

INDEPENDENT AUDITOR'S REPORT

To the Members of JSW Bengal Steel Limited

Report on the Audit of the Standalone Ind AS Financial Statements**Opinion**

We have audited the accompanying standalone Ind AS financial statements of JSW Bengal Steel Limited ("the Company"), which comprise the Balance Sheet as at March 31 2019, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 25.11 in the standalone Ind AS financial statements, which indicates that there are material uncertainties relating to the allocation of coal and iron ore mines to the Company and its consequential impact on the implementation of the Project. The events described in the said Note to the standalone Ind AS financial statements indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, for reasons stated in the said Note, the standalone Ind AS financial statements of the Company have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.



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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material



misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

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

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

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

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2018, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an



unmodified opinion with material uncertainty related to going concern on those statements on April 21, 2018.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;



SRBC & CO LLP

Chartered Accountants

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal

Partner

Membership Number: 097546

Place of Signature: Kolkata

Date: April 26, 2019



ANNEXURE "1" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company does not have any inventory and accordingly, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of making investments, as applicable. In our opinion and according to the information and explanations given to us, the company has not given any loans /guarantees/ provided security to which the provisions of section 186 apply and hence not commented upon.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable.
- (vi) Since the Company has not commenced commercial production of steel, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues applicable to it. As informed the provisions relating to employees' state insurance, customs duty, excise Duty, sales tax, value added tax and service tax were not applicable to the Company during the year.



- b) According to the information and explanation given to us, there were no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed the provisions relating to employees' state insurance, customs duty and excise duty, sales tax, value added tax and service tax were not applicable to the Company during the year.
- c) According to the information and explanations given to us, there are no dues of income tax and cess which have not been deposited on account of any dispute. As informed the provisions relating to sales-tax, service tax, customs duty, excise duty and value added tax were not applicable to the Company during the year.
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of preferential allotment of shares during the year under review. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised. During the year, the Company, according to the information and explanations given to us, has not made any private placement of shares and has not issued any fully or partly convertible debentures.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



S R B C & CO LLP

Chartered Accountants

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

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Vishal Bansal

Partner

Membership Number: 097546

Place of Signature: Kolkata

Date: April 26, 2019



ANNEXURE “2” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JSW BENGAL STEEL LIMITED

(Referred to in paragraph 1(g) under “Report on Other Legal and Regulatory Requirements” section of our report of even date)

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

We have audited the internal financial controls over financial reporting of JSW Bengal Steel Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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



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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating



S R B C & CO LLP

Chartered Accountants

effectively as at March 31, 2019 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Vishal Bansal

Partner

Membership Number: 097546

Place of Signature: Kolkata

Date: April 26, 2019

	Notes	As at	As at
		31st March 2019	31st March 2018
Assets			
Non-current assets			
Property, Plant and Equipment	3	20,751	9,588
Capital work-in-progress	3	1,248	14,358
Intangible assets	4	-	1
Financial Assets			
(i) Investments	5	13,719	13,652
(ii) Other financial assets	6	84	384
Other non-current assets	7	10,041	8,628
		45,843	46,611
Current assets			
Financial Assets			
(i) Investments	8	334	-
(ii) Cash and cash equivalents	9	33	63
(iii) Bank Balances other than (ii) above	10	39	27
(iv) Other financial assets	6	68	120
Current Tax Assets(net)	11	3	-
Other current assets	7	107	91
		584	301
Total assets		46,427	46,912
Equity and liabilities			
Equity			
Equity Share Capital	12	45,821	45,392
Other Equity			
(i) Retained earnings	13	(2,911)	(2,108)
(ii) Other reserves	13	50	50
(iii) Share Warrant	13	1,398	1,398
TOTAL EQUITY		44,358	44,732
Liabilities			
Non-current liabilities			
Provisions	14	17	14
Other non-current liabilities	15	1,281	1,281
		1,298	1,295
Current liabilities			
Financial Liabilities			
(i) Trade payables	16		
(A) Total outstanding dues of small enterprises and micro enterprises		-	-
(B) Total outstanding dues of creditors other than small enterprises and micro enterprises		65	68
(ii) Other financial liabilities	17	683	622
Other current liabilities	15	5	15
Provisions	14	18	98
Current Tax Liabilities (net)	18	-	81
		771	884
Total liabilities		2,069	2,179
Total equity and liabilities		46,427	46,911

The accompanying notes form an integral part of these 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 Vishal Bansal
Partner

Membership Number: 097546

Place of Signature: Kolkata

Date: April 26, 2019



For and on behalf of the Board of Directors of JSW Bengal Steel Limited

Biswadip Gupta

Biswadip Gupta

Director

DIN: 00048258

Partha Bose

Partha Bose

Chief Financial Officer

Purnendu Pandey

Purnendu Pandey

Whole Time Director

DIN: 07145733

Priyanka Shetty

Priyanka Shetty

Company Secretary

JSW Bengal Steel Limited
Statement of Profit and Loss for the year ended 31st March 2019

(Rupees in lacs)

Particulars	Notes	Year ended 31st March 2019	Year ended 31st March 2018
Other Income	19	135	118
Total Income (i)		135	118
Expenses			
Employee benefits expense	20	295	302
Depreciation and amortization expense	3	282	214
Other expenses	21	418	317
Total expense (ii)		995	833
Loss before tax (iii) = (i - ii)		(860)	(715)
Tax expense:			
Current Tax		23	26
Adjustments of tax relating to earlier periods		(81)	-
Total tax expenses (iv)		(58)	26
Loss for the year (v = iii - iv)		(802)	(741)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods:			
(i) Re-measurement gains/(losses) on defined benefit plans		(1)	(2)
Other comprehensive income for the year (net of tax) (vi)		(1)	(2)
Total comprehensive income for the year (v -vi)		(803)	(743)
Earnings per equity share			
(Nominal value of Rs.10/- per share (March 31st 2018 Rs 10 per share)			
- Basic		(0.18)	(0.16)
- Diluted		(0.18)	(0.16)

The accompanying notes form an integral part of these 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 **Vishal Bansal**
Partner
Membership Number: 097546
Place of Signature: Kolkata
Date: April 26, 2019



