

JSW STEEL COATED PRODUCTS LIMITED

Financial Statements for the year ended March 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of JSW Steel Coated Products Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of JSW Steel Coated Products 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 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 profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 Ind AS financial statements.

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 Directors' Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the 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 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.



JSW Steel Coated Products Limited

Page 2 of 10

Responsibility of Management for the 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 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 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 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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.



JSW Steel Coated Products Limited

Page 3 of 10

- ▶ 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 Ind AS financial statements, including the disclosures, and whether the 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.

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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 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;



JSW Steel Coated Products Limited

Page 4 of 10

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 36 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Suresh Yadav
Partner

Membership Number: 119878

Place of Signature: Mumbai

Date: April 30, 2019



JSW Steel Coated Products Limited
Page 5 of 10

Annexure 1 referred to in paragraph 1 under the heading of 'Reporting on Other Legal and Regulatory Requirements' of our report of even date

Re: JSW Steel Coated Products Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified 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/ fixed assets are held in the name of the company except for the immovable properties which were transferred to the Company by virtue of scheme of amalgamation approved by high court and these are in process of being registered in the name of the Company. Details of the same is as below

Total Number of Cases	Nature of immovable Property	As at March 31, 2019 (Rs. in Crore)	
		Gross Block	Net block
3	Free hold land	4.85	4.85

- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31 March 2019 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. 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 or 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 respect of loans and advances given, investments made and, guarantees, and securities given provisions of section 186 of the Companies Act 2013 have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of steel coils and



sheets, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) The Company is generally regular depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	0.17	2001-05	Bombay High Court
		14.93	2002-09	CESTAT, Mumbai
		4.71	1993-2003	Commissioner of Central Excise, Mumbai
The Customs Act, 1962	Customs	7.19	2012-13	CESTAT, Mumbai
		1.26	1993-13	Commissioner of Customs, Mumbai
The Bombay Sales Tax Act, 1959	Sales Tax	3.73	2000-05	The Sales Tax Tribunal, Mumbai
		3.26	2011-12	The Sales Tax Tribunal, Nagpur
Maharashtra Value Added Tax, 2003	Sales Tax	4.88	2013-17	Asst. Commissioner, Sales Tax, Mumbai
		1.73	2006-09	CESTAT, Mumbai
		50.38	2009-10	Jt. Commissioner (Appeals), Sales Tax, Mumbai
		0.08	2013-14	Dy. Commissioner of Sales Tax, Mazgaon



SRBC & CO LLP

Chartered Accountants

JSW Steel Coated Products Limited

Page 7 of 10

Name of the Statute	Nature of Dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
Telangana VAT Act, 2005	Sales Tax	8.55	2013-16	Appellate Deputy Commissioner, Hyderabad
Chapter V of the Finance Act, 1994	Service Tax	34.78	2004-18	CESTAT, Mumbai
		2.92	2006-18	Assistant Commissioner of CGST
The Income Tax Act, 1961	Income Tax	7.92	2013-14	CIT (Appeals)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management, monies raised by the Company by way of term loans were applied for the purposes for which the loans were obtained. The Company has not raised any money by way of initial public offer or further public offer or debt instruments.
- (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 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 to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.



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Chartered Accountants

JSW Steel Coated Products Limited
Page 8 of 10

- (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.
- (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 SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Suresh Yadav
Partner
Membership Number: 119878



Place of Signature: Mumbai
Date: April 30, 2019

JSW Steel Coated Products Limited
Page 9 of 10

ANNEXURE '2' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF JSW STEEL COATED PRODUCTS LIMITED

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these 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 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 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 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 financial statements.



