabilities

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Advance from customer #	3,044	4,079
Share warrants	14	14
Export obligation deferred income*	-	117
Other payables	14	11
Total	**3,072**	**4,221**

Advance from customer includes the amount outstanding relating to a five year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. for supply of Steel Products. Duferco S.A. has provided an interest bearing advance amount of USD 700 million under this agreement. The advance and interest will be adjusted by export of steel products to Duferco S.A. Current portion of ₹ 1,010 crores (as at 31 March 2019 - 763 crores) has been included in note 30.

* Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and Special Economic Zone (SEZ) scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over the useful life of such assets.

27. Borrowings (current) (at amortised cost)

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Loan repayable on demand		
Working capital loans from banks (secured)		
Rupee loans	3,092	734
Foreign currency loans	1,150	958
Export Packing Credit in Rupee from banks (unsecured)	200	69
Commercial papers (unsecured)	3,883	4,572
Total	**8,325**	**6,333**

Borrowing have been drawn at following rate of interest

Particulars	Rates of interest
Working capital loans from banks	0.25% p.a. to 8.65% p.a.
Commercial papers	8.50% p.a. to 8.65% p.a.
Export packing credit	8.50% p.a. to 8.65% p.a.

Working capital loans of ₹ 4,242 crores (31 March 2019 – ₹ 1,692 crores) are secured by:

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

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

28. Trade payables

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Total outstanding, dues of micro and small enterprises	142	39

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

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Principal amount due outstanding as at end of year	142	39
Principal amount overdue more than 45 days	-	-
Interest due on (1) above and unpaid as at end of year	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year	*	-
Interest due and payable for the year of delay	*	-
Interest accrued and remaining unpaid as at end of year	-	1
Amount of further interest remaining due and payable in succeeding year	-	1

* Under legal evolution

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
b) Total outstanding, dues of creditors other than micro and small enterprises		
Acceptances	9,798	10,228
Other than acceptances	7,978	5,892
Total	**17,776**	**16,120**

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

Payables other than acceptances payables are normally settled within 180 days.

Trade payables to related parties has been disclosed in note 44.

29. Other financial liabilities (current)

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings (refer note 21)	6,375	11,147
Current maturities of finance lease obligations (refer note 21)	-	260
Current dues of other financial liabilities (refer note 23)	1,148	730
Payables for capital projects		
Acceptances	2,710	1,332
Other than acceptances	2,461	1,832
Interest accrued but not due on borrowings	651	451
Payables to employees	313	183
Unclaimed matured debentures and accrued interest thereon	@	@
Unclaimed dividends	32	26
Unclaimed amount of sale proceeds of fractional shares	3	3
Others	450	867
Total	**14,143**	**16,831**

@ - less than ₹ 0.50 crore.

Acceptance includes credit availed by the group from banks for payment to suppliers for capital items. The arrangements are interest-bearing and are payable within one year.

30. Other current liabilities

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Advances from customers	1,459	1,154
Statutory liabilities	419	634
Export obligation deferred income	561	154
Others	16	34
Total	**2,455**	**1,976**

NOTES

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

Advance from customer includes current portion ₹ 1,010 crores (as at 31 March 2019 – ₹ 763 crores relating to APSA. Refer note 26.

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

31. Revenue from operations

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products (including shipping services)	**71,116**	**82,499**
Other operating revenues		
Government grant income		
Gain on fair value of deferred GST government loan	623	1,174
Export obligation deferred income amortisation	144	165
Export benefits and entitlements income	395	374
Unclaimed liabilities written back	144	263
Miscellaneous income*	188	282
Total (a)	**72,610**	**84,757**
Government grant income - VAT / GST incentive relating to earlier years (refer note (a) below)	466	-
Fees for assignment of procurement contract (refer note (b) below)	250	-
Total (b)	**716**	**-**
Total Revenue from operations (a+b)	**73,326**	**84,757**

*includes income from scrap sales, CST incentive etc.

Notes:

a) Incentives under the State Industrial Policy

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

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

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

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

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

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

c) Ind AS 115 Revenue from Contracts with Customers

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

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

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

The Group has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 41):

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from contracts with customer – Sale of products (including shipping services)	71,116	82,499
Other operating revenue	2,210	2,258
Total revenue from operations	**73,326**	**84,757**
India	55,419	69,085
Outside India	17,907	15,672
Total revenue from operations	**73,326**	**84,757**
Timing of revenue recognition		
At a point in time	73,326	84,757
Total revenue from operations	**73,326**	**84,757**

Product-wise turnover

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
MS slabs	856	1,274
Hot rolled coils/steel plates/sheets	26,554	31,339
Galvanised coils/sheets	7,643	9,080
Color Coated Galvanised and Galvalume coils/sheets	4,571	4,432
Cold rolled coils/sheets	8,340	10,774
Steel billets & blooms	389	1,728
Long rolled products	16,593	16,222
Plates and pipes	2,780	2,918
Others	3,390	4,732
Total	**71,116**	**82,499**

Contract Balances

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Trade Receivables (gross) (refer note 16)	4,505	7,160
Contract liabilities		
Advance from customers (refer note 26 and 30)	4,503	5,233

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

The acquisition of the subsidiaries resulted in increase in trade receivables of ₹98 crores in FY 2019-20.

As at 31 March 2020, ₹ 181 crores (previous year: ₹ 106 crores) was recognised as provision for allowance for doubtful debts on trade receivables.

Contract liabilities include long-term and short-term advances received for sale of goods. The outstanding balances of these accounts increased in due to the continuous increase in the customer base. Long-term advances is detailed in note 26.

Amount of revenue recognised from amounts included in the contract liabilities at the beginning of the year ₹ 1,154 crores (previous year: ₹370 crores) and performance obligations satisfied in previous years is ₹ Nil (previous year: ₹ Nil).

Out of total contract liabilities outstanding as on 31 March 2020 ₹ 1,459 crores will be recognised by 31 March 2021, and remaining thereafter.

NOTES

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

Refund liabilities

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Arising from volume rebates and discount (included in Other financial liabilities – Note 29)	343	663

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

32. Other income

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income earned on financial assets that are not designated as FVTPL		
Loans to related parties	76	20
Bank deposits	315	21
Others	48	93
Dividend income from non-current investments designated as FVTOCI	10	-
Gain on sale of current investments designated as FVTPL	5	19
Fair value gain on financial instruments designated as FVTPL	4	6
Unwinding of interest on financial assets carried at amortised cost	45	25
Fair value gain on joint venture's previously held stake on acquisition of control	13	-
Miscellaneous income (insurance claim received, rent income etc.)	30	20
Total	**546**	**204**

33. Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in crores

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock:			
Work-in-progress		583	773
Semi-finished/ finished goods/ stock-in-trade		4,564	3,700
	A	**5,147**	**4,473**
Semi-finished /finished goods/stock-in-trade		28	84
Acquired pursuant to business combination (refer note 40):			
	B	**28**	**84**
Closing stock:			
Work-in-progress		451	583
Semi-finished/ finished goods/ stock-in-trade		4,994	4,564
	C	**5,445**	**5,147**
Total	**D=A+B-C**	**(270)**	**(590)**

34. Employee benefits expense

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	2,343	2,053
Contribution to provident and other funds (refer note 42)	327	186
Gratuity expense	7	10
Expense on employees stock ownership plan	31	48
Staff welfare expenses	131	192
Total	**2,839**	**2,489**

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

The scheme is a one-time scheme applicable only for certain permanent employees (Eligible Employee) of the Company and its subsidiaries. The Eligible Employee can purchase the Equity Shares from the open market by availing a loan provided by a bank / non-banking financial institution ("Lending Agency") identified by the Company to facilitate acquisition of Equity Shares by the Eligible Employees under the Plan. The plan provides that the Company shall service 75% of the total interest liability owed to the Lending Agency and the balance 25% will be borne by the Eligible Employee. The interest expense recognised in the financial statements during the year was ₹7 crores.

35. Finance costs

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense		
on bonds and debentures	838	893
Others	2,792	2,406
Dividend on redeemable preference shares	12	41
Interest on lease liabilities / finance lease obligations	252	220
Unwinding of interest on financial liabilities carried at amortised cost	30	21
Exchange differences regarded as an adjustment to borrowing costs	89	143
Other borrowing costs	248	188
Interest on income tax	4	5
Total	**4,265**	**3,917**

36. Depreciation and amortisation expense

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment	3,943	4,012
Amortisation of intangible assets	42	29
Depreciation of right of use assets	261	-
Total	**4,246**	**4,041**

37. Other expenses

₹ in crores

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Stores and spares consumed	3,781	4,109
Power and fuel	6,272	7,053
Royalty / Premium on captive mines	651	272
Rent	54	81
Repairs and maintenance		
Plant and equipment	1,201	1,124
Buildings	29	44
Others	24	37
Insurance	146	107
Rates and taxes	204	90
Carriage and freight	3,898	4,015
Jobwork and processing charges	659	829
Commission on sales	46	51
Net loss / (gain) on foreign currency transactions and translation #	829	554
Donations and contributions	56	33
Fair value loss on financial instruments designated as FVTPL	2	1
Miscellaneous expenses	1,889	1,550
Allowance for doubtful debts and advances	113	152
Loss on sale of property, plant and equipment (net)	30	8
Total	**19,884**	**20,110**

including hedging cost of ₹332 crores (previous year ₹ 470 crores) and loss on disposal of stake in Geo Steel LLC (erstwhile joint venture) amounting to ₹ 42 crores, which has been reclassified from foreign currency transaction reserve.

38. Earnings per share

₹ in crores

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to equity shareholders (A) (₹ in crores)		4,030	7,639
Weighted average number of equity shares for basic EPS (B)		2,402,145,868	2,404,625,681
Effect of dilution:			
Weighted average number of treasury shares held through ESOP trust		15,074,572	12,594,759
Weighted average number of equity shares adjusted for the effect of dilution(C)		2,417,220,440	2,417,220,440
Earnings per share of ₹ 1 each			
Basic (₹)	(A / B)	16.78	31.77
Diluted (₹)	(A / C)	16.67	31.60

For details regarding treasury shares held through ESOP trust (refer note 19(a) and 39).

NOTES

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

39. Employee share-based payment plans

ESOP SCHEME 2016

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

ESOP 2016 is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and it's subsidiaries in India.

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

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

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

The exercise price would be determined by the ESOP committee as a certain discount to the primary market price on the date of grant.

A total of 28,687,000 options would be available for grant to the eligible employees of the Company and a total of 3,163,000 options would be available for grant to the eligible employees of the Indian subsidiaries of the Company under the ESOP Plan.