For and on behalf of the Board of Directors of JSW Bengal Steel Limited

Biswadi Gupta
Biswadi Gupta
Director
DIN: 00048258

Partha Bose
Partha Bose
Chief Financial Officer

Purnendu Pandey
Purnendu Pandey
Whole Time Director
DIN: 07145733

Priyanka Shetty
Priyanka Shetty
Company Secretary



JSW Bengal Steel Limited
Cash Flow Statement for the year ended 31st March, 2019

(Rupees in lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Cash flows from operating activities		
Loss before tax	(860)	(715)
Adjustments to reconcile Loss before tax to net Cash Flows:		
Depreciation and amortization expense	282	214
Interest income earned on Fixed Deposits	(2)	(6)
Loss on disposal of property, plant and equipment	93	*
CWIP written off during the year	38	-
Net gain arising on disposal/remeasurement of financial assets measured at fair value through profit or loss	(9)	(1)
Working capital adjustments:		
(Increase)/Decrease in financial assets and other assets	416	(27)
Increase/(Decrease) in trade payables	(4)	41
Increase/(Decrease) in provisions	(77)	4
(Decrease)/increase in financial liabilities and other liabilities	51	2
Cash flows from operating activities	(71)	(487)
Income taxes (paid)/ refund received	(27)	(31)
Net cash used in operating activities	(98)	(518)
Cash flows from Investing activities		
Purchase of property, plant and equipment	(1)	(1)
Proceeds/adjustments on disposal of Property, Plant and Equipment and CWIP	32	2
Payments for Capital Work in Progress	-	(187)
Investments in Subsidiary	(67)	(53)
Proceeds from /(Payments to) acquire financial assets	-	232
Interest received	-	5
Amounts advanced to related parties	-	(38)
Investment in mutual fund	(325)	-
Deposit/Advance received from related parties	-	294
Repayments made to related parties	-	(500)
Deposits placed with bank	-	(27)
Payments for purchase of Financial Assets, mandatorily measured through profit or loss	-	(25)
Proceeds from disposal of Financial Assets mandatorily measured through profit or loss	-	26
Net cash generated from /(used in) Investing activities	(361)	(272)
Cash flows from financing activities		
Proceeds from issue of share capital	429	500
Net cash generated from financing activities	429	500
Net (decrease)/increase in cash and cash equivalents	(29)	(290)
Cash and cash equivalents at the beginning of the year	63	353
Cash and cash equivalents at the end of the year (Refer Note 9)	34	63
Balances with bank		
- On current accounts	32	62
Cash on hand	1	1
	33	63

* Amount is below the rounding off norm adopted by the Company.

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

per **Vishal Bansal**
Partner
Membership Number: 097546
Place of Signature: Kolkata
Date: April 26, 2019



For and on behalf of the Board of Directors of
JSW Bengal Steel Limited

Biswadi Gupta
Director
DIN: 00048258

Purnendu Pandey
Whole Time Director
DIN: 07145733

Partha Bose
Chief Financial Officer

Priyanka Shetty
Company Secretary

JSW BENGAL STEEL LIMITED
Statement of Changes in Equity for the year ended 31st March , 2019

a. Equity Share Capital (Refer Note 12)
Equity shares of INR 10/- each issued, subscribed and fully paid

Particulars	Numbers	
		(Rupees in lacs)
At 1st April 2017	44,89,15,000	44,892
Add: Issue of equity shares during the period	50,00,000	500
At 31st March 2018	45,39,15,000	45,392
Add: Issue of equity shares during the period	42,90,000	429
At 31st March 2019	45,82,05,000	45,821

b. Other Equity (Refer Note 13)
For the year ended 31st March 2019

Particulars	Reserves and Surplus		Share Warrants	Total
	General Reserve	Retained earnings		
As at 1st April 2018	50	(2,108)	1,398	(660)
Loss for the year	-	(802)	-	(802)
Other comprehensive Income for the year	-	(1)	-	(1)
As at 31st March, 2019	50	(2,911)	1,398	(1,463)

For the year ended 31st March, 2018

Particulars	Reserves and Surplus		Share Warrants	Total
	General Reserve	Retained earnings		
As at 1st April 2017	50	(1,365)	1,398	83
Loss for the year	-	(741)	-	(741)
Other comprehensive Income for the year	-	(2)	-	(2)
As at 31st March 2018	50	(2,108)	1,398	(660)

The accompanying notes form an integral part of these 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 Vishal Bansal
Partner
Membership Number: 097546
Place of Signature: Kolkata
Date: April 26, 2019



For and on behalf of the Board of Directors of JSW Bengal Steel Limited

Biswadip Gupta

Biswadip Gupta
Director
DIN: 00048258

Partha Bose

Partha Bose
Chief Financial Officer

Purnendu Pandey

Purnendu Pandey
Whole Time Director
DIN: 07145733

Priyanka Shetty

Priyanka Shetty
Company Secretary



1. Corporate Information

JSW Bengal Steel Limited (“the Company”) is a public limited company incorporated for setting up an Integrated Steel Plant in the State of West Bengal at Salboni, PaschimMedinipur. The registered office of the Company is located at Mumbai, Maharashtra.

(Refer 23.11 for the project status and current activities of the Company)

2. Significant Accounting Policies

I. Statement of Compliance

The standalone financial statements comprise financial statements of JSW Bengal Steel Limited (the Company) as at and for the year ended 31 March 2019. These standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

II. Exemption from preparation of Consolidated Financial Statements

Given below is the list of investments in subsidiaries made by the Company. There are no joint ventures/ associates of the Company.

Name of the investee	Relationship	% voting interest held	Key business	Principal place of business
JSW Natural Resources India Limited	Subsidiary	100%	Company is in process of setting up coal mines project at Kulti - Sitarampur coal blocks in West Bengal under sole and exclusive coal raising agreement with WBMDTCL dated 31st March,2010	India
JSW Energy (Bengal) Limited	Subsidiary	100%	Company is in process of setting up captive power plant project for integrated Steel Plant (ISP) at Salboni, PaschimMedinipur in West Bengal	India

The Company is a wholly owned subsidiary of JSW Steel Limited (“the Parent Company”) which is flagship company of JSW Group and is a leading integrated steel manufacturer in India. The registered office of the Parent Company is located at Mumbai, Maharashtra. The Parent Company publishes consolidated financial statements in accordance with Ind AS, which are available for public use. When published, the Consolidated Financial Statements of the Parent Company are available on its website, viz., <https://www.jsw.in/investors/steel#>. The Company has informed its shareholders regarding its intention of not preparing consolidated financial statements and they have not objected to the same. Accordingly, the Company has used exemption from consolidation and has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of



JSW Bengal Steel Limited

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2019

Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

III. Basis of preparation

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

The functional currency of the Company is Indian Rupee ("INR") which is the currency of the primary economic environment in which the Company operates. The financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

These financial statements are approved for issue by the Board of Directors on April 26, 2019.

IV. Summary of significant accounting policies

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, 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.

Current and non-current classification

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



JSW Bengal Steel Limited

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2019

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

Income recognition

Interest income is accrued on a time proportion 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.

Rental income: Rental income from subletting of properties is recognized as per term of the relevant agreements.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is



JSW Bengal Steel Limited

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2019

allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

The Company as a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the years in which they are incurred.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

Foreign Currency Transactions

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

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Employee Benefits

The Company makes contributions to both defined benefit and defined contribution schemes.

Provident Fund contributions are in the nature of defined contribution scheme in accordance with Statute. The company recognises contribution payable to such fund as an expense, when an employee renders the related service.

The cost of providing benefits under the defined benefit gratuity plan is determined using the projected unit credit method.



JSW Bengal Steel Limited

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2019

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ▶ Net interest expense or income

The cost of providing long-term compensated absences are determined by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the statement of profit and loss. Gain or Loss on account of re-measurements of other long-term benefits are recognised in the Statement of Profit and Loss in the period in which they occur.

Employee share based payment

The number of options to be granted to each eligible employee is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. 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. 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 as there are no Graded vesting plans. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

Current tax is the amount of 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 Company operates and generates taxable income.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilized.



JSW Bengal Steel Limited

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2019

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

Current and deferred tax are recognised in profit or loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Property, plant and equipment

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

The cost of property, plant and equipment comprises its

- a) purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities),
- b) any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and
- c) 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 period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalized as the activities undertaken improves the economic benefits expected to arise from the asset.