JSW Steel Coated Products Limited

Page 10 of 10

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 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 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 Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating 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 Suresh Yadav
Partner
Membership Number: 119878
Place of Signature: Mumbai
Date: April 30, 2019



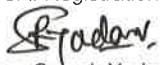
(Rupees in crores)

	Note No.	As at March 31, 2019	As at March 31, 2018
I ASSETS			
(1) Non-current assets			
Property, plant and equipment	4	2,319.34	1,724.75
Capital work in progress		997.60	447.10
Intangible assets	5	3.67	5.36
Financial assets	6		
Investments		69.93	35.84
Deposits		12.73	11.08
Loans		4.21	5.87
Other non-current financial assets		41.59	24.20
Income tax assets (net)		21.17	-
Other non-current assets	7	105.82	135.50
		3,576.06	2,389.70
(2) Current assets			
Inventories	8	1,287.48	1,290.13
Financial assets			
Trade receivables	9	340.76	427.31
Cash and cash equivalents	10	78.30	49.80
Derivative Instruments	6	41.44	3.06
Deposits	6	0.23	0.22
Loans	6	1.15	1.34
Other current financial assets	6	46.94	63.09
Other current assets	11	291.53	459.94
Assets classified as held for sale	4	6.14	3.02
		2,093.97	2,297.91
TOTAL		5,670.03	4,687.61
II. EQUITY AND LIABILITIES			
(1) Equity			
Equity share capital	12	50.05	50.05
Other equity	13		
Retained earnings		490.07	413.20
Other reserves		1,271.78	1,249.78
Total Equity		1,811.90	1,713.03
(2) Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	1,281.64	855.64
Long-term provisions	19	1.63	1.51
Deferred tax liabilities (net)	16	333.45	313.85
		1,616.72	1,171.00
Current liabilities			
Financial liabilities			
Borrowings	14	2.20	0.05
Trade payables	17		
Total outstanding dues of micro and small enterprises		5.19	3.31
Total outstanding dues of creditors other than micro and small enterprises		1,528.79	1,318.32
Derivative liabilities	15	7.89	6.28
Other current financial liabilities	15	421.67	273.41
Other current liabilities	18	207.08	124.95
Liabilities for current tax (net)		-	18.45
Short-term provisions	19	68.59	58.81
		2,241.41	1,803.58
TOTAL		5,670.03	4,687.61

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

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


per Suresh Yadav
Partner
Membership No : 119878




Place: Mumbai
Date : April 30, 2019

For and on behalf of the Board of Directors


Rajeev Pai
Director
DIN:00045604


Amarjit Singh Dahiya
Whole Time Director
Head (Coated Products)
DIN:08178338


Deepthi Walawalkar
Company Secretary
ICSI Membership No. A24818
Place: Mumbai
Date : April 30, 2019


Hemañt Shete
Chief Financial Officer



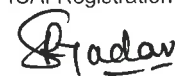
JSW STEEL COATED PRODUCTS LIMITED
CIN - U27100MH1985PLC037346
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2019

(Rupees in crores)

	Note no.	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Revenue from operations	20	12,323.84	12,805.47
Other income	21	2.59	49.73
Total income		12,326.43	12,855.20
Expenses:			
Cost of materials consumed	22	10,006.68	10,287.61
Purchases of traded goods		169.18	288.03
Changes in inventories of finished goods and semi finished goods	23	(36.03)	(174.04)
Excise duty expense		-	205.18
Employee benefits expense	24	256.71	248.09
Depreciation and amortization expense	25	133.79	136.47
Finance costs	26	140.96	132.48
Other expenses	27	1,534.69	1,311.45
Total expenses		12,205.98	12,435.27
Profit before Tax		120.45	419.93
Tax expense:			
Current tax		30.06	157.85
Adjustment of tax relating to earlier periods		(1.50)	3.10
Deferred tax		12.26	(16.06)
		40.82	144.89
Profit for the year		79.63	275.04
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		40.39	(60.26)
Income tax effect		(14.11)	20.85
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:		26.28	(39.41)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		(4.24)	(1.59)
Income tax effect		1.48	0.55
		(2.76)	(1.04)
Net (loss)/ gain on fair value of equity securities		(4.28)	4.34
Income tax effect		-	-
		(4.28)	4.34
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:		(7.04)	3.30
Other comprehensive income for the year, net of tax		19.24	(36.11)
Total comprehensive income for the year, net of tax attributable to equity shareholders:			
Profit for the year		79.63	275.04
Total comprehensive income for the year		98.87	238.93
Earnings per equity share:			
Basic and Diluted (Face value per share Rs.10)	32	15.91	54.95
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