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

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

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
1st Grant	7,436,850	7,436,850	17 May 2016	17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant)	103.65	67.48	Equity
2nd Grant	5,118,977	2,559,489	16 May 2017	16 May 2017 till 31 March 2020 (for 50% of the grant) and 16 May 2017 to 31 March 2021 (for remaining 50% of the grant)	161.36	104.04	Equity
3rd Grant	3,388,444	Nil	14 May 2018	14 May 2018 till 31 March 2021 (for 50% of the grant) and 14 May 2017 to 31 March 2022 (for remaining 50% of the grant)	263.24	167.15	Equity
Supplementary grant	185,595	NIL	5 December 2019	up to 6 December, 2020	207.84	91.07	Equity
	129,154			up to 6 December, 2020 for 50% of the options granted and up to 31 March 2021 for remaining 50% of the options granted		94.02	
	55,002			up to 31 March 2021 for 50% of the options granted and up to 31 March 2022 for remaining 50% of the options granted		103.24	

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

Particulars	ESOP 2016		
	1st grant (L-16 and above Grade)	2nd grant (L-16 and above Grade)	3rd grant (L-16 and above Grade)
Date of grant			
– original grant	17 May 2016	16 May 2017	14 May 2018
– supplementary grant	5 December 2019	5 December 2019	5 December 2019
Share price on date of grant			
– original grant	129.56	201.70	329.05
– supplementary grant	259.80	259.80	259.80
Outstanding as on 1 April 2018	**6,772,140**	**4,910,871**	**-**
Granted during the year	-	-	3,388,444
Transfer in	-	-	-
Transfer out	371,390	192,383	13,027
Forfeited \ lapsed during the year	23,640	-	-
Exercised during the year	-	-	-
Outstanding as on 31 March 2019	**6,377,110**	**4,718,488**	**3,375,417**
Granted during the year *	185,595	129,154	211,002
Transfer in	28,370	19,926	-
Transfer out	418,990	278,188	193,376
Forfeited \ lapsed during the year	127,315	187,655	132,092
Exercised during the year	824,510	4,617	-
Outstanding as on 31 March 2020	**5,220,260**	**4,397,108**	**3,260,951**
of above - vested outstanding options	5,034,665	2,559,489	-
of above - unvested outstanding options	185,595	1,837,619	3,260,951
Vesting Period			
– Original	17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant)	16 May 2017 till 31 March 2020 for 50% of the options granted and upto 31 March 2021 for remaining 50% of the options granted	14 May 2018 till 31st March, 2021 for 50% of the options granted and upto 31st March, 2022 for remaining 50% of the options granted
– Supplementary	5 December 2019 to 6 December 2020 for the subsequent grants	5 December 2019 to 6th December 2020 for 50% of the options granted and upto 31st March, 2021 for remaining 50% of the options granted	
Exercise period	4 years from vesting date		
Weighted average remaining contract life			
– original grant	42 months	54 months	66 months
– supplementary grant	57 months	59 months	66 months
Exercise Price			
– Original grants	103.65	161.36	263.24
– Subsequent grants	207.84	207.84	207.84
Weighted average share price on exercise date	Not Applicable	Not Applicable	Not Applicable
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	The fair value of options has been calculated by using Black Scholes Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Scholes Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Scholes Method. The assumptions used in the above are:
Weighted-average values of share price	Not applicable	Not applicable	Not applicable
Weighted-average exercise prices	Not applicable	Not applicable	Not applicable
Expected volatility	Volatility was calculated using standard deviation of daily change in stock price.	Volatility was calculated using standard deviation of daily change in stock price.	Volatility was calculated using standard deviation of daily change in stock price.
Original grants	The volatility used for valuation is 39.23 % for options with 3 year vesting and 39.62 % with 4 years vesting	The volatility used for valuation is 39.76 % for options with 3 year vesting and 37.43 % with 4 years vesting	The volatility used for valuation is 33.23 % for options with 3 year vesting and 33.28% with 4 years vesting
Subsequent grants	The volatility used for valuation is 32.30 %	The volatility used for valuation is 32.10 %	The volatility used for valuation is 32.21 %

NOTES

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

Particulars	ESOP 2016		
	1st grant (L-16 and above Grade)	2nd grant (L-16 and above Grade)	3rd grant (L-16 and above Grade)
Expected option life	The expected option life is assumed to be midway between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2	The expected option life is assumed to be mid way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2
Expected dividends			
– Original grants	Rs.1.10 per share	Rs.0.75 per share	Rs.2.25 per share
– Subsequent grants	Rs.4.10 per share	Rs.4.10 per share	Rs.4.10 per share
Risk-free interest rate	Zero coupon sovereign bond yields were utilized with maturity equal to expected term of the option	Zero coupon sovereign bond yields were utilized with maturity equal to expected term of the option	Zero coupon sovereign bond yields were utilized with maturity equal to expected term of the option
Original grants	The rate used for calculation is 7.36% (for 3 years vesting) & 7.44%(for 4 years vesting)	The rate used for calculation is 6.87% (for 3 years vesting) & 6.96%(for 4 years vesting)	The rate used for calculation is 7.85% for options with 3 year vesting and 7.92% for options with 4 years vesting
Subsequent grants	The rate used for calculation is 5.67%	The rate used for calculation is 5.76%	The rate used for calculation is 6.02%
The method used and the assumptions made to incorporate the effects of expected early exercise;	Black-Scholes Options pricing model		
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	The following factors have been considered: a) Share price b) Exercise prices c) Historical volatility d) Expected option life e) Dividend Yield		

*Includes grants as part of supplementary grants.

40. Business combination

a) On 6 June 2019, the Company acquired 100% stake in Piombino Steel Limited (PSL), which in turn acquired 100% stake in Makler Private Limited (MPL). These entities are acquired with the purpose to be utilised as an investment vehicle for acquisitions.

The Company completed the acquisition by infusing ₹ 0.02 crore as a cash consideration in PSL group and has been issued equity shares in lieu thereof. Accordingly, PSL has become a wholly owned subsidiary of the Company.

As per Ind AS 103 on Business Combination, purchase consideration has been allocated on a basis of the fair value of the acquired assets and liabilities. The resulting differential has been accounted as goodwill. The financial statements include the results of PSL and MPL for the period from 6 June 2019 to 31 March 2020.

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

₹ in crores

Particulars	PSL (consolidated)
Assets	
Trade receivables	46
Other assets	1
Cash and cash equivalents	@
Total (A)	**47**
Liabilities	
Borrowings	6
Trade Payables	47
Other current liabilities and provision	@
Total (B)	**53**
Total identifiable net assets acquired at fair value (C) = (A-B)	**(6)**
Purchase Consideration transferred in cash (D)	**@**
Goodwill arising on acquisition (D-C)	**6**

Basis the purchase price allocation, the goodwill of ₹6 crores is recognised in the consolidated financial statements.

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

From the date of acquisition, PSL and MPL has contributed ₹ 66 crores of revenue and net loss after tax of ₹ 1 crore. The Company has not incurred any material transaction costs for the above acquisition.

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

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

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

The Company held 50% stake in JSW Vallabh Tin Plate Limited (JSWVTPL), a joint venture, and Vardhman Industries Limited (VIL) held 23.55% stake in JSWVTPL. Consequently, to the above acquisition of VIL, the shareholding of the Group in JSWVTPL has increased from 50% to 73.55% due to which the Group gained control over JSW VTPL and accordingly considered it as a subsidiary w.e.f. 31 December 2019.

JSWVTPL is into tin plate business and has a capacity of 1.0 lakh tonnes.

As per Ind AS 103 on Business Combination, purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of the acquired assets and liabilities. The resulting differential has been accounted as goodwill/capital reserve. The financial statements include the results of VIL and JSWVTPL for the period from 1 January 2020 to 31 March 2020.

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

₹ in crores

Particulars	VIL	JSW VTPL
Assets		
Property Plant and Equipment including intangible assets	24	191
Capital work-in-progress	-	3
Investments	23	-
Inventories	10	49
Trade receivables	2	35
Other receivables	9	22
Cash and cash equivalents	3	@
Total (A)	**71**	**300**
Liabilities		
Borrowings	-	103
Trade Payables	2	91
Other current liabilities and provision	3	8
Long-term liabilities and provision	1	2
Deferred Tax Liabilities	-	9
Contingent liabilities	-	@
Total (B)	**5**	**213**
Total identifiable net assets acquired at fair value (C) = (A-B)	**66**	**87**
Purchase Consideration transferred in cash (D)	**64**	**-**
Existing value of investment held by the Company in JSWVTPL (E)	**-**	**35**
Gain on re-measurement of existing stake held by Company in JSWVTPL (F)	**-**	**13**
Fair value of Investment in JSWVTPL held by VIL (G)	**-**	**23**
Non-controlling interest accounted (H)	**-**	**25**
Goodwill/ (Capital reserve) arising on acquisition (I)	**(2)**	**9**

@ - less than ₹ 0.50 crore.

Basis the purchase price allocation carried out by independent valuation expert, the capital reserve arising on VIL acquisition is not material. The goodwill of ₹9 crores recognised for JSWVTPL acquisition is primarily attributable to the expected synergies and other benefits from integrating JSWVTPL into the Group's existing steel business.

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

From the date of acquisition, VIL and JSWVTPL has contributed ₹147 crores of revenue and net loss after tax of ₹1 crore. The Company has not incurred any material transaction costs for the above acquisition.

If both the acquisition had taken place at the beginning of the period, management estimates that consolidated revenue from operation and profit for the combined entity would be ₹73,811 crores and ₹3,943 crores respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2019.

41. Segment reporting

The Group is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker for assessment of Group's performance and resource allocation. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed below:

Information about geographical revenue and non-current assets

a) Revenue from operations

₹ in crores

Particulars	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from operations	55,419	17,907	73,326	69,085	15,672	84,757

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

b) Non-current assets

₹ in crores

Particulars	As at 31 March 2020			As at 31 March 2019		
	Within India	Outside India	Total	Within India	Outside India	Total
(a) Property, plant and equipment	50,923	6,835	57,758	55,051	6,553	61,604
(b) Capital work-in-progress	26,434	423	26,857	11,363	177	11,540
(c) Right of Use assets	3,371	100	3,471	-	-	-
(d) Goodwill	43	372	415	28	812	840
(e) Other intangible assets	325	25	350	176	24	200
(f) Intangible assets under development	331	3	334	344	5	349
(g) Investment in joint ventures	283	-	283	424	204	628
(h) Other non-current assets	2,704	252	2,956	3,557	368	3,925
(i) Current tax assets (net)	385	-	385	240	-	240
(j) Financial assets			2,442			1,916
(k) Deferred tax assets (net)			-			117
Total non-current assets			**95,251**			**81,359**

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

42. Employee benefits

a) Defined contribution plan

The Group operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

Group's contribution to provident fund and 401 (K) plan recognised in the Consolidated Statement of Profit and Loss is ₹137 crores (previous year: ₹62 crores) (included in note 34).

b) Defined benefit plans

The Group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity.

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

Under the Compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

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

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

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

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

(i) Gratuity

₹ in crores

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Funded	Unfunded	Funded	Unfunded
a) Liability recognised in the Balance Sheet				
i) Present value of obligation				
Opening balance	**310**	**5**	**265**	**5**
Service cost	21	2	16	@
Interest cost	21	1	21	@
Actuarial loss / (gain) on obligation	22	-	17	2
Benefits paid	(14)	(1)	(14)	-
Experience adjustments	-	-	3	-
Transfer on business combination	-	2	-	-
Liability In	-	-	2	-
Liability transfer	-	-	(2)	-
Closing balance	**360**	**9**	**308**	**7**
Less:				
ii) Fair value of plan assets				
Opening balance	**97**	**-**	**95**	**-**
Expected return on plan assets less loss on investments	7	-	7	-
Actuarial (loss)/gain on plan assets	-	-	@	-
Employers' contribution	-	-	5	-
Benefits paid	(11)	-	(10)	-
Closing balance	**93**	**-**	**97**	**-**
Amount recognised in Balance Sheet (refer note 24)	**267**	**9**	**211**	**7**
b) Expenses during the year				
Service cost	21	2	16	@
Interest cost	21	1	21	@
Expected return on plan assets	(7)	-	(7)	-
Transferred to preoperative expenses	-	-	(2)	-
Component of defined benefit cost recognised in statement of profit & loss (a)	**35**	**3**	**28**	**@**
Remeasurement of net defined benefit liability				
- Actuarial (gain)/loss on defined benefit obligation	22	1	17	2
- Return on plan assets (excluding interest income)	@	-	-	-
Component of defined benefit cost recognised in other comprehensive income (b)	**22**	**1**	**17**	**2**
Total (a+b)	**57**	**2**	**45**	**2**

NOTES

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

₹ in crores

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Funded	Unfunded	Funded	Unfunded
c) Actual return on plan assets	7	-	7	-
d) Break up of plan assets:				
(i) ICICI Prudential Life Insurance Co. Ltd.				
Balanced Fund	3	-	3	-
Debt Fund	3	-	@	-
Short-Term Debt Fund	-	-	@	-
Short-Term Debt Fund III	-	-	3	
Endowment Plan	-	-	-	-
(ii) HDFC Standard Life Insurance Co. Ltd.				
Defensive Managed Fund	1	-	2	-
Secure Managed Fund	21	-	22	-
Stable Managed Fund	-	-	@	-
(iii) SBI Life Insurance Co. Ltd. – Cap Assured Fund	44	-	47	-
(iv) LIC of India – Insurer Managed Fund	9	-	18	-
(v) Bajaj Allianz Fund	11	-	3	-

@ - less than ₹ 0.50 crore.