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

Assets in the course of construction are capitalized in the assets under construction account. 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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as of 1st April, 2015 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

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

Depreciation

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.



JSW Bengal Steel Limited

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2019

Depreciation is recognized so as to write off the cost of assets (other than freehold land; properties under construction and furniture and fixture of immovable nature in leased premises) less their residual values over their useful lives, using straight-line method. Freehold land is not depreciated and furniture and fixture of immovable nature in leased premises are depreciated over the lease term.

Estimated useful lives of the property, plant and equipment are as follows:

Particulars	Useful Life (in Years)
Building	30 – 60
Plant and Equipment	3-15
Furniture and Fixtures	10
Vehicle	8
Office Equipment	5

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building and plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Intangible Assets

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

Software costs are included as Intangible assets where they are clearly linked to long term economic benefits for the Company. They are measured initially at purchase costs and then amortised on straight line basis over their estimated useful lives. Software is amortised over the estimated useful life of 3 to 5 years.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as of 1st April, 2015 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

Impairment of Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment loss is provided, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's fair value less cost to sell and its



JSW Bengal Steel Limited

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2019

value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Investments in Subsidiaries

Investment in subsidiaries are carried at cost less impairment, if any. For transition to Ind AS the Company has elected to continue with the previous GAAP carrying amount as their deemed cost.

Financial instrument

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and 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 profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All regular way purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order 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.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and 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.



JSW Bengal Steel Limited

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2019

The Company in respect of equity investments which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognized in the statement of profit or loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets (debt instruments) measured at amortised cost and fair value through other comprehensive income.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

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

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

Income/ dividend recognition on financial assets

Interest income from financial assets is recognised in profit or loss using effective interest rate method, where applicable.

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

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments



JSW Bengal Steel Limited

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2019

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

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharge, cancelled or they expire.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

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 an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Earnings per share



JSW Bengal Steel Limited

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2019

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

V. Changes in accounting policies and disclosures

The accounting policies followed in preparation of these financial statements are consistent with the previous year, except for adoption of the following standards and amendments.

The Company applied Ind AS 115 for the first time during the year ended 31 March 2019. Several other amendments also apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 *Construction Contracts* and Ind AS 18 *Revenue*. It applies, with limited exceptions, to all revenue arising from contracts with its customers. Since the Company has not started earning revenue from contracts with customers, the application of Ind AS 115 does not have any impact the Company's Standalone Financial Statements.

Other changes to Ind AS

In addition to Ind AS 115, the following changes to Ind AS have also become applicable to the Company. However, their adoption did not have any impact as there are no such transactions or existing policies of the Company are already in compliance with the amendments.

Amendment to Ind AS 20 *Government grants related to non-monetary asset*, including consequential amendments to Ind AS 16 and Ind AS 38

Appendix B to Ind AS 21 *Foreign Currency Transactions and Advance Considerations*

Amendments to Ind AS 40 *Transfers of Investment Property*

Amendments to Ind AS 28 *Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice*

Amendments to Ind AS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*

Amendment to Ind AS 112 *Disclosure of Interests in Other Entities*

Amendments to Ind AS Schedule III to the Companies Act, 2013

The Ministry of Corporate Affairs (MCA), vide its notification dated 11 October 2018, amended Division II (Ind AS) of Schedule III to the Companies Act. The changes are applicable for the financial ending 31 March 2019 and require the Company to make few additional disclosures/ reclassify certain items in the financial statements. The Company has made these changes in the relevant note. The application of these changes did not have material impact on the financial statements.

VI. Use of Estimates and Judgements

In the course of applying the policies outlined in all notes, as disclosed above, the Company makes judgements, estimates and assumptions about the carrying amount of assets and liabilities that are



JSW Bengal Steel Limited

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2019

not readily apparent from other sources. The estimates and the 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 the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Uncertainty over availability of key raw materials

Consequent to deallocation of coal blocks and non-availability of long term iron ore supply arrangement, there are uncertainties in the implementation of the project. The Management has evaluated the going concern assumptions in preparing the financial statements after considering the Govt. Policy of allocation of coal blocks; establishing the long-term coal supply linkages with the help of WBMDTC; support provided by Holding Company and alternate usage of the various assets which are fully described in Note 23.11.

Classification of land lease

The Company hold 3,974 acres of land on 99 years lease for developing and operating steel plant. The management has assessed that the Company has not obtained all significant risk and rewards of ownership related to land. Hence, lease is treated as operating lease.

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. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.



JSW BENGAL STEEL LIMITED

Notes to the financial statements as at and for the year ended 31st March 2019
Note 3- Property, Plant and Equipment

(Rupees in lacs)

Particulars	Free hold Land		Buildings		Plant and Equipment		Office Equipment		Furniture and Fixtures		Vehicles		Capital work in progress		Total	
Cost																
At 1st April 2017	687		8,814		491		53		219		21		14,126		10,285	24,411
Additions	-	-	-	-	1	-	-	-	-	-	-	-	232	1	-	233
Disposals	-	-	-	-	-	-	-	-	-	-	5	-	-	5	-	5
At 31st March 2018	687		8,814		492		53		219		16		14,358		10,281	24,639
Additions	-	-	8,099	-	2,245	-	-	-	1,201	-	-	-	-	11,545	-	11,545
Disposals/ Adjustments	-	-	(77)	-	(43)	-	(18)	-	(27)	-	(10)	-	(13,110)	(175)	-	(13,285)
At 31st March 2019	687		16,836		2,694		35		1,393		6		1,248		21,651	22,899
Accumulated Depreciation																
At 1st April 2017	-		291		95		42		56		1		-		485	485
Charge for the year	-	-	145	-	39	-	4	-	20	-	4	-	-	-	212	212
Disposals	-	-	-	-	-	-	-	-	-	-	4	-	-	-	4	4
At 31st March 2018	-		436		134		46		76		1		-		693	693
Charge for the year	-	-	156	-	86	-	1	-	35	-	3	-	-	-	281	281
Disposals	-	-	5	-	36	-	15	-	16	-	2	-	-	-	74	74
At 31st March 2019	-		587		184		32		95		2		-		900	900
Net Book Value																
At 31st March 2019	687		16,249		2,510		3		1,298		4		1,248		20,751	21,999
At 31st March 2018	687		8,378		358		7		143		15		14,358		9,588	23,946

The above includes following assets given under operating lease:

Particulars	(Rupees in lacs)			
	As at 31st March, 2019		As at 31st March, 2018	
	Gross Block	Accumulated Depreciation	Net Block	Depreciation charge for the year
Building	8,848	149	8,699	36
			1,647	118
			1,529	25
			9,588	1,248
			20,751	14,358

Note - CWIP Capitalisation

The Company had made investment in setting up of guest house and multi storied residential complex for providing accommodation to its employees, known as Ankur Complex part of which was in semi-finished state since the Project was put on hold (refer note 23.11) due to which Ankur complex continued to be classified as capital-work-in-progress. Subsequently, Company entered into an agreement with JSW Cement Limited (JSWCL), which has set up a cement grinding facility at Salboni, for letting out of Ankur Complex on a temporary basis for their business use till the time the Company requires complex for its steel plant and with an understanding that JSWCL shall also complete some of the semi-finished units at its own cost. The Company has assessed that the change tantamount to change in intended uses/completion of construction. Accordingly, it has re-classified the Complex from with CWIP to PPE. With Ankur Complex capitalization, other intended assets are also ready for intended use and have been capitalized as PPE.