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


per Suresh Yadav
Partner
Membership No : 119878



Place: Mumbai
Date : April 30, 2019



For and on behalf of the Board of Directors



Rajeev Pai
Director
DIN:00045604



Amarjit Singh Dahiya
Whole Time Director
Head (Coated Products)
DIN:08178338



Deepti Walawalkar
Company Secretary
ICSI Membership No. A24818
Place: Mumbai
Date : April 30, 2019



Hemant Shete
Chief Financial Officer

(Rupees in crores)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
A. Cash Flow From Operating Activities		
Profit Before Tax	120.45	419.93
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	133.79	136.47
(Profit)/ Loss on sale of Property, Plant and Equipments (net)	(0.32)	(2.15)
Interest Income	(2.27)	(16.59)
Dividend Income from Non current investment	-	(0.22)
Interest Expenses	140.96	132.48
Unrealised exchange (gain) / loss	(10.63)	6.68
Government grant	(5.41)	(1.40)
Provision for Doubtful Advances	20.00	-
	276.12	255.27
Operating profit before working capital changes	396.57	675.20
Movements in working capital :		
Decrease/ (Increase) in Inventories	2.66	(279.14)
Decrease/ (Increase) in Trade Receivables	80.81	(163.22)
Decrease/ (Increase) in Derivative assets	(1.07)	(6.82)
Decrease/ (Increase) in Other Non Current Assets	0.46	(7.73)
Decrease/ (Increase) in Other Non Current Financials Assets	(17.39)	(9.48)
Decrease/ (Increase) in Non Current Deposits	(1.65)	(0.37)
Decrease/ (Increase) in Other Current Assets	170.21	(59.34)
Decrease/ (Increase) in Other Financial Assets	17.04	38.39
(Decrease)/ Increase in Other Current Financial Liabilities	11.01	5.09
(Decrease)/ Increase in Long Term Provisions	0.12	(0.29)
(Decrease)/ Increase in Trade Payables	223.56	351.43
(Decrease)/ Increase in Other Current Liabilities	82.13	(35.39)
(Decrease)/ Increase in Derivative Liabilities	1.61	(15.93)
(Decrease)/ Increase in Short Term Provisions	5.53	1.59
	575.03	(181.21)
Cash generated from / (used in) operations	971.60	493.99
Direct Taxes Paid (net of refunds)	(73.48)	(142.92)
Net cash flow from/ (used in) operating activities (A)	898.12	351.07
B. Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipments and capital advances	(1,076.44)	(433.88)
Purchase of Non current Investments	(38.37)	-
Proceeds from sale of Property, Plant and Equipments	11.71	44.25
Loan to related parties	1.85	(2.10)
Interest received	1.37	16.25
Dividend received	-	0.22
Net cash flow from/ (used in) investing activities (B)	(1,099.88)	(375.26)
C. Cash Flow From Financing Activities		
Proceeds from Long Term Borrowings	769.65	290.68
Repayment of Long term borrowings	(367.10)	(88.44)
Proceeds from Short term borrowings	-	-
Repayment of Short term borrowings	-	-
Interest Paid	(174.44)	(139.86)
Net cash flow from/ (used in) in financing activities (C)	228.11	62.38
Net Increase/ (Decrease) In Cash and Cash Equivalents (A+B+C)	26.35	38.19
Cash and Cash Equivalents at the beginning of the year	49.75	11.56
Cash and Cash Equivalents at the end of the year	76.10	49.75
Components of cash and cash equivalents		
Cash on hand	0.06	0.06
With banks		
- on term deposit	73.56	32.57
- on cash credit account	-	1.10
- on current account	4.67	16.06
Cash and Cash Equivalents - Closing Balance	78.29	49.79
Add: Margin deposit account (earmarked money)	0.01	0.01
Less: Working Capital Loan	(2.20)	(0.05)
Cash and Cash Equivalents (As per note 10)	76.10	49.75