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

e) Principal actuarial assumptions

Particulars				
Discount rate	6.84%-6.89%	6.80%-6.87%	7.54%-7.83%	7.76%-7.88%
Expected return on plan assets	6.84%-6.89%	-	7.54%-7.83%	-
Expected rate of increase in salaries	6.00%-8.00%	6.00%-8.00%	6.00%	6.00%
Attrition rate	2.00%	2.00%-10.00%	2.00%	2.00%

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

f) Experience adjustments

₹ in crores

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Defined benefit obligation	368	315	270	243	208
Plan assets	93	97	95	80	77
Surplus / (deficit)	(275)	(218)	(175)	(163)	(131)
Experience adjustments on plan liabilities – loss/(gain)	23	19	5	20	6
Experience adjustments on plan assets – gain/(loss)	@	@	@	@	@

@ - less than ₹ 0.50 crore.

g) The Group expects to contribute ₹95 crores (previous year ₹ 84 crores) to its gratuity plan for the next year.

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

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

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

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

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

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

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation	368	315
Plan assets	93	97
Net liability arising from defined benefit obligation	**275**	**218**

Sensitivity Analysis

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

₹ in crores

Particulars	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(27)	32	(22)	26
Future salary growth (1% movement)	31	(28)	26	(23)
Attrition rate (1% movement)	2	(2)	3	(4)

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

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

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

Category of assets average percentage allocation fund-wise

	SBI	HDFC	ICICI	Bajaj Allianz	LIC
Government securities	0.00%	44.37%	34.14%	51.40%	20.00%
Debt	92.51%	49.69%	51.81%	14.29%	Balance invested in approved investments as specified in Schedule I of IRDA guidelines
Equity	6.39%	1.48%	8.12%	18.15%	
Others	1.10%	4.46%	5.93%	16.16%	

Maturity analysis of projected benefit obligation

₹ in crores

Particulars	Less than a year	Between 1 to 5 years	Over 5 years	Total
As at 31 March 2020				
Projected benefit payable	32	110	582	724
As at 31 March 2019				
Projected benefit payable	27	98	550	675

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

(ii) Provident fund

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

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

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

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

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

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

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

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

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

(iii) Other long-term benefits:

(a) Compensated absences

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

(b) Long Service Award

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

43. Financial instruments

A. Capital management

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

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

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

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

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Long-term borrowings	44,673	29,656
Lease liabilities	1,744	-
Current maturities of long-term debt	6,375	11,407
Current maturities of lease liabilities	306	-
Short-term borrowings	8,325	6,333
Total borrowings	**61,423**	**47,396**
Less:		
Cash and cash equivalents	3,966	5,581

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Bank balances other than cash and cash equivalents	8,037	606
Current investments	2	82
Net debt	**49,418**	**41,127**
Total equity	**36,024**	**34,345**
Gearing ratio	**1.37**	**1.20**

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

(ii) Debt is defined as long-and short-term borrowings (excluding derivatives and financial guarantee contracts), as described in notes 21 and 27.

B. Categories of financial instruments

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

As at 31 March 2020

₹ 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	477	452	47	-	976	984
Total financial assets	**22,053**	**452**	**341**	**-**	**22,846**	**22,854**
Financial liabilities						
Long-term borrowings*	51,048	-	-	-	51,048	51,731
Lease liabilities	2,050	-	-	-	2,050	2,276
Short-term borrowings	8,325	-	-	-	8,325	8,325
Trade payables	17,918	-	-	-	17,918	17,918
Derivative liabilities	-	-	84	297	381	381
Other financial liabilities	8,232	-	-	-	8,232	8,232
Total financial liabilities	**87,573**	**-**	**84**	**297**	**87,954**	**88,863**

As at 31 March 2019

₹ in crores

	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relations	Total Carrying Value	Fair value
Financial assets						
Loans	994	-	-	-	994	994
Other financial assets	2,516	-	-	-	2,516	2,516
Trade receivables	7,160	-	-	-	7,160	7,160
Cash and cash equivalents	5,581	-	-	-	5,581	5,581
Bank balances other than cash and cash equivalents	606	-	-	-	606	606
Derivative assets	-	-	159	162	321	321
Investments	387	756	123	-	1,266	1,268
Total financial assets	**17,244**	**756**	**282**	**162**	**18,444**	**18,446**
Financial liabilities						
Long-term borrowings*	41,063	-	-	-	41,063	41,816
Short-term borrowings	6,333	-	-	-	6,333	6,333
Trade payables	16,159	-	-	-	16,159	16,159
Derivative liabilities	-	-	313	66	379	379
Other financial liabilities	5,956	-	-	-	5,956	5,929
Total financial liabilities	**69,511**	**-**	**313**	**66**	**69,890**	**70,616**

* including current maturities of long-term borrowings.

C. Financial risk management

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

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

- Market risk
- Credit risk and
- Liquidity risk

D. Market risk

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

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

E. Financial currency risk management

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

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency. In order to hedge exchange rate risk, the Group has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and hedges. At any point in time, the Group hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Company hedges its payables as when the exposure arises. Short-term exposures are hedged progressively based on their maturity.

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

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

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

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

As at	Nature	No. of Contracts	Type	US$ Equivalent (millions)	INR Equivalent (crores)	MTM (₹ in crores)
31 March 2020	**Assets**	**136**	**Buy**	**936**	**7,058**	**241**
		12	**Sell**	**166**	**1,255**	**8**
	Liabilities	**20**	**Buy**	**215**	**1,618**	**(60)**
		27	**Sell**	**398**	**3,003**	**(119)**
31 March 2019	Assets	20	Buy	190	1,311	4
		63	Sell	653	4,518	200
	Liabilities	154	Buy	1,292	8,944	(320)

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

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

@ - less than ₹ 0.50 crore.

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

As at 31 March 2020

₹ in crores

Particulars	INR	USD	Euro	JPY	Others	Total
Financial assets						
Investments	917	-	14	-	45	976
Loans	1,514	-	-		-	1,514
Trade receivables	3,031	802	672	-	-	4,505
Cash and cash equivalents	3,835	69	62	-	-	3,966
Bank balances other than cash and cash equivalents	7,982	54	-	-	1	8,037
Derivative assets	19	275	-	-	-	294
Other financial assets	3,481	28	43	-	2	3,554
Total financial assets	**20,779**	**1,228**	**791**	**-**	**48**	**22,846**
Financial liabilities						
Borrowings	24,940	25,682	1,843	533	-	52,998
Trade payables	5,653	10,542	1,627	31	65	17,918
Derivative liabilities	61	319	-	-	1	381
Lease liabilities	1,964	33	53	-	-	2,050
Other financial liabilities	7,176	4,815	2,151	234	231	14,607
Total financial liabilities	**39,794**	**41,391**	**5,674**	**798**	**297**	**87,954**

As at 31 March 2019

₹ in crores

Particulars	INR	USD	Euro	JPY	Others	Total
Financial assets						
Investments	1,253	-	13	-	-	1,266
Loans	993	1	-	-	-	994
Trade receivables	5,039	1,461	660	-	-	7,160
Cash and cash equivalents	5,451	31	98	-	1	5,581
Bank balances other than cash and cash equivalents	467	139	-	-	-	606
Derivative assets	-	321	@	-	-	321
Other financial assets	2,455	25	36	-	-	2,516
Total financial assets	**15,658**	**1,978**	**807**	**-**	**1**	**18,444**
Financial liabilities						
Borrowings	20,436	14,827	312	414	-	35,989
Trade payables	3,550	11,565	1,011	32	1	16,159
Derivative liabilities	340	39	-	-	-	379
Other financial liabilities	10,235	5,347	1,323	432	26	17,363
Total financial liabilities	**34,561**	**31,778**	**2,646**	**878**	**27**	**69,890**

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

a) Amounts receivable in foreign currency on account of the following:

Particulars	As at 31 March 2020		As at 31 March 2019	
	US$ equivalent (million)	INR equivalent (crores)	US$ equivalent (million)	INR equivalent (crores)
Trade receivables	66	496	160	1,106

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	US$ equivalent (million)	INR equivalent (crores)	US$ equivalent (million)	INR equivalent (crores)
Borrowings	3,514	26,488	2,661	18,406
Acceptances			3	20
Trade payables	65	489	41	280
Payables for capital projects	337	2,539	368	2,544
Interest accrued but not due on borrowings	59	446	42	288

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

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

₹ in crores

Particulars	Increase		Decrease	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
USD / INR	482	202	(482)	(202)
YEN / INR	62	9	(62)	(9)
EURO / INR	8	13	(8)	(13)

F. Commodity price risk

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

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

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

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

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

The following table details the Group's sensitivity to a 5% movement in the input price of iron ore and coking coal net of hedge accounting impact. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5%. For a 5% reduction in commodity prices, there would be a comparable impact on profit or equity, and the balances below would be negative.

Impact on Profit / (loss) for the year for a 5% change:

₹ in crores

Particulars	Increase for the year ended		Decrease for the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Iron ore	(512)	(609)	512	609
Coal/Coke	(795)	(1,153)	795	1,153
Zinc	(38)	-	38	-

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

As at	Nature	No. of Contracts	Commodity Name	Quantity (Iron Ore, Coking Coal, Zinc – MT) (Brent Crude – Mio Barrels)	US$ Equivalent of notional value (million)	INR equivalent (crores)	MTM of Commodity contract (₹ in crores)
31 March 2020	Assets	3	Zinc	1,250	2	18	@
	Liabilities	20	Liquified natural gas	9,702,000	(37)	(281)	(56)
		4	Zinc	1,500	3	25	(3)
31 March 2019	Assets	1	Brent Crude	45,000	2	17	4
		12	Iron Ore	375,003	24	165	45
	Liabilities	10	Iron Ore	375,003	(26)	(179)	(30)

@ - less than ₹ 0.50 crore.

G. Interest rate risk

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

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

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Fixed rate borrowings	22,810	19,624
Floating rate borrowings	36,926	27,999
Total borrowings	**59,736**	**47,623**
Total borrowings	59,373	47,396
Add: Upfront fees	363	227
Total gross borrowings	**59,736**	**47,623**

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

If interest rates had been 100 basis points higher / lower and all other variables were being constant, the Group's profit for the year ended 31 March 2020 would decrease / increase by ₹339 crores (for the year ended 31 March 2019: decrease/ increase by ₹248 crores). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

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

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

H. Credit risk management

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

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

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

Movements in allowances for bad and doubtful debts

₹ in crores

Particulars	Amount
As at 1 April 2018	**96**
Movement during the year	10
As at 31 March 2019	**106**
Movement during the year	76
As at 31 March 2020	**181**

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 22,846 crores as at 31 March 2020 and, ₹ 18,444 crores as at 31 March 2019, being the total carrying value of trade receivables, balances with bank, bank deposits, current investments and other financial assets.