JSW BENGAL STEEL LIMITED

Notes to the financial statements as at and for the year ended 31st March 2019

Note 4 Intangible Assets

Particulars	(Rupees in lacs)
	Intangible asset (Softwares)
I. Cost	
At 1st April 2017	14
Additions	-
Disposals	-
At 31st March 2018	14
Additions	-
Disposals	-
At 31st March 2019	14
Amortisation	
Balance as at 1st April, 2017	11
Amortisation	2
Balance as at 1st April, 2018	13
Disposals	13
Amortisation	1
At 31st March 2019	14
Net Book Value	
At 31st March 2019	-
At 31st March 2018	1



JSW BENGAL STEEL LIMITED

Notes to the financial statements as at and for the year ended 31st March 2019

Note 5: Non-current Investments

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number of shares	(Rupees in lacs)	Number of shares	(Rupees in lacs)
Investments In unquoted Equity Instruments of Subsidiaries (At cost unless stated otherwise)				
Equity shares of Rs. 10 each fully paid in JSW Natural Resources India Limited	10,73,30,000	10,733	10,70,60,000	10,706
Equity shares of Rs. 10 each fully paid in JSW Energy (Bengal) Limited	2,98,60,000	2,986	2,94,60,000	2,946
Total		13,719		13,652
Aggregate amount of unquoted investments, carried at cost		13,719		13,652

Note 6: Other financial assets

Particulars	As at 31st March 2019		As at 31st March 2018	
	Current	Non-Current	Current	Non-Current
Unsecured considered good, unless otherwise stated Financial assets at amortised cost				
Security deposits (Refer Note below)	-	84	-	384
Recoverable from related parties (Refer Note 23.04)	65	-	108	-
Interest accrued on bank deposits	3	-	12	-
Total	68	84	120	384

Note

During the year, the Company has got a refund of Rs 300 lacs from West Bengal Mineral Development and Trading Corporation Limited (WBMDTCL), which was paid under sole and exclusive long term Coal Supply Agreement on March 31, 2010 for supply of coal from the Kulti and Sitarampur coal blocks.



JSW BENGAL STEEL LIMITED

Notes to the financial statements as at and for the year ended 31st March 2019

Note 7: Other assets

(Rupees in lacs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Current	Non-Current	Current	Non-Current
Unsecured considered good, unless otherwise stated				
Capital advances [Refer Note below]	-	1,123	-	1,130
Prepaid expenses				
- Lease rental*	100	8,773	83	7,371
- Others	6	-	4	-
Balance with government authorities	-	145	-	127
Other advances (includes suppliers etc.)	1	-	4	-
Total	107	10,041	91	8,628

Note

Includes Rs.699 lacs (P.Y - Rs 699 lacs) paid in earlier year to West Bengal Industrial Development Corporation Limited, the acquiring body, towards acquisition of Patta and Private land aggregating 189.6274 acres under Land Acquisition Act, 1894. Although the above mentioned area of land has been handed over to the company, the lease deed for the same is yet to be executed in favour of the Company.

Further an advance of Rs 369 lacs (P.Y - Rs 369 lacs) paid to Mukherjee Farms Private Limited in respect of Mining Land situated at Gangotia, District.- Burdawan. The said advance was given to Mukherjee Farms Private Limited on behalf of JSW Natural Resource India Limited (NRIL). As informed by the Company a capital commitment of Rs 207 lacs (net of advance Rs 88 lacs) is appearing in the Books of NRIL pertaining to such land.

*Non current prepaid expenses represents prepayments in respect of 3,974 acres of land on 99 years lease taken under arrangements in the nature of operating leases, being amortised over the period of lease. The management has assessed that the Company has not obtained all significant risk and rewards of ownership related to land. Hence, lease is treated as operating lease.

Note 8: Current Investments (at fair value through Profit and Loss Account)

(Rupees in lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Investment in Mutual Fund *	334	-
Total	334	-

*The aggregate market value of HDFC Liquid Fund- Growth consists of 9135.3 units at NAV of Rs 3,660.30/- each as at March 31, 2019. (2018- NIL)

Note 9: Cash and cash equivalents

(Rupees in lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Balances with bank		
- On current accounts	32	62
Cash on hand	1	1
Total	33	63

Note 10: Other Bank Balances

(Rupees in lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Balances with bank in deposit account (Refer Note below)	39	27
Total	39	27

Note:

Balances with banks in deposit account represents fixed deposits which have an original maturity of less than 12 months from the balance sheet date.

Note 11 Current tax assets (net)

(Rupees in lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Advance tax	3	-
Total	3	-



JSW BENGAL STEEL LIMITED

Notes to the financial statements as at and for the year ended 31st March 2019

Note 12 - Equity Share capital

Particulars	As at 31st March 2019		As at 31st March, 2018	
	No. of Shares	(Rupees In lacs)	No. of Shares	(Rupees In lacs)
Authorised Share Capital				
Equity Shares of Rs. 10 each	1,00,00,00,000	1,00,000	1,00,00,00,000	1,00,000
Issued, Subscribed and Fully Paid up				
Equity Shares of Rs. 10 each	45,82,05,000	45,821	45,39,15,000	45,392

Notes:-

I. Reconciliation of equity shares at the beginning and at the end of the year :

Particulars	No. of Shares	Equity share capital
	(No.)	(Rupees In lacs)
Balance as at 1st April, 2017	44,89,15,000	44,892
Add: Issue of shares during the period	50,00,000	500
Balance as at 31st March, 2018	45,39,15,000	45,392
Add: Issue of shares during the period	42,90,000	429
At 31st March 2019	45,82,05,000	45,821

II. Terms/Rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share held. 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. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

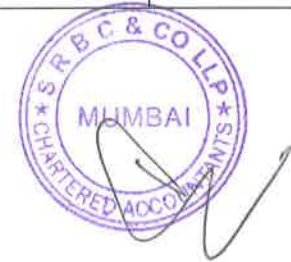
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each shareholder.