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

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



per Suresh Yadav
Partner
Membership No : 119878



Place: Mumbai,
Date : April 30, 2019

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For and on behalf of the Board of Directors



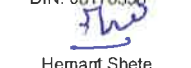
Rajeev Pai
Director
DIN:00045604



Amarjit Singh Dahiya
Whole Time Director
Head (Coated Products)
DIN: 08178338




Deepthi Walawalkar
Company Secretary
ICSI Membership No. A24818
Place: Mumbai,
Date : April 30, 2019


Hemant Shete
Chief Financial Officer

JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Statement of Changes in Equity

A. Equity Share Capital

(Rupees in crores)			
As at April 01, 2017	Movement during 2017-18	As at March 31, 2018	Movement during the year
50.05	-	50.05	-
			As at March 31, 2019
			50.05

B. Other Equity

(Rupees in crores)						
Particulars	Reserves and Surplus		Retained earnings	Items of OCI		Total Other Equity
	Capital Reserve	General Reserve		Cash flow hedge reserve	FVTOCI reserve	
As at April 1, 2017	1,263.49	2.47	139.20	36.94	(18.05)	1,424.05
Profit for the period	-	-	275.04	-	-	275.04
Other comprehensive income	-	-	(1.04)	(39.41)	4.34	(36.11)
Total comprehensive income	-	-	274.00	(39.41)	4.34	238.93
As at March 31, 2018	1,263.49	2.47	413.20	(2.47)	(13.71)	1,662.98
Profit for the period	-	-	79.63	-	-	79.63
Other comprehensive income	-	-	(2.76)	26.28	(4.28)	19.24
Total comprehensive income	-	-	76.87	26.28	(4.28)	98.87
As at March 31, 2019	1,263.49	2.47	490.07	23.81	(17.99)	1,761.85

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

S R B C & CO LLP

per Suresh Yadav
Partner
Membership No : 119878



Place: Mumbai
Date : April 30, 2019

For and on behalf of the Board of Directors

Rajeev Pai

Rajeev Pai
Director
DIN:00045604

Amarjit Singh Dahiya

Amarjit Singh Dahiya
Whole Time Director
Head (Coated Products)
DIN:08178338

Deepti Walawalkar

Deepti Walawalkar
Company Secretary
ICSI Membership No. A24818
Place: Mumbai
Date : April 30, 2019

Hemant Shete
Chief Financial Officer



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

1. General Information

JSW Steel Coated Products Limited (the 'Company') is a public limited company incorporated in India. It is a wholly owned subsidiary of JSW Steel Limited which is listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

The Company is primarily engaged in the manufacture of value added steel products which mainly consists of Galvanized and Galvalume Coils / Sheets, Colour Coated Coils/ Sheets and Tin Plate. The Company caters to both domestic and international markets.

The Company has three manufacturing facilities in the State of Maharashtra at Vasind, Tarapur and Kalmeshwar.

The Financial Statements of JSW Steel Coated Products Limited as at March 31, 2019 were approved and authorized for issue by the Board of Directors on April 30, 2019.

2. Significant Accounting policies

I. Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements under the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheets as at March 31, 2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2019, and significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

The Financial Statements have been prepared on a historical cost convention and on an accrual basis, except for the derivative financial instruments and certain financial assets and liabilities (refer Accounting policy for Financial Instrument) which have been measured at fair value or revalued amount required by relevant Ind AS at the end of the reporting period.