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

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

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

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

I. Liquidity risk management

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

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

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

Liquidity exposure as at 31 March 2020

₹ in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Investments	2	-	974	976
Trade receivables	4,505	-	-	4,505
Cash and cash equivalents	3,966	-	-	3,966
Bank balances other than cash and cash equivalents	8,037	-	-	8,037
Loans	742	734	38	1,514
Derivative assets	294	-	-	294
Other financial assets	2,858	696	-	3,554
Total	**20,404**	**1,430**	**1,012**	**22,846**
Financial liabilities				
Long-term borrowings	-	34,990	9,683	44,673
Short-term borrowings	8,325	-	-	8,325
Trade payables	17,918	-	-	17,918
Derivative liabilities	251	130	-	381
Lease liabilities	306	1,162	582	2,050
Other financial liabilities	14,143	457	7	14,607
Total	**40,943**	**36,739**	**10,272**	**87,954**

Liquidity exposure as at 31 March 2019

₹ in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Investments	82	-	1,184	1,266
Trade receivables	7,160	-	-	7,160
Cash and cash equivalents	5,581	-	-	5,581
Bank balances other than cash and cash equivalents	606	-	-	606
Loans	561	269	164	994
Derivative assets	321	-	-	321
Other financial assets	2,217	299	-	2,516
Total	**16,528**	**568**	**1,348**	**18,444**
Financial liabilities				
Long-term borrowings	-	26,033	3,623	29,656
Short-term borrowings	6,333	-	-	6,333
Trade payables (including acceptances)	16,159	-	-	16,159
Derivative liabilities	379	-	-	379
Other financial liabilities	16,831	531	2	17,363
Total	**39,702**	**26,563**	**3,625**	**69,890**

The amount of guarantees given included in Note 45(i) represents the maximum amount the Group could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the group considers that it is more likely than not that such an amount will not be payable under the arrangement.

Collateral

The Group has pledged part of its trade receivables, short-term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Group. There is obligation to return the securities to the Group once these banking facilities are surrendered (refer note 21 and 27).

J. Level-wise disclosure of financial instruments

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019	Level	Valuation technique and key inputs
Quoted investments in the equity shares measured at FVTOCI	434	738	I	Quoted bid prices in an active market.
Quoted investments in the equity shares measured at FVTPL	2	82	I	Quoted bid prices in an active market.
Derivative assets	294	321	II	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Derivative liabilities	381	379	II	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Unquoted investments in the equity shares measured at FVTOCI	13	13	III	Net asset value of share arrived has been considered as fair value.
Unquoted investments in the equity shares measured at FVTOCI	5	5	III	Cost is approximate estimate of fair value.
Non-current investments in unquoted Preference shares measured at FVTPL	54	51	III	Discounted cash flow – Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks.

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

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

Sensitivity analysis of Level III:

	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate 8.40%	0.50%	0.50% Increase / (decrease) in the discount would decrease / (increase) the fair value by ₹ 2 crores / (₹ 2 crores)

Reconciliation of Level III fair value measurement:

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	69	67
Purchases / (sale) (net)	@	@
Gain / (loss) recognised in the Consolidated statement of Profit and Loss	3	2
Gain / (loss) recognised in the Other comprehensive income	-	-
Closing balance	**72**	**69**

@ - Less than ₹0.50 crore.

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

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019	Level	Valuation technique and key inputs
Long-term borrowings			II	Discounted cash flow method – Future cash flows are discounted by using rates which reflect market risks.
Fair value	51,731	41,816		
Carrying value	51,048	41,063		
Investments			II	Discounted cash flow on observable Future cash flows are based on terms of discounted at a rate that reflects market risks.
Fair value	485	389		
Carrying value	477	387		
Premium payable on redemption of debentures	-	463	II	Discounted cash flow method –Future cash flows are discounted by using rates which reflect market risks.
Loans – financial assets			II	Discounted cash flow method – Future cash flows are discounted by using rates which reflect market risks.
Fair value	1,514	994		
Carrying value	1,514	994		

There have been no transfers between level I and level II during the year.

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

₹ in crores

Particulars	Underlying	Nature of Risk being Hedged	As at 31 March 2020			As at 31 March 2019		
			Asset	Liability	Net Fair Value	Asset	Liability	Net Fair Value
Cash Flow Hedges								
Designated and effective hedges								
Forwards Currency Contract	Highly probable forecast sales	Exchange rate movement risk	-	(100)	(100)	102	-	102
Interest rate swap	Long-term foreign currency borrowings	Interest rate Risk	-	(130)	(130)	20	(27)	(7)
Commodity Contract		Price Risk	-	(67)	(67)	50	(30)	20
Designated and ineffective hedges								
Forwards Currency Contract	Highly probable forecast Sales	Exchange rate movement risk	-	(37)	(37)	105	-	105
Fair Value Hedges								
Designated Hedges								
Forwards Currency Contract	Highly probable forecast Sales	Exchange rate movement risk	221	(3)	218	4	(312)	(308)
Non Designated Hedges								
Forwards Currency Contracts	Trade payables & Acceptance	Exchange rate movement risk	27	(1)	26	-	(9)	(9)
Forwards Currency Contracts	Long-term foreign currency borrowings	Exchange rate movement risk	-	(1)	(1)	-	-	-
Forwards Currency Contracts	Loans and advance	Exchange rate movement risk	-	(37)	(37)	-	-	-
Interest rate Swap	Long-term foreign currency borrowings	Interest rate risk	1	-	1	-	-	-
Options Contract	Trade payables & acceptance		15	(3)	12	1	-	1
			264	(379)	(115)	282	(378)	(96)
Cancellation of forwards contracts			30	(2)	28	39	(1)	38
Total			294	(381)	(87)	321	(379)	(58)

Details of non-derivative financial instruments designated as hedging instruments during the year:

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

NOTES

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

44. Related party disclosures

A.	**List of related parties**
1.	**Joint ventures**
	Vijayanagar Minerals Private Limited
	Rohne Coal Company Private Limited
	JSW Severfield Structures Limited
	Gourangdih Coal Limited
	Geo Steel LLC (Ceased w.e.f. 28 January 2020)
	JSW Structural Metal Decking Limited
	JSW MI Steel Service Center Private Limited
	JSW Vallabh Tinplate Private Limited (Ceased w.e.f. 31 December 2019)
	Accialtalia S.p.A. (ceased w.e.f. 16 April 2018)
	Creixent Special Steels Limited (w.e.f. 28 August 2018)
	Monnet Ispat & Energy Limited (w.e.f. 31 August 2018)
2.	**Key Management Personnel (KMP)**
a)	**Non-Independent Executive Director**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
b)	**Independent Non-Executive Director**
	Mr. Ganga Ram Baderiya – Nominee Director, KSIIDC
	Mr. Hiroyuki Ogawa – Nominee Director, JFE Steel Corporation
	Mrs. Punita Kumar Sinha
	Mr. Malay Mukherjee
	Mr. Haigreve Khaitan
	Mr. Seturaman Mahalingam
	Mrs. Nirupama Rao
	Mr. Harsh Charandas Mariwala
c)	**Mr. Rajeev Pai – Chief Financial Officer**
d)	**Mr. Lancy Varghese – Company Secretary**
3.	**Relatives of KMP**
	Mrs. Savitri Devi Jindal
	Mr. Prithvi Raj Jindal
	Mr. Naveen Jindal
	Mrs. Nirmala Goyal
	Mrs. Urmila Bhuwalka
	Mrs. Sangita Jindal
	Mrs. Tarini Jindal Handa
	Mrs. Tanvi Shete
	Mr. Parth Jindal
4.	**Other Related Parties**
	JSW Energy Limited
	JSW Energy (Barmer) Limited (formerly known as Raj West Power Limited)
	JSW Power Trading Company Limited (formerly known as JSW Green Energy Limited)
	JSW Hydro Energy Limited (formerly known as Himachal Baspa Power Company Limited)
	JSW Energy (Kutehr) Limited
	JSW Solar Limited
	Jindal Stainless Limited
	JSL Lifestyle Limited
	Jindal Saw Limited
	Jindal Saw USA LLC
	Jindal Tubular (India) Limited
	Jindal Urban Waste Management Limited
	Jindal Rail Infrastructure Limited
	Jindal Steel & Power Limited
	India Flysafe Aviation Limited
	JSW Infrastructure Limited
	JSW Jaigarh Port Limited
	South West Port Limited
	JSW Dharamatar Port Private Limited
	JSW Paradip Terminal Private Limited
	Jaigarh Digni Rail Limited
	JSW Cement Limited
	JSW Cement, FZE

	South West Mining Limited
	JSW Projects Limited
	JSW IP Holdings Private Limited
	JSoft Solutions Limited (merged into Everbest Consultancy Services Private Limited)
	Reynold Traders Private Limited
	JSW Techno Projects Management Limited
	JSW Global Business Solutions Limited
	JSW Minerals Trading Private Limited
	Everbest Consultancy Services Private Limited
	Jindal Industries Private Limited
	JSW Foundation
	JSW Sports Limited
	JSW Realty Private Limited
	JSW Green Energy Limited
	Ganga Ferro Alloys Private limited
	Jindal Technologies & Management Services Private Limited
	Epsilon Carbon Private Limited
	JSW Living Private Limited
	JSW International Trade Corp PTE Limited
	Jindal Education Trust
	JSW Paints Private Limited
	Toshiba JSW Power System Private Limited
	MJSJ Coal Limited
	JSW Bengaluru Football Club Private Limited
	JSW Shipping & Logistics Private Limited (formerly known as Utkarsh Advisory Services Private Limited)
	Epsilon Aerospace Private Limited
	Neotrex Steel Wires Private Limited
	Neotrex Steel Private Limited
	Khaitan & Company #
	Vinar Systems Private Limited ## (ceased w.e.f. 31 May 2018)
	Eurokids International Private Limited
	J Sagar Associates
	Danta Enterprises Private Limited
	Glebe Trading Private Limited
	JSW Holdings Limited
	JSL Architecture Limited
	JSW GMR Cricket Private Limited
	JSW Investments Private Limited
	JSW Logistics Infrastructure Private Limited
	Sahyog Holdings Private Limited
	Virtuous Tradecorp Private Limited
	S K Jindal and Sons HUF
	P R Jindal HUF
	Windsor Residency Private Limited
	Tranquil Homes & Holdings Private Limited
	# Mr. Haigreve Khaitan is a partner in Khaitan & Company
	## Mr. Haigreve Khaitan was a director in Vinar Systems Private Limited up to 31 May 2018
5)	**Post-Employment Benefit Entity**
	JSW Steel EPF Trust
	JSW Steel Group Gratuity Trust
	JSW Steel Limited Employee Gratuity Fund