III. Details of shares held by the holding company:

Particulars	Number of shares	(Rupees In lacs)
As at 31st March 2019	45,22,05,000	45,221
JSW Steel Limited		
As at 31st March, 2018		
JSW Steel Limited	44,79,15,000	44,792

IV. Details of shares held by each shareholder holding more than 5% shares :

Class of shares / Name of shareholder	As at 31st March 2019		As at 31st March, 2018	
	Number of shares held	% holding	Number of shares held	% holding
JSW Steel Limited, the holding company	45,22,05,000	98.69	44,79,15,000	98.68



JSW BENGAL STEEL LIMITED

Notes to the financial statements as at and for the year ended 31st March 2019

Note 13 Other Equity

(Rupees in lacs)

Particulars	(Rupees in lacs)	
	As at 31st March 2019	As at 31st March,2018
General Reserve (Refer Note a)	50	50
Retained Earnings (Refer Note b)	(2,911)	(2,108)
Share Warrants (Refer Note c)	1,398	1,398
Total	(1,463)	(660)

a) General Reserve

(Rupees in lacs)

	(Rupees in lacs)	
	Year ended 31st March 2019	Year ended 31st March,2018
Balance at the beginning of the year	50	50
Balance at the end of the year	50	50

(General reserve mainly represents appropriation from the statement of profit and loss and can be utilised in accordance with the provisions of the Companies Act, 2013)

b) Retained Earnings

(Rupees in lacs)

	(Rupees in lacs)	
	Year ended 31st March 2019	Year ended 31st March,2018
Balance at the beginning of the year	(2,108)	(1,365)
Total comprehensive Income for the year	(803)	(743)
Balance at the end of the year	(2,911)	(2,108)

Retained earnings represent the cumulative profit / (loss) of the Company and effects of re-measurement of defined benefit obligations and can be utilised in accordance with the provisions of the Companies Act, 2013)

c) Share Warrants

(Rupees in lacs)

	(Rupees in lacs)	
	Year ended 31st March 2019	Year ended 31st March,2018
Balance at the beginning of the year	1,398	1,398
Balance at the end of the year	1,398	1,398

Share warrants represent the Company's agreement to give free Equity shares with voting and dividend rights of the Company, equivalent to the amount of cash compensation paid for acquisition of private (Rayati) Land and Patta Land by way of a goodwill gesture so as to compensate the land losers for their loss of livelihood and ensuring their co-operation to the successful implementation of the proposed steel plant of the Company. Accordingly, 13,981,008 warrants (convertible into equity shares with voting rights on the date of achieving the commercial operation by JSW Bengal Steel Limited in the 1st phase or the date of IPO, whichever is earlier) of Rs.10 each aggregating Rs.1398 lacs has been allotted on preferential basis to JSW Bengal Steel Trust. The warrants holder will not be entitled for any dividend / voting rights in the Company until issue of shares in lieu of warrants.



JSW BENGAL STEEL LIMITED

Notes to the financial statements as at and for the year ended 31st March 2019

Note 14 Provisions

(Rupees in lacs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits:				
Provision for compensated absences	17	-	42	-
Provision for gratuity (Refer Note 23.09)	1	17	56	14
Total	18	17	98	14

Note 15 Other liabilities

(Rupees in lacs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Current	Non-Current	Current	Non-Current
Advance received from related party* (Refer Note 23.04)	-	1,281	-	1,281
Statutory Liabilities	5	-	15	-
Total	5	1,281	15	1,281

* The Company had received above advance from JSW Energy Bengal Limited towards development of common facilities and the same will be adjusted when the Company's project is commissioned.

Note 16 Trade payables

(Rupees in lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
	Trade Payables	
(A) Total outstanding dues of small enterprises and micro enterprises	-	-
(B) Total outstanding dues of creditors other than small enterprises and micro enterprises	65	68
Total	65	68

Note 17 Other Financial Liabilities-current

(Rupees in lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
	Retention Money for Capital Project	95
Payables for Capital Projects	105	211
Payable to related party (Refer Note 23.04)	192	57
Payable to Employees	41	3
Security Deposits from related party (Refer Note 23.04)	250	250
Total	683	622

Note 18 Current tax liabilities(net)

(Rupees in lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
	Income Tax payable	-
Total	-	81



JSW BENGAL STEEL LIMITED

Notes to the financial statements as at and for the year ended 31st March 2019

Note 19 Other Income

(Rupees in lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest Income on fixed deposits	2	6
Net gain arising on disposal of financial assets mandatorily measured at fair value through profit or loss	-	1
Rental income	124	111
Fair value gain on financial instruments through profit and loss	9	-
Total	135	118

Note 20 Employee benefits expense

(Rupees in lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Salaries, wages and bonus	164	243
Contribution to provident fund	8	13
Gratuity expenses	7	7
Share based payments to employees	108	31
Staff welfare expenses	8	8
Total	295	302

Note 21 Other expenses

(Rupees in lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Rent	174	165
Loss on disposal of property, plant and equipment (net)	93	*
Auditors Remuneration (Refer Note below)	12	12
Communication	5	5
CWIP Written off	38	-
Printing and stationery	1	2
Directors sitting fees	3	3
Office expenses	14	11
Travelling and conveyance	17	26
Legal and professional expenses	10	8
Security charges	36	53
Guest house expenses	6	5
Insurance (net of claims received)	6	22
Advances written off	-	3
Other Miscellaneous Expenses	3	2
Total	418	317

Note:-

(Rupees in lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Auditors remuneration comprises (net of service tax)		
As Auditors	12	12
Reimbursement of expenses	-	*
	12	12

* Amount is below the rounding off norm adopted by the Company.



JSW BENGAL STEEL LIMITED**Notes to the financial statements as at and for the year ended 31st March 2019****Note 22**

A reconciliation of the income tax provision to the amount computed by applying the statutory Income tax rate to the Income before Income taxes is summarized below:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Loss before tax	(860)	(715)
Corporate Tax rates in India	26.0%	34.608%
Computed expected tax expenses	-	-
Add:-		
Effect of tax on Income from House property and Income from other sources which are separately taxable as per Income Tax Act	22	26
Others	1	*
	23	26
Adjustments recognised in the current year in relation to the current tax of prior years	(81)	-
Total Income tax expenses recognised in Statement of Profit and loss	(58)	26

Note:

As the Company has not yet commenced operation, there were no unused tax losses and further, on a prudent basis, no deferred tax asset on other temporary differences has been recognised by the Company.

The tax rate used for the year 2018-19 is the corporate tax rate of 26.00% (25% + surcharge @ 0% and education cess @ 4%) payable on taxable profits under the Income Tax Act, 1961. [PY -34.608% (30% +12% + 3%)]

* Amount is below the rounding off norm adopted by the Company.



JSW BENGAL STEEL LIMITED

Notes to the financial statements as at and for the year ended 31st March 2019

Note 23: Other Notes

23.01.(i) Capital Risk Management

The company is managing its capital requirement primarily through investment by Holding company. The capital structure of the company consists of Equity Share Capital of and Other Equity (i.e. General Reserve, Retained Earnings etc.) of the company. The company is not subject to any externally imposed capital requirements.

23.01(ii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Presently, the Company's operation does not subject to any credit risk.

Note 23.01 (iii)

Category of Financial Instruments

The carrying value and fair value of financial instruments by categories are as follows:-

Particulars	(Rupees in Lacs)			
	31st March, 2019		31st March, 2018	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets, measured at amortised cost				
Non current Assets				
(i) Investments	13,719	13,719	13,652	13,652
(ii) Other financial assets	84	84	384	384
Current Assets				
Cash and cash equivalents	33	33	63	63
Other bank balances	39	39	27	27
Other financial assets	68	67	120	120
Total financial assets measured at amortised cost	13,942	13,942	14,246	14,246
Financial assets, measured at Fair Value through Profit and Loss				
Investment in Mutual Fund	334	334	-	-
Total financial assets measured at amortised cost	334	334	-	-
Financial liabilities, measured at amortised cost				
Trade payables	65	65	68	68
Other financial liabilities	683	683	622	622
Total financial liabilities, measured at amortised cost	748	748	690	690

The Carrying amounts of Trade receivables, Trade payables, Cash and Cash Equivalents, other bank balances, other current financial assets and liabilities are considered as the same as their fair values, due to their short term nature.