II. Fair value measurement

The Company measures financial instruments, such as, derivatives, investments in equity securities at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

III. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognitions a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

IV. Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized

Sale of goods

An entity shall account revenue from a contract with a customer only when all of the following criteria are met:



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

- (a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- (b) the entity can identify each party's rights regarding the goods or services to be transferred;
- (c) the entity can identify the payment terms for the goods or services to be transferred;
- (d) the contract has commercial substance (ie the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- (e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer

The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right to volume rebates which gives rise to variable consideration.

➤ **Volume rebates**

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Sale of services

Income from service rendered is recognised on accrual basis based on the terms of agreements and when services are rendered.

Dividend and interest income

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).

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



V. Leasing

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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 lessor

Amount due from the lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on straight-line basis over the term of the relevant lease unless either:

- a. Another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis;
- or
- b. The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met.

Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on straight-line basis over the lease term.

The company as lessee

Assets held under finance leases are initially recognized 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 balance sheet as a finance lease obligation. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

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 recognized immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless either:

- a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

- b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements on the basis of their relative fair values.

VI. Foreign currency transactions

The functional currency of the Company is Indian Rupees which has been determined on the basis of the primary economic environment in which it operates.

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

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

VII. Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds including interest on letter of credit discounted by bank and payable to bank.

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

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



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

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

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

VIII. Government grants

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

Government grants are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate or when performance obligations are met. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the balance sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

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

IX. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

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

The Company presents the first two components of defined benefit costs in profit or loss in the line item employee benefits expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits

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

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

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

X. Taxation

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

Current tax

Current tax is the amount of tax payable on the taxable income 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.

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

Deferred tax

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets on non-depreciable assets, the carrying amounts of such properties are presumed to be recovered entirely through sale.

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



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

XI. Property, plant and equipment

The cost of property, plant and equipment comprises its

- purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities),
- any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and
- any expected costs of decommissioning.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the 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. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed. Revenue generated from production during the trial period is capitalized.

Property, Plant and Equipment except Freehold Land held for use in the production, supply or administrative purpose are stated in the Financial Statement at cost less accumulated depreciation and accumulated impairment loss, if any.

XII. Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset as follows:

Sr. No	Particulars	Useful life estimated by the management (years)
1	Factory Buildings	9-40
2	Other Buildings	5-60
3	Railway Siding	15
4	Plant and Equipments	15-43
5	Rolls used in Cold Rolling Mill (included in Plant and Equipments)	1
6	Furniture and Fixtures	10
7	Vehicles	8
8	Office Equipments	5
9	Computers	3 or 6



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

The Company based on technical assessment made by technical experts and management estimate, depreciates certain items 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 are amortized over their estimated useful lives on straight line method.

Freehold land is not depreciated. Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.

Where the cost of a part of the asset is significant to total cost of the asset and the useful life of that part is different from the useful life of the remaining asset, useful life of the significant part has been determined separately.

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.

XIII. 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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Computer software is amortized over the useful life of 5 years as estimated by management.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the Statement of Profit and Loss when the asset is derecognized.

XIV. Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised.

XV. Impairment of non-financial 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. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

XVI. Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Interest charges, if any, on purchases have been recorded as Finance Cost. Cost is determined by the weighted average cost method except for procured Hot rolled coils/ Cold rolled coils as Raw material and its content in Finished goods and Semi finished goods, which is valued on specific identification basis.

Semi-finished goods/ finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis except in case of Hot rolled coils/ Cold rolled coils as noted above. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

XVII. Provisions

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

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

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

Onerous contracts

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



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

XVIII. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

I. Financial assets

a) Initial Recognition and measurement

The Company initially recognizes loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

b) Classification

On initial recognition, a financial asset is classified as measured at; amortized cost, FVOCI or FVTPL

Financial assets at amortized cost:

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss.

This category generally applies to Trade and other receivables.

Debt Instruments at FVTOCI

A financial asset is classified as FVTOCI only if it meets both the of the following conditions and is not recognized at FVTPL;

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

Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses &



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Equity Instrument-

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

All other financial assets are classified as measured at FVTPL.