NOTES

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

B. Transactions with related parties

₹ in crores

Particulars	Joint ventures		Other related parties #		Total	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Party's Name						
Purchase of Goods/ Power & fuel/ Services/ Branding expenses						
JSW Energy Limited	-	-	2,489	2,944	2,489	2,944
JSW International Tradecorp PTE Limited	-	-	15,478	18,418	15,478	18,418
Others	84	106	2,166	2,040	2,250	2,146
Total	**84**	**106**	**20,133**	**23,402**	**20,217**	**23,508**
Reimbursement of expenses incurred on our behalf by						
JSW Energy Limited	-	-	3	3	3	3
JSW MI Steel Service Centre Private Limited	-	1	-	-	-	1
JSW Cement, FZE	-	-	1	-	1	-
Others	@	-	@	@	@	@
Total	**@**	**1**	**4**	**3**	**4**	**4**
Sales of Goods/ Power & fuel/ Services/ Assets						
JSW Vallabh Tin Plate Private Limited	312	431	-	-	312	431
Jindal Saw Limited	-	-	1,165	1,198	1,165	1,198
JSW Energy Limited	-	-	404	525	404	525
Jindal Industries Private Limited	-	-	374	646	374	646
Epsilon Carbon Private Limited	-	-	530	543	530	543
Others	497	523	165	346	662	869
Total	**809**	**954**	**2,638**	**3,258**	**3,447**	**4,212**
Other income/ Interest income/ Dividend income						
JSW Energy Limited	-	-	11	2	11	2
JSW Global Business Solutions Limited	-	-	6	6	6	6
JSW Techno Projects Management Limited	-	-	8	11	8	11
India Flysafe Aviation Limited	-	-	20	21	20	21
JSW Projects Limited	-	-	40	2	40	2
Monnet Ispat & Energy Limited	16	7	-	-	16	7
Others	4	4	21	9	25	13
Total	**20**	**11**	**106**	**51**	**126**	**62**
Purchase of assets						
JSW Severfield Structures Limited	762	416	-	-	762	416
Jindal Steel & Power Limited	-	-	238	228	238	228
JSW Cement Limited	-	-	243	148	243	148
Others	16	6	120	44	136	50
Total	**778**	**422**	**601**	**420**	**1,379**	**842**
Capital / revenue advances aiven						
JSW Dharmatar Port Private Limited	-	-	200	-	200	-
Jindal Steel & power Limited	-	-	200	-	200	-
Others	-	@	39	1	39	1
Total	**-**	**@**	**439**	**1**	**439**	**1**
Capital / revenue advances received back						
Jindal Steel & power Limited	-	-	200	-	200	-
JSW Energy Limited	-	-	-	1	-	1
JSW Cement Limited	-	-	-	5	-	5
Total	**-**	**-**	**200**	**6**	**200**	**6**
Security deposit given						
JSW Shipping and Logistics Private Limited (formerly known as Utkarsh Advisory Services Private Limited)	-	-	116	59	116	59
Total	**-**	**-**	**116**	**59**	**116**	**59**
Lease and other deposit received back						
India Flysafe Aviation Limited	-	-	10	10	10	10
Others	-	-	1	1	1	1
Total	**-**	**-**	**11**	**11**	**11**	**11**
Lease deposit received						
JSW Cement Limited	-	-	-	11	-	11
Others	-	-	-	@	-	@
Total	**-**	**-**	**-**	**11**	**-**	**11**
Lease and other advances refunded						
JSW Infrastructure Limited	-	-	-	53	-	53
Total	**-**	**-**	**-**	**53**	**-**	**53**

B. Transactions with related parties

₹ in crores

Particulars	Joint ventures		Other related parties #		Total	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Loan given received back						
JSW Techno Projects Management Limited	-	-	96	-	96	-
JSW Projects Limited	-	-	15	-	15	-
JSW Global Business Solutions Private Limited	-	-	2	11	2	11
Total	-	-	113	11	113	11
Loan given						
JSW Projects Limited	-	-	130	300	130	300
Monnet Ispat & Energy Limited	90	125	-	-	90	125
Others	1	-	-	5	1	5
Total	91	125	130	305	221	430
Donation/ CSR expenses						
JSW Foundation	-	-	75	26	75	26
Total	-	-	75	26	75	26
Recovery of expenses incurred by us on their behalf						
JSW Energy Limited	-	-	9	19	9	19
JSW Cement Limited	-	-	45	43	45	43
JSW International Tradecorp Pte Limited	-	-	119	-	119	-
JSW Jaigarh Port Limited	-	-	3	7	3	7
JSW Infrastructure Limited	-	-	7	6	7	6
Monnet Ispat & Energy Limited	1	15	-	-	-	15
Others	6	4	27	19	33	23
Total	6	19	210	94	216	113
Investments / Share application money given						
JSW Severfield Structures Limited	-	38	-	-	-	38
Rohne Coal Company Private Limited	1	-	-	-	1	-
Creixent Special Steels Limited	-	370	-	-	-	370
Others	@	@	-	-	@	@
Total	1	408	-	-	1	408
Investments / share application money refunded						
Rohne Coal Company Private Limited	@	-	-	-	@	-
Total	@	-	-	-	@	
Interest expenses						
JSW Techno Projects Management Limited	-	-	2	-	2	-
Total	-	-	2	-	2	-
Lease interest cost						
JSW Projects Limited	-	-	132	156	132	156
JSW Techno Projects Management Limited	-	-	84	54	84	54
Others	-	-	17	-	17	-
Total	-	-	233	210	233	210
Lease liabilities / Finance lease obligation repayment						
JSW Projects Limited	-	-	228	204	228	204
Others	-	-	26	8	26	8
Total	-	-	254	212	254	212
Loan refunded						
JSW Techno Projects Management Limited	-	-	6	-	6	-
Total	-	-	6	-	6	-
Liabilities written back						
JSW MI Steel Service Centre Private Limited	-	3	-	-	-	3
South West Port Limited	-	-	-	3	-	3
Jindal Saw Limited	-	-	-	3	-	3
JSW Projects Limited	-	-	-	3	-	3
JSW Infrastructure Limited	-	-	-	11	-	11
Others	-	@	-	1	-	2
Total	-	3	-	21	-	25
Dividend paid						
JSW Holdings Limited	-	-	73	57	73	57
JSW Techno Projects Management Limited	-	-	101	74	101	74
Sahyog Holdings Private Limited	-	-	46	35	46	35
Others	-	-	99	76	99	76
Total	-	-	319	242	319	242

@ less than ₹ 0.50 crore.

includes relatives of KMP.

NOTES

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

Notes:

1. The Group makes monthly contributions to provident fund managed by JSW Steel EPF Trust for qualifying Vijayanagar employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Group contributed ₹ 22 crores (previous year ₹ 20 crores).
2. The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). During the year, the Group contributed ₹Nil crores (previous year ₹ 5 crores).
3. During the year, the Company has transferred environment clearance certificate issued for its slag grinding & mixing unit to JSW Cement Limited for no consideration.

Compensation to Key Management Personnel

₹ in crores

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

Notes:

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

Terms and conditions

Sales:

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

Purchases:

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

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

D. Amount due to / from related parties

₹ in crores

Particulars	Joint ventures		Other related parties		Total	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Party's Name						
Trade payables						
JSW Energy Limited	-	-	377	245	377	245
JSW International Trade Corp PTE Limited	-	-	1,499	1,398	1,499	1,398
Others	115	8	532	303	647	311
Total	**115**	**8**	**2,408**	**1,946**	**2,523**	**1,954**
Advance received from customers						
JSW Structural Metal Decking Limited	1	-	-	-	1	-
Monnet ipat & Energy limited	2	-	-	-	2	-
Jindal Saw Limited	-	-	1	-	1	-
Others	-	-	@	@	@	@
Total	**3**	**-**	**1**	**@**	**4**	**@**
Lease & other deposit received						
JSW Severfield Structures Limited	13	13	-	-	13	13
JSW Energy Limited	-	-	11	11	11	11
Jindal Saw Limited	-	-	5	5	5	5
JSW Cement Limited	-	-	11	11	11	11
Others	-	-	12	12	12	12
Total	**13**	**13**	**39**	**39**	**52**	**52**
Trade receivables						
JSW Vallabh Tin Plate Private Limited	-	83	-	-	-	83
JSW MI Steel Service Centre Private Limited	44	42	-	-	44	42
Jindal Industries Private Limited	-	-	8	24	8	24
Jindal Saw Limited	-	-	34	34	34	34
Epsilon Carbon Private Limited	-	-	109	124	109	124
Others	@	22	6	26	6	48
Total	**44**	**147**	**157**	**208**	**201**	**355**
Share application money given						
Gourangdih Coal Limited	1	@	-	-	1	@
Others	-	@	-	-	-	@
Total	**1**	**@**	**-**	**-**	**1**	**@**
Capital / Revenue advance						
Monnet Ispat & Energy Limited	36	1	-	-	36	1
Rohne Coal Company Private Limited	22	19	-	-	22	19
JSW Severfield Structures Limited	-	42	-	-	-	42
JSW Projects Limited	-	-	49	50	49	50
Jindal Steel & Power Limited	-	-	-	33	-	33
JSW IP Holdings Private Limited	-	-	10	18	10	18
JSW Dharamatar Port Private Limited	-	-	200	-	200	-
Others	6	5	8	2	14	7
Total	**64**	**67**	**267**	**103**	**331**	**172**
Lease and other deposits given						
JSW Shipping and Logistics Private Limited (formerly known as Utkarsh Advisory Services Private Limited)	-	-	175	59	175	59
India Flysafe Aviation Limited	-	-	193	203	193	203
Total	**-**	**-**	**368**	**262**	**368**	**262**
Loan and advances given						
JSW Shipping and Logistics Private Limited (formerly known as Utkarsh Advisory Services Private Limited)	-	-	-	105	-	105
JSW Projects Limited	-	-	415	300	415	300
Monnet Ispat & Energy Limited	215	125	-	-	215	125
Others	1	@	18	20	19	20
Total	**216**	**125**	**433**	**425**	**649**	**550**
Interest receivable						
JSW Techno Projects Management Limited	-	-	9	-	9	-
Others	-	-	1	-	1	-
Total	**-**	**-**	**10**	**-**	**10**	**-**

NOTES

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

₹ in crores

Particulars	Joint ventures		Other related parties		Total	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Lease liabilities / Finance lease obligation						
JSW Projects Limited	-	-	1,052	1,280	1,052	1,280
JSW Techno Projects Management Limited	-	-	550	567	550	567
JSW Jaigarh Port Limited	-	-	46	-	46	-
JSW Dharamatar Port Private Limited	-	-	138	-	138	-
Total	-	-	1,786	1,847	1,786	1,847

@ less than ₹ 0.50 crore.

Note:

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). As on 31 March 2020, the fair value of plan assets was as ₹92 crores (As at 31 March 2019: ₹87 crores).

45. Contingent liabilities:

₹ in crores

	Particulars	As at 31 March 2020	As at 31 March 2019
(i)	Guarantees	82	47
(ii)	Disputed claims/levies (excluding interest, if any), in respect of:		
	Excise duty	491	463
	Custom-duty	774	741
	Income tax	32	21
	Sales tax / Special entry tax	1,509	1,334
	Service tax	702	659
	Miscellaneous	-	9
	Levies by local authorities	54	53
	Levies relating to Energy / Power Obligations	277	208
	Claim by suppliers and other parties	98	90

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

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

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

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

e) Income Tax cases includes disputes pertaining to transfer pricing, deduction u/s 80-IA and other matters.

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

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

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

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

(iii)	Claims related to Forest Development Tax / Fee	2,588	2,160
	Amount paid under protest	920	920

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

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

46. Commitments

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	13,929	18,044
Other commitments		
a) The Group has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports. Such export obligations at year end aggregate to	17,407	11,742
b) The Group has given guarantees to Commissioner of Customs in respect of goods imported.	127	127
c) The Company has entered into a five-year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. ("DSA") for supply of Steel Products. Duferco S.A has provided an interest bearing advance amount of US $700 million under this agreement, secured by committed export of steel products to Duferco S.A. Out of this US $590 million is pending towards fulfilment.		
d) Minimum commission payable under a purchase contract - ₹ 111 crores.		

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

i) ₹725 crores relating to overseas subsidiaries towards the value of Property, plant and equipment (PPE) (including CWIP), Goodwill, Intangibles and other assets based on the overall assessment of recoverable value considering increased uncertainty in restarting the Iron ore mining operations at Chile on account of COVID-19 outbreak.