Fair Value Hierarchy

Particulars	(Rupees in lacs)					
	31st March, 2019			31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets, measured at amortised cost						
Non current Assets						
(i) Other financial assets	-	-	84	-	-	384
Current Assets						
Investments, carried at costs	334	-	-	-	-	-
Total	334	-	84	-	-	384



Notes : The Company uses the following hierarchy for determining and /or disclosing the fair value of financial instruments by valuation techniques :
Level 1 hierarchy includes financial instruments measured using quoted prices in active markets for identical assets or liabilities.
Level 2 hierarchy includes the fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) and the fair value is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between level 1 and 2 during the year. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

23.02 Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents which are primarily in the form of Equity Contribution from the Holding Company. The Company has no outstanding bank borrowings. The company believes that the funding by Holding Company is sufficient to meet its current requirements and in case of any requirement, the same will be supported in the form of capital infusion by the Holding Company. Accordingly, no liquidity risk is perceived.

The contractual maturities of financial liabilities are of less than 1 and year and the same are mentioned in the table below:-

Particulars	(Rupees in lacs)	
	31st March, 2019	31st March, 2018
Trade payables	65	68
Other financial liabilities	683	622
	748	690

23.03 - Contingent liabilities and commitments (to the extent not provided for)

Particulars	(Rupees in lacs)	
	As at 31st March 2019	As at 31st March, 2018
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	509	652

Note 23.04

Related Party Disclosures

(a) List of Related Parties:

Parties with whom the Company has entered into transactions during the

1. Holding Company:

JSW Steel Limited

2. Subsidiaries:

JSW Natural Resources India Limited

JSW Energy (Bengal) Limited

JSW Natural Resources Bengal Limited [Wholly owned subsidiary of JSW Energy (Bengal) Limited]

3. Enterprise under common control:

JSW Cement Ltd.

4. Key Management Personnel:

Mr. Pumendu Pandey	Director (From January 15, 2019)
Mr. Alok Mehrotra	Director (Till July 31, 2018)
Mr. Partha Bose	CFO
Ms. Priyanka Ramesh Shelly	Company Secretary
Mr. Biswadip Gupta	Director
Mr. Jugal Kishore Tandon	Director
Ms. Nayanlara Palchoudari	Director
Mr. Ashok Kumar Basu	Director
Mr. Romit Mutsuddi	Director
Mr. S. Radhakrishnan	Director



(Rupees in lacs)

Particulars	Holding Company	Subsidiaries			Enterprise under common control	Key management personnel
	JSW Steel Limited	JSW Energy (Bengal) Limited	JSW Natural Resources India Limited	JSW Natural Resources Bengal Limited	JSW Cement Ltd.	
(b) Transactions with Related Parties						
(i) Equity contribution to the Company	429	-	-	-	-	-
	(500)	(-)	(-)	(-)	(-)	(-)
(ii) Investments made	-	40	27	-	-	-
	(-)	(31)	(22)	(-)	(-)	(-)
(iii) Recovery of Expenses incurred by us on their behalf	15	6	39	50	27	-
	(26)	(5)	(35)	(42)	(*)	(-)
(iv) Deposits received / refunded back	-	-	-	-	-	-
	(-)	(500)	(-)	(-)	(-)	(-)
(v) Reimbursement of Expenses incurred on our behalf by	127	-	-	-	35	-
	(56)	(-)	(-)	(-)	(154)	(-)
(vi) Employee Stock Option given	-	-	-	-	-	118
	-	-	-	-	-	(22)
(vii) Rent income	-	-	-	-	124	-
	(-)	(-)	(-)	(-)	(111)	(-)
(viii) Repayment of advances	-	-	-	-	163	-
	(-)	(-)	(-)	(-)	(481)	(-)
(ix) Remuneration of Key Management Personnel [Refer Note below]						
Mr. Purnendu Pandey	-	-	-	-	-	8
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Alok Mehrotra	-	-	-	-	-	156
	(-)	(-)	(-)	(-)	(-)	(179)
Mr. Partha Bose	-	-	-	-	-	20
	(-)	(-)	(-)	(-)	(-)	(18)
Ms. Priyanka Ramesh Shetty	-	-	-	-	-	13
	(-)	(-)	(-)	(-)	(-)	(-)
(x) Sitting Fees of Key Management Personnel [Refer Note below]						
Mr. Alok Mehrotra	-	-	-	-	-	*
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Jugal Kishore Tandon	-	-	-	-	-	1
	(-)	(-)	(-)	(-)	(-)	(1)
Ms. Nayantara Palchoudari	-	-	-	-	-	*
	(-)	(-)	(-)	(-)	(-)	(*)
Mr. Ashok Kumar Basu	-	-	-	-	-	1
	(-)	(-)	(-)	(-)	(-)	(1)
Mr. Romit Mutsuddi	-	-	-	-	-	1
	(-)	(-)	(-)	(-)	(-)	(*)
Mr. S. Radhakrishnan	-	-	-	-	-	*
	(-)	(-)	(-)	(-)	(-)	(*)



(c) Nature of balances with related parties and closing balances as at period ended						
(i) Recoverable						
At 31st March 2019	43	-	-	-	21	-
As at 31st March, 2018	(49)	(5)	(35)	(42)	(18)	(-)
(ii) Payable						
At 31st March 2019	176	1,281	-	-	266	-
As at 31st March, 2018	(57)	(1,281)	(-)	(-)	(250)	(-)
(iii) Investment in Equity Shares						
At 31st March 2019	-	-	10,733	2,986	-	-
As at 31st March, 2018	(-)	(-)	(10,706)	(2,946)	(-)	(-)
Figures in bracket relate to previous year						

* Amount is below the rounding off norm adopted by the Company.

Note:

The remuneration of Key Management Personnel during the year was as follows:-

	(Rupees in lacs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Short-term employee benefits	197	197
Sitting Fees	3	2
	<u>200</u>	<u>199</u>

As the future liability for gratuity and leave is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above.

Note 23.05

Operating Lease

As a Lessor

The company has entered into Lease agreements for renting office premises and residential accommodation. All operating lease contracts are for 36 months. The lessee doesn't have an option to purchase the property at the expiry of the lease period. The rental income earned by the company from the leased property has reported as "Rental Income" in Note no. 19.

As a Lessee

The company has entered into lease agreement with Government of West Bengal for obtaining the lease hold land with lease term of 99 years. The company doesn't have an option to purchase the leased land at the expiry of leased period. The aggregate lease rentals are charged as Rent and debited to Statement of Profit and Loss in Note 19 of the Financial Statements. The initial lease term was 99 years with a further renewable of 99 years on the same terms & conditions and to such other terms & conditions as the State Government may from time-to-time consider necessary.

Note 23.06

MSME Outstanding

Based on and to the extent of information obtained from suppliers regarding their status as Micro, Small or Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006, there are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year.



Note 23.07**Segment Reporting**

The Company's activities during the year revolved around setting up of the Project. Considering the nature of Company's business and operations, there are no separate reportable segments in accordance with the requirements of Ind AS 108.

Details of non-current assets (property, plant and equipment, capital work-in-progress and other intangible assets) based on geographical area are as below:

Particulars	(Rupees in lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
India	21,999	23,947

Note 23.08**Earnings Per Share**

Particulars	(Rupees in lacs)	
	For the year ended 31st March 2019	For year ended 31st March 2018
Profit/(Loss) attributable to Equity shareholders and (A)	(802)	(741)
Reconciliation between weighted average number of shares used for		
Weighted average number of equity shares for Basic Earnings per share (B)	4,570	4,512
Effect of dilution:		
Add:- Share Warrants	140	140
Weighted average number of equity shares adjusted for the effect of dilution for calculation of diluted earnings per share (C)	4,710	4,652
Par value per share (Rupees)	10	10
Earnings per share of Rs. 10 each		
Basic (A/B) [In Rupees]	(0.18)	(0.16)
Diluted (A/C) [In Rupees] *	(0.18)	(0.16)

* the company has incurred losses in the current year and previous year, hence the diluted EPS has been kept as same as Basic EPS since the same is antidilutive in nature

Note 23.09**Employee Benefit Related Disclosure and ESOP****Employee Benefit Plans****Defined Contribution Plans**

The Company contributes to Provident Fund which is a defined contribution plan. Under the Scheme, the Company is required to a specified percentage of payroll costs to fund the benefits. The contributions payable to the plan by the Company are at the rate specified in the rules of the Scheme. The particular of such contributions are stated as below:-

Particulars	(Rupees in lacs)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Contribution to Provident Fund (recognised under "Contribution to Provident Fund." in Note 20)	8	13
	<u>8</u>	<u>13</u>

Defined Benefit Plans

The Company offers Gratuity as the employee benefit scheme to its employee and the Gratuity is payable as per under Gratuity Act 1972. The Gratuity scheme of the Company is unfunded.

a) Since the Gratuity scheme is unfunded, the Company is not contributing to any fund and therefore there is no exposure to Investment Risk and Interest rate risk.

Risk	
Longevity Risk	The present value of scheme liability is calculated by reference to the best estimate of the mortality plan participants both during and after their employment. An increase in life expectancy of the scheme participants will increase the scheme's liability.
Salary Risk	The present value of defined benefit liability is calculated by reference to the future salary of plan participants. Salary escalation and attrition rate are considered as projected by the company in line with industry practice considering promotion and demand & supply of the employees. As such, an increase in the salary of the plan participants will increase the plan's liability.



b) The principal assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	31st March, 2019	31st March, 2018
Discount Rate	7.76%	7.56%
Expected Rate of salary increase	6.00%	6.00%
Expected Rate of employee turnover	2.00%	2.00%
Mortality rate during the Employment	Indian assured Lives Mortality (2006-08)	Indian assured Lives Mortality (2006-08)
Mortality rate after Employment	N.A	N.A

c) Expenses recognised in the statement of Profit and loss

(Rupees in lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Current service cost	1	2
Past service cost	-	-
Net interest cost	6	5
Gain/(Losses) on curtailment and settlements	-	-
Total Gratuilty Expense	7	7

d) Expenses recognised in Other Comprehensive Income (OCI)

(Rupees in lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Remeasurements of the net defined benefit liability		
Actuarial Losses on Obligations - due to change in Financial Assumptions	(0)	(0)
Actuarial Losses on Obligations - due to Experience Adjustments	1	2
Actuarial Losses on Obligations - due to Demographic Adjustments	-	-
Net Expense for the year recognised in OCI	1	2

e) Amount recognised in the Balance Sheet

(Rupees in lacs)

	As at March 31, 2019	As at March 31, 2018
Present value of Defined Benefit Obligation at the end of the year	17	69
Fair value of plan assets at the end of the year	-	-
Net Liability Recognised in the balance sheet	17	69

f) Change in Defined Benefit Obligations during the year

(Rupees in lacs)

	As at March 31, 2019	As at March 31, 2018
Present value of obligation at the beginning of the year	69	62
Current service cost	1	2
Interest cost	5	5
Remeasurements - Actuarial losses	1	2
Benefit Paid Directly by the Employer	-59	-2
Present value of obligation at the end of the year	17	69



g) Sensitivity Analysis

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

(Rupees in lacs)		
	As at March 31, 2019	As at March 31, 2018
Projected benefit Obligation on Current Assumptions	17	69
Effect of +1% change in Rate of Discounting on Present Value of obligation	(1)	(1)
Effect of -1% change in Rate of Discounting on Present Value of obligation	1	1
Effect of +1% change in Salary increase	1	1
Effect of -1% change in Salary increase	(1)	(1)
Effect of +1% change in Employee turnover	0	0
Effect of -1% change in Employee turnover	(0)	(0)

The sensitivity analysis 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. The sensitivity analysis presented above may not be representative of the actual change in the projected 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 projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

h) Maturity profile of defined benefit obligations:-

Projected benefits payable in future years from the date of reporting:-
(Rupees in lacs)

1st following year	0
Subsequent 2 - 5 years	11
Subsequent 6 - 10 years	7
Subsequent 11 years and above	12

23.10 Employees Stock Option Plan

ESOP SCHEME 2016 (1st Grant):

The eligible company employees (in the L-16 grade and above -AVP and above) have been granted Stock Options pursuant to the ESOP Plan 2016 by its Holding Company JSW Steel Limited from JSWSL EMPLOYEES STOCK OWNERSHIP PLAN 2016 ("ESOP Plan") formulated by the Holding Company JSW Steel Ltd (JSL) for permanent employees of the company and its subsidiaries. The valuation has been done based on the Black Scholes model by JSW Steel Limited, the Holding Company which works out to Rs. 103.65, the exercise price for the 1st Grant. The fair value of the options would be amortised in the books of accounts over the vesting period.

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

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price (Rupees)	Fair value at grant date (Rupees)	Method of settlement
1st Grant - 17th May, 2016	7,308	Nil	17th May, 2016	17th May, 2016 till 31st March, 2019 (for 50% of the grant) and 17th May, 2016 to 31st March, 2020 (for remaining 50% of the grant)	103.65	674.79	Equity



ESOP SCHEME 2016: (2nd Grant)

The eligible company employees (in the L-16 grade and above -AVP and above) have been granted Stock Options pursuant to the ESOP Plan 2016 by its Holding Company JSW Steel Limited from JSWSL EMPLOYEES STOCK OWNERSHIP PLAN 2016 ("ESOP Plan") formulated by the Holding Company JSW Steel Ltd (JSL) for permanent employees of the company and its subsidiaries. The valuation has been done based on the Black Scholes model by JSW Steel Limited, the Holding Company which works out to Rs.161.36 ,the exercise price for the 2nd Grant. The fair value of the options would be amortised in the books of accounts over the vesting period.

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

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price (Rupees)	Fair value at grant date (Rupees)	Method of settlement
2nd Grant - 16th May 2017	47,067	NIL	16th May 2017	16th May, 2017 till 31st March, 2020 (for 50% of the grant) and 16th May, 2017 to 31st March, 2021 (for remaining 50% of the grant)	161.36	104.04	Equity

ESOP SCHEME 2016: (3rd Grant)

The eligible company employees (in the L-16 grade and above -AVP and above) have been granted Stock Options pursuant to the ESOP Plan 2016 by its Holding Company JSW Steel Limited from JSWSL EMPLOYEES STOCK OWNERSHIP PLAN 2016 ("ESOP Plan") formulated by the Holding Company JSW Steel Ltd (JSL) for permanent employees of the company and its subsidiaries. The valuation has been done based on the Black Scholes model by JSW Steel Limited, the Holding Company which works out to Rs.263.24 ,the exercise price for the 3rd Grant. The fair value of the options would be amortised in the books of accounts over the vesting period.