The provision of ₹ 725 crores include ₹ 143 crores towards PPE, ₹ 9 crores towards CWIP, ₹ 7 crores towards Intangible assets, ₹ 513 crores towards Goodwill and ₹ 53 crores towards advances.

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

48. In assessing the carrying amounts of Goodwill, PPE, Capital work-in-progress (CWIP), ROU, Inventories and Advances (net of impairment loss / loss allowance) aggregating to ₹ 9,141 crores (₹ 6,875 crores as at 31 March 2019) relating to certain businesses (listed below), the Company considered various factors as detailed there against and concluded that they are recoverable.

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

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

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

i. PPE (including CWIP and advances) of ₹ 4,314 crores (₹ 3,886 crores as at 31 March 2019) relating to steel operations at Baytown, USA – Estimate of values of the businesses and assets by independent external valuers based on cash flow projections at a pre-tax discount rate of 12.7 %. The said assessment includes significant assumptions such as discount rate, increase in operational performance on account of committed capital expenditure, future margins and the likely impact of COVID-19 on the said operations.

ii. Goodwill, PPE, CWIP and Capital advances of ₹266 crores (₹244 crores as at 31 March 2019),

₹446 crores (₹421 crores as at 31 March 2019), ₹9 crores (₹2 crores as at 31 March 2019) and ₹3 crores (₹5 crores as at 31 March 2019) respectively relating to coal mines at West Virginia, USA – Estimate of values of the businesses and assets by independent external valuers based on cash flow projections over a period of the lease at a pre-tax discount rate of 16.7 %. In making the said projections, reliance has been placed on estimates of future prices of coal, mineable resources, and assumptions relating to operational performance, availability of infrastructure facilities for mines and likely impact of COVID-19 on the said operations.

iii. PPE (including CWIP) of ₹ 1,812 crores and goodwill of ₹ 98 crores relating to steel operations at Ohio, USA – Estimate of values of the businesses and assets by independent external valuers based on cash flow projections at a pre-tax discount rate of 18.4 %. The said assessment includes significant assumptions such as discount rate, increase in operational performance on account of committed capital expenditure, future margins and the likely impact of COVID-19 on the said operations.

iv. PPE (including CWIP) of ₹ 543 crores relating to steel operations at Piombino, Italy - Estimate of values of the businesses and assets by independent external valuers based on cash flow projections at a pre-tax discount rate ranging from 11.5% to 12.9%. The said assessment includes significant assumptions such as discount rate, increase in operational performance on account of committed capital expenditure, future margins and the likely impact of COVID-19 on the said operations.

v. Integrated Steel Complex at Salboni, Bengal [PPE ₹219 crores (₹229 crores as at 31 March 2019), CWIP ₹14 crores (₹ 15 crores as at 31 March 2019), ROU assets ₹78 crores (₹74 crores as at 31 March 2019) and advances ₹148 crores (₹148 crores as at 31 March 2019)] – Evaluation of current status of the integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal and the plans for commencing construction of the said complex.

vi. Integrated Steel Complex at Ranchi, Jharkhand [PPE ₹45 crores (₹45 crores as at 31 March 2019), CWIP ₹31 crores (₹31 crores as at 31 March 2019) and Advances ₹1 crore (₹1 crore as at 31 March 2019)] – Evaluation of current status of the integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand and the plans for commencing construction of the said complex.

vii. Goodwill ₹24 crores (₹24 crores as at 31 March 2019) and Inventories ₹91 crores (₹121 crores as at 31 March 2019) relating to interest in a real estate property – Valuation of the property by an independent expert.

viii. PPE ₹ 95 crores including mining development and projects ₹84 crores (₹87 crores including mining development and projects ₹76 crores as at 31 March 2019) and goodwill ₹8 crores (₹7 crores as at 31 March 2019) relating to coal mines at Mozambique – Assessment of mineable reserves by independent experts based on plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities and infrastructure is developed.

ix. PPE (including CWIP) of ₹ 446 crores (₹ 374 crores as at 31 March 2019) of a subsidiary JSW Realty & Infrastructure Private Limited, – Estimates of value of business based on the cash flow projections approved by the Management. The assessments includes significant assumptions relating to operational performance, expansion, rentals and other charges, inflation and terminal value.

x. Investment in equity shares (net of share of profits) and preference shares of Creixent Special Steels Limited, a joint venture, ₹ 449 crores (₹ 551 crores as at 31 March 2019) and a loan of ₹ 1 crore– Estimates of value of business based on the cash flow projections approved by the management. The assessments include significant assumptions such as expansion, capacity utilisation, operational performance, future margins, discount rates, and terminal value.

49. Research and development activities

The manufacturing and other expenses include ₹ 33 crores (previous year – ₹ 37 crores) in respect of research and development activities undertaken during the year. Depreciation expenditure includes ₹13 crores (previous year – ₹13 crores) in respect of research and development activities undertaken during the year.

50. Joint ventures

Details of the Group's material joint ventures are as follows:

Name of the Joint venture	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		Principal activity
		31 March 2020	31 March 2019	
JSW Severfield Structures Limited	India	50%	50%	Design, fabrication and erection of structural steel works
JSW Structural Metal Decking Limited	India	33.33%	33.33%	Metal Deckings
Rohne Coal Company Private Limited	India	49%	49%	Coal mining company
JSW MI Steel Service Center Private Limited	India	50%	50%	Steel service centre
JSW Vallabh Tin Plate Private Limited (up to 31 December 2019)	India	-	50%	Steel plant
Vijayanagar Minerals Private Limited	India	40%	40%	Supply of iron ore
Gourangdih Coal Limited	India	50%	50%	Coal mining company
Accialtalia S.p.A. (up to 16 April 2018)	Italy	-	-	Trading in steel products
Geo Steel LLC	Georgia	-	49%	Manufacturing of TMT rebar
Creixent Special Steels Limited (w.e.f. 27 August 2018)	India	48%	48%	Investment in steel related & allied businesses and trading in steel products
Monnet Ispat & Energy Limited (w.e.f. 31 August 2018)	India	23.10%	23.10%	Manufacturing & marketing of sponge iron, steel & Ferro alloys

The above joint ventures are accounted using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's, material joint ventures are set out below. The summarised financial information below represents amounts shown in joint ventures financial statements prepared in accordance with the local GAAP (adjusted by the Group for equity accounting purposes).

a) Financial information of joint ventures as at 31 March 2020

₹ in crores

Particulars	JSW Severfield Structures Limited	JSW MI Steel Service Center Private Limited	Creixent Special Steels Limited
Current Assets	716	119	1,259
Non-current Assets	318	240	3,587
Current liabilities	686	74	1,344
Non-current liabilities	19	116	2,906
The above amount of assets and liabilities include the following:			
Cash and cash equivalents	3	21	36
Current financial liabilities (excluding trade and other payables and provisions)	146	14	817
Non-current financial liabilities (excluding trade and other payables and provisions)	16	113	2,880
Revenue	995	305	2,639
Profit / (loss) for the year	59	7	(549)
Other comprehensive income for the year	@	2	(29)
Total comprehensive income for the year	59	9	(578)
Dividends received from the joint venture during the year	-	-	-
The above profit/(loss) for the year include the following:			
Depreciation and amortisation	21	9	213
Interest income	4	3	12
Interest expense	33	8	319
Income tax expense (income)	1	4	-
Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:			
Net assets of the joint venture	326	170	65
Proportion of the Group's ownership interest in the joint venture	50%	50%	48%
Other adjustments	-	-	-
Carrying amount of the Group's interest in the joint venture	163	85	31

NOTES

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

b) Financial information of joint ventures as at 31 March 2019

₹ in crores

Particulars	JSW Severfield Structures Limited	JSW MI Steel Service Center Private Limited	JSW Vallabh Tin Plate Private Limited	Geo Steel LLC	Creixent Special Steels Limited
Current Assets	741	127	95	637	1,106
Non-current Assets	220	206	180	144	3,611
Current liabilities	688	64	172	364	976
Non-current liabilities	2	108	45	-	2,570
The above amount of assets and liabilities include the following:					
Cash and cash equivalents	89	36	2	125	166
Current financial liabilities (excluding trade and other payables and provisions)	2	22	77	345	576
Non-current financial liabilities (excluding trade and other payables and provisions)	-	108	43	-	2,567
Revenue	788	258	626	469	-
Profit / (loss) for the year	30	12	(4)	61	-
Other comprehensive income for the year	@	-	@	-	-
Total comprehensive income for the year	30	12	(4)	61	-
Dividends received from the joint venture during the year	-	-	-	-	-
The above profit/(loss) for the year include the following:					
Depreciation and amortisation	16	7	11	17	129
Interest income	4	5	@	3	9
Interest expense	21	7	16	1	148
Income tax expense (income)	1	3	-	11	-
Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:					
Net assets of the joint venture	267	161	58	416	370
Proportion of the Group's ownership interest in the joint venture	50%	50%	50%	49%	48%
Other adjustments	-	-	-	-	-
Carrying amount of the Group's interest in the joint venture	133	81	29	204	178

@- between ₹ (0.50) crore to ₹ 0.50 crore.

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

₹ in crores

Particulars	As at 31 March 2020	As at 31 March 2019
Aggregate carrying amount of the Group's interest in these joint ventures	4	4
Profit / (loss) from continuing operations	@	@
Post tax profit/(loss) from continuing operations	@	@
Other comprehensive income	-	-
Total comprehensive income	@	@

@ between ₹ (0.50) crore to ₹ 0.50 crore.

51. Subsidiaries

Details of the Group's subsidiaries at the end of reporting period are as follows:

Name of the subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		Principal activity
		31 March 2020	31 March 2019	
JSW Steel (Netherlands) B.V.	Netherlands	100%	100%	Acquisition and investment in steel related & allied businesses and trading in steel products
JSW Steel Italy S.r.L.	Italy	100%	100%	Trading in steel products and Holding company of JSW Steel Italy Piombino S.p.A., Piombino Logistics S.p.A. – A JSW Enterprise and GSI Lucchini S.p.A.
JSW Steel Italy Piombino S.p.A. (formerly known as Aferpi S.p.A.) (w.e.f. 24 July 2018)	Italy	100%	100%	Produces & distributes special long steel products
Piombino Logistics S.p.A. – A JSW Enterprise (formerly known as Piombino Logistics S.p.A.) (w.e.f. 24 July 2018)	Italy	100%	100%	Manages the logistic infrastructure of piombino's port area
GSI Lucchini S.p.A. (w.e.f. 24 July 2018)	Italy	69.27%	69.27%	Producer of forged steel balls
JSW Steel (UK) Limited	United Kingdom	100%	100%	Investment in steel related and steel allied businesses
Periama Holdings, LLC	United States of America	100%	100%	Holding company of JSW Steel (USA) Inc. and West Virginia operations
JSW Steel (USA) Inc.	United States of America	90%	90%	Manufacturing plates, pipes and double jointing
Purest Energy, LLC	United States of America	100%	100%	Holding company
Meadow Creek Minerals, LLC	United States of America	100%	100%	Mining company
Hutchinson Minerals, LLC	United States of America	100%	100%	Mining company
R.C. Minerals, LLC	United States of America	100%	100%	Mining company
Keenan Minerals, LLC	United States of America	100%	100%	Mining company
Peace Leasing, LLC	United States of America	100%	100%	Mining company
Prime Coal, LLC	United States of America	100%	100%	Management company
Planck Holdings, LLC	United States of America	100%	100%	Holding company
Rolling S Augering, LLC	United States of America	100%	100%	Mining company
Periama Handling, LLC	United States of America	100%	100%	Coal loading company
Lower Hutchinson Minerals, LLC	United States of America	100%	100%	Mining company
Caretta Minerals, LLC	United States of America	100%	100%	Mining company
JSW Panama Holdings Corporation	Republic of Panama	100%	100%	Holding company for Chile based companies and trading in iron ore
Inversiones 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 (w.e.f. 15 June 2018)	United States of America	100%	100%	Investment in steel related and steel allied businesses
JSW Steel (USA) Ohio, Inc. (w.e.f. 15 June 2018)	United States of America	100%	100%	Manufacturing of slabs and hot rolled coils.
JSW Bengal Steel Limited	India	98.69%	98.69%	Steel plant
JSW Natural Resources India Limited	India	98.69%	98.69%	Mining related company
JSW Energy (Bengal) Limited	India	98.69%	98.69%	Power plant
JSW Natural Resources Bengal Limited	India	98.69%	98.69%	Mining related company

NOTES

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

Name of the subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group 31 March 2020	31 March 2019	Principal activity
JSW Jharkhand Steel Limited	India	100%	100%	Steel plant and mining
JSW Steel Coated Products Limited	India	100%	100%	Steel plant
Amba River Coke Limited	India	100%	100%	Coke oven and Pellet plant
Nippon Ispat Singapore (PTE) Limited	Singapore	100%	100%	Mining company
Erebus Limited	Mauritius	100%	100%	Mining company
Arima Holdings Limited	Mauritius	100%	100%	Mining company
Lakeland Securities Limited	Mauritius	100%	100%	Mining company
Peddar Realty Private Limited	India	100%	100%	Real estate
JSW Realty & Infrastructure Private Limited	India	0%	0%	Construction and development of residential township
JSW Industrial Gases Private Limited	India	100%	100%	Production of gaseous and liquid form of oxygen, nitrogen, argon and other products recoverable from separation of air
JSW Utkal Steel Limited	India	100%	100%	Steel plant
JSW Retail Limited (w.e.f. 20 September 2018)	India	100%	100%	Trading in steel and allied products
Hasaud Steel Limited	India	100%	100%	Investment in steel related activities
Vardhman Industries Limited (w.e.f. 31 December 2019)	India	100%	-	Steel plant
JSW Vallabh Tin Plate Private Limited (w.e.f. 31 December 2019)	India	73.55%	-	Steel plant
JSW Vijayanagar Metallics Limited (w.e.f. 24 December 2019)	India	100%	-	Steel plant
Piombino Steel Limited (w.e.f. 6 June 2019)	India	100%	-	Trading in steel products
Makler Private Limited (w.e.f. 6 June 2019)	India	100%	-	Trading in steel products

Summarised financial information in respect of the Group's, material subsidiary that has non-controlling interests is set out below. The amount disclosed for each subsidiary are before inter-company elimination.

Financial information of non-controlling interest as on 31 March 2020

₹ in crores

Particulars	JSW Realty & Infrastructure Limited	JSW Vallabh Tin Plate Private Limited	Santa Fe Mining (Consolidated)	JSW Steel (USA), Inc.	GSI Luchhini S.p.A
Non-current assets	504	214	-	4,314	29
Current assets	54	101	16	1,318	305
Non-current liabilities	394	37	-	4,631	8
Current liabilities	60	183	489	1,676	187
Equity attributable to owners of the Company	-	70	(331)	(164)	80
Non-controlling interest	104	25	(142)	(511)	59
Revenue	41	107	-	2,207	362
Expenses	48	108	218	3,155	361
Profit/ (loss) for the year	33	(1)	(218)	423	1
Profit / (loss) attributable to owners of the Company	-	(1)	(153)	380	1
Profit / (loss) attributable to the non-controlling interest	33	@	(65)	42	@
Profit / (loss) for the year	33	(1)	(218)	423	1
Other comprehensive income attributable to owners of the Company	-	@	-	-	-
Other comprehensive income attributable to the non-controlling interests	@	@	-	-	@
Other comprehensive income for the year	@	@	-	-	@
Total comprehensive income attributable to the owners of the Company	-	(1)	(153)	380	1
Total comprehensive income attributable to the non-controlling interests	33	@	(65)	42	-
Total comprehensive income for the year	33	(1)	(218)	423	1
Net cash inflow / (outflow) from operating activities	38	4	(9)	323	10
Net cash inflow / (outflow) from investing activities	(60)	(1)	-	(442)	(2)
Net cash inflow / (outflow) from financing activities	49	(3)	9	133	2
Net increase / (decrease) in cash and cash equivalents	27	@	@	14	10

@ between ₹ (0.50) crore to ₹ 0.50 crore.

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

₹ in crores

Particulars	JSW Realty & Infrastructure Limited	Santa Fe Mining	JSW Steel (USA), Inc.	GSI Luchhini S.p.A
Non-current assets	436	186	3,926	29
Current assets	18	21	1,349	199
Non-current liabilities	53	10	3,960	7
Current liabilities	335	417	1,120	89
Equity attributable to owners of the Company	-	(154)	583	76
Non-controlling interest	66	(66)	(388)	56
Revenue	32	-	2,927	162
Expenses	75	18	3,389	169
Profit/ (loss) for the year	(20)	(18)	(373)	(6)
Profit / (loss) attributable to owners of the Company	-	(13)	(336)	(4)
Profit / (loss) attributable to the non-controlling interest	(20)	(5)	(37)	(2)
Profit / (loss) for the year	(20)	(18)	(373)	(6)
Other comprehensive income attributable to owners of the Company	-	-	-	-
Other comprehensive income attributable to the non-controlling interests	@	-	-	-
Other comprehensive income for the year	@	-	-	-
Total comprehensive income attributable to the owners of the Company	-	(13)	(336)	(4)
Total comprehensive income attributable to the non-controlling interests	(20)	(5)	(37)	(2)
Total comprehensive income for the year	(20)	(18)	(373)	(6)
Net cash inflow / (outflow) from operating activities	(78)	(19)	(345)	4
Net cash inflow / (outflow) from investing activities	(76)	-	(297)	@
Net cash inflow / (outflow) from financing activities	150	19	563	16
Net cash inflow / (outflow)	(4)	@	(79)	20

@ between ₹ (0.50) crore to ₹ 0.50 crores

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

53. Subsequent events

On 22 May 2020, the board of directors recommended a final dividend of ₹ 2.00 (Rupees two only) per equity share of ₹1 each to be paid to the shareholders for the financial year 2019-20, which is subject to approval by the shareholders at the Annual General Meeting to be held on 23 July 2020. If approved, the dividend would result in cash outflow of ₹ 483 crores.

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

NOTES

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

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

₹ in crores

Name of entity in the group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
PARENT COMPANY								
JSW Steel Limited	71.35	25,702	161.85	6,343	60.57	(679)	202.43	5,664
SUBSIDIARIES								
INDIAN								
Vardhmaan Industries Limited	0.18	64	0.03	1	-	@	0.04	1
JSW Bengal Steel – Group	1.29	464	(0.28)	(11)	-	-	(0.39)	(11)
Amba River Coke Limited	5.38	1,939	5.87	230	2.77	(31)	7.11	199
JSW Steel Coated Products Limited	6.68	2,405	7.35	288	8.47	(95)	6.90	193
JSW Jharkhand Steel Limited	0.21	77	(0.15)	(6)	-	@	(0.21)	(6)
Peddar Realty Private Limited	0.32	114	0.28	11	-	-	0.39	11
JSW Vallabh Tinplate Private Limited	0.37	135	0.05	2	-	@	0.07	2
JSW Realty & Infrastructure Private Limited	1.70	612	(0.79)	(31)	-	-	(1.11)	(31)
JSW Industrial Gases Private Limited	0.65	233	1.12	44	-	@	1.57	44
JSW Utkal Steel Limited	0.23	82	(0.08)	(3)	-	-	(0.11)	(3)
Hasaud Steel Limited	-	@	-	@	-	-	-	-
JSW Vijayanagar Metallics Limited	-	@	-	@	-	-	-	-
Piombino Steel Limited – Group	0.02	7	(0.03)	(1)	-	-	(0.04)	(1)
JSW Retail Limited	(0.00)	(1)	0.03	1	-	-	0.04	1
FOREIGN								
JSW Steel (Netherlands) B.V.	(5.10)	(1,836)	(1.15)	(45)	-	-	(1.61)	(45)
Periama Holding LLC – Group	13.26	4,777	(17.45)	(684)	-	-	(24.45)	(684)
JSW Panama Holdings Corporation – Group	0.23	83	(16.89)	(662)	-	-	(23.66)	(662)
JSW Steel (UK) Limited	0.37	134	(0.13)	(5)	-	-	(0.18)	(5)
JSW Natural Resources Limited – Group	0.35	125	-	@	-	-	-	-
Arima Holding Limited	-	@	-	@	-	-	-	-
Lakeland Securities Limited	-	@	-	@	-	-	-	-
Erebus Limited	-	@	-	@	-	-	-	-
Nippon Ispat Singapore (PTE) Limited	-	@	-	@	-	-	-	-
JSW Steel Italy S.R.L. – Group	-	@	(0.28)	(11)	-	-	(0.39)	(11)
Acero Holdings Junction Inc. – Group	2.12	763	(24.16)	(947)	-	-	(33.85)	(947)
JSW Steel Italy Piombino S.p.A	0.72	260	(9.11)	(357)	-	-	(12.76)	(357)
Piombino Logistics S.p.A	0.18	65	(0.66)	(26)	-	-	(0.93)	(26)
GSI Luchini S.p.A.	0.14	51	(0.28)	(11)	-	-	(0.39)	(11)
NON-CONTROLLING INTEREST IN ALL SUBSIDIARIES	(1.43)	(515)	(2.83)	(111)	4.01	(45)	(5.58)	(156)

NOTES

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

₹ in crores

Name of entity in the group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
JOINT VENTURES (investment as per the equity method)								
INDIAN								
Vijayanagar Minerals Private Limited	0.01	2	-	@	-	-	-	-
Rohne Coal Company Private Limited	-	-	-	-	-	-	-	-
JSW Severfield Structures Limited – Group	0.45	163	0.33	13	-	-	0.46	13
Gourangdih Coal Limited	0.01	2	-	@	-	-	-	-
JSW MI Steel Service Center Private Limited	0.24	86	0.10	4	-	-	0.14	4
JSW Vallabh Tinplate Private Limited	-	-	0.15	6	-	-	0.21	6
Creixent Special Steels Limited - Group	0.09	31	(3.57)	(140)	-	-	(5.00)	(140)
FOREIGN								
Geo Steel LLC	-	-	0.69	27	-	-	0.96	27
Foreign currency translation reserve	-	-	-	-	24.17	(271)	(9.69)	(271)
Total	**100.00**	**36,024**	**100.00**	**3,919**	**100.00**	**(1,121)**	**100.00**	**2,798**

@ Less than ₹ 0.50 crore.