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

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price (Rupees)	Fair value at grant date (Rupees)	Method of settlement
2nd Grant - 16th May 2017	30,059	NIL	16th May 2017	16th May, 2017 till 31st March, 2020 (for 50% of the grant) and 16th May, 2017 to 31st March, 2021 (for remaining 50% of the grant)	161.36	167.14	Equity



The Outstanding position as on 31st March, 2019 is summarized below (Refer Note below):

Particulars	ESOP 2016	ESOP 2016	ESOP 2016
	1st Grant (L-16 and above Grade)	2nd Grant (L-16 and above Grade)	3rd Grant (L-16 and above Grade)
Date of grant	17-May-16	16-May-17	15-May-18
Outstanding as on 01st April, 2018	7,308	47,067	0
Granted During the period	-	-	30,059
Forfeited during the period	-	-	-
Transfer-out arising from transfer of employees to group companies	-	-	-
Exercised during the period	-	-	0
Outstanding as on 31st March, 2019	7,308	47,067	30,059
Vesting Period	17th May, 2016 till 31st March, 2019 (for 50% of the grant) and 17th May, 2016 to 31st March, 2020 (for remaining 50% of the grant)	16th May, 2017 till 31st March, 2020 (for 50% of the grant) and 16th May, 2017 to 31st March, 2021 (for remaining 50% of the grant)	15th May, 2018 till 31st March, 2021 (for 50% of the grant) and 15th May, 2018 to 31st March, 2022 (for remaining 50% of the grant)
Exercise Price (Rupees)	103.65	161.36	263.24
Weighted Average exercise price of the share options outstanding at the end of the year (Rupees)	103.65	161.36	263.24

Expenses arising from employee's share-based payment plans - Rs.107.76 lacs recognised in Statement of Profit and Loss under Note 19 [31st March, 2018 - Rs. 30.61 lacs].

Note:-

Pursuant to the approval of the members accorded on 17 December 2016 by way of a Postal ballot, the Equity Shares of the Holding Company JSW Steel Ltd having a face value of Rs. 10/- (Rupees Ten only) each were sub-divided into 10 (Ten) Equity Shares having a face value of Re. 1/- (Rupee One only) each. Accordingly the shares under both the ESOP Schemes, have been subdivided for the purpose of disclosure in the aforesaid note. The weighted average exercise price and fair value at grant date, as disclosed in the Note above, have also been prorated accordingly in ratio of 10:1 for both the above ESOP Schemes.

Note 23.11

Status of the Project

In 2007, the Company (together with its subsidiaries) proposed to set up a 10 million tons per annum integrated steel plant and 1,660 MW captive power plant at Salboni of district Paschim Medinipur in West Bengal [collectively referred to as Integrated Steel Project (ISP / Project)]. The Company entered into a Development Agreement with the Government of West Bengal and West Bengal Mineral Development Corporation (WBMDTC) and accordingly Government of West Bengal agreed to provide necessary assistance and cooperation for implementation of the project, including arrangement and supply of resources. In the first phase, the Company has planned to setup a 3 million ton per annum integrated steel plant and a 300 MW captive power plant. The Government of West Bengal allocated 4,102 acres of land on a long term lease to the Company and three coal blocks were identified by WBMDTC for the Project. In September 2014, the Hon'ble Supreme Court deallocated all coal mines including coal block allocated to WBMDTC to be used for Company's ISP. However, the Development Agreement with the Government of West Bengal continues to be valid.

In February 2016, the Cabinet Committee on Economic Affairs, approved the allocations/linkages of coal blocks for non-regulated sector including Steel. However, no auctions have been scheduled till date for coal linkages to be proposed for greenfield projects in steel sector. Besides, the Government has also not yet finalised the rules and regulations related to the participation of companies for securing iron ore for greenfield projects, the Company has not been able to secure any mining rights for sourcing iron ore.

In view of the above, the Project has been put on hold till such time the Company is able to secure coal and iron ore linkages required for the Project. These events and conditions indicate that a material uncertainty exist relating to allocation of coal and iron ore mines to the Company and its consequential impact on the implementation of the Project. However, The Company is committed towards implementing the Project with support of Central and State Governments and believes that it will be able to secure coal and iron ore linkages in due course of time. In an unlikely event, if the Company is unable to secure the coal and iron ore linkages, it will identify alternative possibilities of operating the plant based on bought out coal and iron ore. JSW Steel Limited, the holding company has, vide its letter dated April 23, 2019, confirmed its unconditional financial support to the Company to enable it to continue as a going concern till such time the implementation of the Project commences.

In the interim, the Company has subleased/transferred 133 acres of land (~128 acres of Leasehold land and ~5 acres of Freehold land) to JSW Cement Limited, a JSW group company, for setting up of a cement plant, after obtaining necessary approvals from the Government in accordance with the lease agreement. Besides, the Company has also let out certain buildings for the use of the employees of the cement plant.

"Considering the above, the Board of Directors are of the opinion that none of its assets is impaired as at 31 March 2019 and the going concern assumption is appropriate."

Note 23.12

The financial statements were approved for issue by the Board of Directors on 26th April 2019.



Note 23.13**Standards issued but not yet effective**

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

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

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

The Company intends to adopt this standard when its become effective. The Company is still in the process of evaluating the impact of the Standard on its Financial Statements.

Other changes to Ind AS

In addition to Ind AS 116, the MCA has also notified the following changes to Ind AS 116 which are effective from financial year beginning 1 April 2019. The Company will adopt these changes from the date effective; however, the adoption of these changes is unlikely to have any impact on the financial statements:

Appendix C to Ind AS 12 *Uncertainty over Income Tax Treatment*

Amendments to Ind AS 109: *Prepayment Features with Negative Compensation*

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

Amendments to Ind AS 28: Long-term interests in associates and joint ventures

Annual improvement to Ind AS (2018);

These improvements include:

- Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation
- Amendments to Ind AS 111: Joint Arrangements
- Amendments to Ind AS 12: Income Taxes
- Amendments to Ind AS 23: Borrowing Costs

Note 23.14

The figures of previous years were audited by a firm of Chartered Accountants other than M/s. S R B C & Co. LLP.

Note 23.15

Previous year's figures have been regrouped / rearranged wherever necessary, to conform to current year's presentation.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

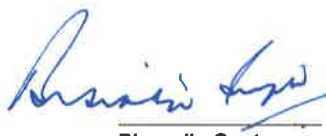
per Vishal Bansal
Partner
Membership Number: 097546




Place of Signature: Kolkata

Date: April 26, 2019

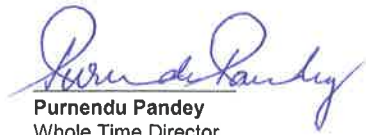
For and on behalf of the Board of Directors of
JSW Bengal Steel Limited



Biswadip Gupta
Director
DIN: 00048258



Partha Bose
Chief Financial Officer



Purnendu Pandey
Whole Time Director
DIN: 07145733



Priyanka Shetty
Company Secretary