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

56. Standards issued but not yet effective

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

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

per VIKRAM MEHTA
Partner
Membership No.: 105938

Place: Mumbai
Date: 22 May 2020

RAJEEV PAI
Chief Financial Officer

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

For and on behalf of the Board of Directors

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

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

Form AOC-I

(Information of Subsidiaries, JVs and Associates as required under first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A: Subsidiaries

₹ in crores

	Name of the Subsidiary	JSW Steel Coated Products Limited	Amba River Coke Limited	JSW Industrial Gases Private Limited	JSW Retail Limited	JSW Vallabh Tin Plate Private Limited #	Vardhman Industries Limited #	JSW Bengal Steel Limited	JSW Natural Resources India Limited	JSW Energy (Bengal) Limited	JSW Natural Resources Bengal Limited
A	Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
B	Exchange Rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
C	Share Capital	800.05	931.90	92.08	0.01	50.04	4.50	458.21	107.33	29.86	64.20
D	Reserves and Surplus	1,959.99	928.01	173.38	1.31	19.79	29.92	37.60	(5.05)	38.54	(3.95)
E	Total Assets	7,675.60	3,497.00	296.24	4.29	279.21	92.08	503.99	102.30	68.74	60.26
F	Total Liabilities	4,915.56	1,637.09	30.78	2.97	209.38	57.66	8.18	0.02	0.34	0.01
G	Investment	42.82	30.79	0.03	-	-	14.46	137.19	-	64.28	1.67
H	Turnover	11,675.28	3,902.74	574.57	17.16	537.35	92.49	-	-	-	-
I	Profits/(Losses) Before Taxes	276.17	204.05	49.29	1.75	17.33	(12.27)	(10.36)	(0.13)	(0.06)	0.03
J	Provision for Taxation	(19.69)	9.62	5.18	0.44	5.27	(12.76)	0.40	0.08	0.07	0.01
K	Profits/(Losses) After Taxes	295.86	194.43	44.11	1.31	12.06	0.49	(10.76)	(0.21)	(0.13)	0.02
L	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
M	% of shareholding	100.00%	100.00%	100.00%	100.00%	73.55%	100.00%	98.69%	98.69%	98.69%	98.69%

₹ in crores

	Name of the Subsidiary	Peddar Realty Private Limited	JSW Utkal Steel Limited	JSW Jharkhand Steel Limited	JSW Realty & Infrastructure Private Limited	Hasaud Steel Limited	JSW Vijayanagar Metallics Limited	Makler Private Limited *	Piombino Steel Limited*	JSW Steel (USA) Inc.	JSW Steel (USA) Ohio Inc
A	Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	USD	USD
B	Exchange Rate	NA	NA	NA	NA	NA	NA	NA	NA	75.39	75.39
C	Share Capital	0.01	49.75	93.03	0.01	0.22	0.01	4.15	7.80	6,053.49	246.78
D	Reserves and Surplus	(20.20)	31.55	(16.27)	104.17	(0.21)	(0.03)	(3.77)	(3.51)	(6,713.20)	(1,750.46)
E	Total Assets	91.63	91.45	78.10	558.46	0.01	0.19	68.71	4.97	5,617.53	2,029.69
F	Total Liabilities	111.82	10.15	1.34	454.28	-	0.21	68.33	0.68	6,277.24	3,533.37
G	Investment	-	-	-	48.39	-	-	-	4.15	-	-
H	Turnover	45.30	-	-	56.26	-	-	66.25	-	2,347.86	1,395.38
I	Profits/(Losses) Before Taxes	13.90	(2.23)	(5.56)	27.39	(0.01)	(0.03)	(0.81)	(0.74)	(1,008.16)	(1,020.19)
J	Provision for Taxation	2.43	-	0.10	(5.39)	-	-	-	-	(146.25)	-
K	Profits/(Losses) After Taxes	11.47	(2.23)	(5.66)	32.78	(0.01)	(0.03)	(0.81)	(0.74)	(861.91)	(1,020.19)
L	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
M	% of shareholding	100.00%	100.00%	100.00%	0.00%	100.00%	100.00%	100.00%	100.00%	90.00%	100.00%

Part A: Subsidiaries (Continued)

₹ in crores

	Name of the Subsidiary	JSW Steel Italy Piombino S.p.A.	Piombino Logistics S.p.A. - A JSW Enterprise	GSI Luchini S.p.A.	Caretta Minerals LLC	Prime Coal LLC	Planck Holdings LLC	Rolling S Augering LLC	Periama Handling LLC	Lower Hutchinson Minerals LLC	Meadow Creek Minerals LLC
A	Reporting Currency	EURO	EURO	EURO	USD	USD	USD	USD	USD	USD	USD
B	Exchange Rate	83.05	83.05	83.05	75.39	75.39	75.39	75.39	75.39	75.39	75.39
C	Share Capital	175.01	11.80	22.72	610.97	0.79	560.51	33.27	30.17	12.22	30.63
D	Reserves and Surplus	(176.32)	(12.99)	89.93	(266.37)	(106.31)	(177.16)	(83.85)	(78.85)	(21.96)	(88.94)
E	Total Assets	1,782.84	110.54	303.57	834.67	0.41	649.66	0.04	-	0.83	0.25
F	Total Liabilities	1,784.15	111.73	190.92	490.07	105.93	266.31	50.62	48.68	10.57	58.56
G	Investment	14.33	-	-	-	-	613.69	-	-	-	-
H	Turnover	2,861.34	75.78	381.23	205.86	-	-	-	-	-	-
I	Profits/(Losses) Before Taxes	(281.93)	(14.18)	1.15	(37.80)	(6.31)	(20.96)	(2.62)	(2.85)	(0.80)	(3.50)
J	Provision for Taxation	(24.12)	-	0.10	-	-	26.86	-	-	-	-
K	Profits/(Losses) After Taxes	(257.81)	(14.18)	1.05	(37.80)	(6.31)	(47.82)	(2.62)	(2.85)	(0.80)	(3.50)
L	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
M	% of shareholding	100.00%	100.00%	69.27%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

₹ in crores

	Name of the Subsidiary	Keenan Minerals LLC	Hutchinson Minerals LLC	Peace Leasing LLC	R.C. Minerals LLC	Purest Energy LLC	JSW Steel (Netherlands) B.V.	Periama Holdings LLC	Acero Junction Holdings Inc	JSW Steel Italy S.R.L.	JSW Steel (UK) Limited
A	Reporting Currency	USD	USD	USD	USD	USD	USD	USD	USD	EURO	GBP
B	Exchange Rate	75.39	75.39	75.39	75.39	75.39	75.39	75.39	75.39	83.05	93.08
C	Share Capital	4.06	38.50	-	58.24	93.10	345.30	108.18	246.78	103.98	142.19
D	Reserves and Surplus	(8.77)	(55.58)	(0.25)	(69.94)	(168.20)	(1,504.97)	(1,149.64)	1.68	(2.91)	(132.29)
E	Total Assets	-	0.29	-	-	-	917.21	7,024.59	1,873.56	612.85	134.07
F	Total Liabilities	4.71	17.37	0.25	11.70	75.10	2,076.88	8,066.05	1,625.10	511.78	124.17
G	Investment	-	-	-	-	-	284.24	1,799.82	246.78	611.68	-
H	Turnover	-	-	-	-	-	-	-	-	-	-
I	Profits/(Losses) Before Taxes	(0.04)	(0.15)	(0.01)	(0.01)	(2.12)	(40.40)	(408.01)	3.02	(62.31)	(11.72)
J	Provision for Taxation	-	-	-	-	-	-	138.09	-	-	-
K	Profits/(Losses) After Taxes	(0.04)	(0.15)	(0.01)	(0.01)	(2.12)	(40.40)	(546.10)	3.02	(62.31)	(11.72)
L	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
M	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Part A: Subsidiaries (Continued)

₹ in crores

	Name of the Subsidiary	JSW Panama holdings Corporation	Inversiones Eurosh Limitada	Santa Fe Mining	Santa Fe Puerto S.A.	JSW Natural Resources Limited	JSW Natural Resources Mozambique Limitada	JSW ADMS Carvao Limitada	Nippon Ispat Singapore (PTE) Limited	Arima Holdings Limited	Erebus Limited	Lakeland Securities Limited
A	Reporting Currency	USD	USD	USD	USD	USD	USD	USD	SGD	USD	USD	USD
B	Exchange Rate	75.39	75.39	75.39	75.39	75.39	75.39	75.39	53.80	75.39	75.39	75.39
C	Share Capital	0.75	0.33	14.83	0.37	102.94	141.79	-	4.22	37.99	162.40	0.26
D	Reserves and Surplus	44.93	(754.71)	(274.84)	(13.49)	(68.02)	(115.16)	2.14	(9.36)	(38.30)	(162.71)	(0.58)
E	Total Assets	45.70	484.49	228.63	-	223.91	114.62	87.97	-	0.02	0.02	0.02
F	Total Liabilities	0.02	1,238.87	488.64	13.12	188.99	87.99	85.83	5.14	0.33	0.33	0.34
G	Investment	0.31	10.38	-	-	141.79	8.07	-	-	-	-	-
H	Turnover	-	-	-	-	-	-	-	-	-	-	-
I	Profits/(Losses) Before Taxes	1.38	(42.28)	(19.17)	-	(4.82)	(0.18)	0.63	(0.01)	(0.07)	(0.07)	(0.07)
J	Provision for Taxation	-	-	-	-	-	-	-	-	-	-	-
K	Profits/(Losses) After Taxes	1.38	(42.28)	(19.17)	-	(4.82)	(0.18)	0.63	(0.01)	(0.07)	(0.07)	(0.07)
L	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
M	% of shareholding	100.00%	100.00%	70.00%	70.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: The financial statements of subsidiaries are converted into Indian Rupees on the basis of exchange rate as on closing day of the financial year.

* subsidiary w.e.f. 6 June 2019,
# subsidiary w.e.f. 31 December 2019

The financial information disclosed above in respect of entities acquired during the year are for the full financial year.

Additional disclosure	Name of subsidiaries
Subsidiaries yet to commence operation	JSW Bengal Steel Limited
	JSW Natural Resources India Limited
	JSW Energy (Bengal) Limited
	JSW Natural Resources Bengal Limited
	JSW Jharkhand Steel Limited
	Inversiones Eurosh Limitada
	Santa Fe Puerto S.A.
	JSW Natural Resources Mozambique Limitada
	JSW ADMS Carvo Limitada
	JSW Utkal Steel Limited
	Hasaud Steel Limited
	JSW Vijayanagar Metallics Limited
	Piombino Steel Limited
Subsidiaries liquidated or sold during the year	None

Part B: Associates and Joint Ventures

₹ in crores

Name of Associates/Joint Ventures	Joint ventures									
	Vijaynagar Minerals Private Limited	Rohne Coal Company Private Limited	JSW Severfield Structures Limited	JSW Structural Metal Decking Limited	Gourangdih Coal Limited	JSW MI Service centre Private Limited	Monnet Ispat & Energy Limited	Creixent Special Steels Limited	JSW Vallabh Tinplate Private Limited#	Geo Steel LLC *
1. Latest audited Balance Sheet Date	31 March 2020	31 March 2020	31 March 2020	31 March 2020	31 March 2019	31 March 2020	31 March 2020	31 March 2020	NA	NA
2. Shares of Associate/ Joint Ventures held by the Company on the year end										
Number of shares	4,000	490,000	197,937,940	4,482,925	2,450,000	66,500,000	108,448,611	4,800,000	NA	NA
Amount of Investment	-	0.49	197.94	4.48	2.45	66.50	108.45	4.80	NA	NA
Extend of Holding %	40.00%	49.00%	50.00%	33.33%	50.00%	50.00%	23.10%	48.00%	NA	NA
3. Description of how there is significant influence	Joint Venture Agreement									
4. Reason why the associate/ joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	1.77	(1.95)	159.39	6.37	1.59	84.79	270.92	(20.97)	NA	NA
6. Profit / Loss for the year										
i. Considered in Consolidation	(0.09)	-	25.01	2.91	(0.03)	4.49	(113.40)	(30.18)	5.90	26.52
ii. Not Considered in Consolidation	-	(1.74)	-	-	-	-	-	-	-	-

ceased to a joint venture and considered as a subsidiary w.e.f. 31 December 2019; * ceased to be a joint venture w.e.f. 28 January 2020.

Additional disclosure	Name of associates and Joint Ventures
Associates and Joint Ventures yet to commence operation	Rohne Coal Company Private Limited
	Gourangdih Coal Limited
Associates and Joint Ventures liquidated or sold during the year	Geo Steel LLC
	JSW Vallabh Tinplate Private Limited

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: 22 May 2020