Financial assets at FVTPL

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 statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

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

c) Derecognition

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

d) Impairment of Financial assets

The Company recognizes loss allowances for Expected Credit Loss (ECL) on financial assets that are not measured at FVTPL:

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

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

e) Effective interest method

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

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



II. Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

Financial liabilities at FVTPL:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Trade payables and other financial liabilities:

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipments. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and settled within 12 months. These arrangements for raw materials are recognized as Acceptances (under trade payables) and arrangements for property, plant and equipments are recognised as other financial liabilities. Interest borne by the company on such arrangements is accounted as finance cost.



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

III. Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortized cost	Fair value at reclassification date becomes its new amortized cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortized cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

IV. Offsetting of financial instruments

Financials assets and financials liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



V. Embedded derivatives

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

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

VI. Hedge accounting

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

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses. Refer Statement of Changes in Equity for more details.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

XIX. 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.



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

XX. Earnings per share

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share is computed by dividing income available to shareholders and assumed conversion by the weighted average number of common shares and potential common shares from outstanding stock options. Potential common shares are calculated using the treasury stock method and represent incremental shares issuable upon exercise of the Company's outstanding stock options.

3. Key sources of estimation uncertainty and critical accounting judgements

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

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

a. Key sources of estimation uncertainty

i) Useful lives and residual value of property, plant and equipment

Management reviews the useful lives and residual values 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.

Refer note 2 (XII) for useful life estimated by management for depreciation of Property Plant and equipment.

ii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized measurements (Refer note 34 (b))

iii) Fair value measurements

Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied. Other financial instruments are valued using a discounted cash flow method based on assumptions supported, where possible, by observable market prices or rates. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 36.



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

b. Critical accounting judgements

i) Arrangement in the nature of lease

The Company has entered into long-term arrangements with third party to facilitate continuous supply of Nitrogen gas to its plants at Tarapur and Kalmeshwar. These arrangements involve setting up of gas plants by the third party in the Company's premises to supply minimum specified gas quantities to the Company. Based on assessment of the terms of the arrangements, the Company has concluded that these arrangements are in the nature of operating lease. (Refer note 36 (a)).

ii) Government receivables

Receivables from Government Authorities are on account of Maharashtra Value Added Tax refund, GST refund and Export Benefits due to the company. On the basis of detailed evaluation, the Company has estimated amount of Rs. 45.16 crores (Export benefits and entitlements) and Rs. 251.53 crores (Indirect Tax balances) to be realized within next 12 months, accordingly same has been classified as "Current Assets".



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 4 – Property, Plant and Equipment

Particulars	(Rupees in crores)										Non-current assets held for sale	
	Land-Leasehold	Land-Freehold	Buildings	Railway Siding	Plant and equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total Property, Plant and Equipment		
Cost or valuation												
At April 1, 2017	254.01	280.82	298.83	35.88	1,204.98	1.87	3.41	2.48	5.05	2,087.33	10.69	
Additions	1.51	-	1.94	-	87.00	0.13	2.07	0.46	0.89	94.00	-	
Disposals	-	-	(1.16)	-	(54.05)	(0.00)	(0.01)	-	(0.00)	(55.22)	(7.67)	
At March 31, 2018	255.52	280.82	299.61	35.88	1,237.93	2.00	5.47	2.94	5.94	2,126.11	3.02	
Additions	5.05	46.94	76.68	-	610.38	0.46	0.49	0.75	0.40	741.15	-	
Disposals	-	-	(1.63)	-	(31.02)	-	(1.04)	-	(0.02)	(33.71)	(2.42)	
Transfer to asset held for sale	-	-	(0.86)	-	(9.53)	-	-	-	-	(10.39)	10.39	
At March 31, 2019	260.57	327.76	373.80	35.88	1,807.76	2.46	4.92	3.69	6.32	2,823.16	10.99	
Depreciation												
At April 1, 2017	7.31	-	24.94	3.85	247.86	0.44	0.52	0.94	1.91	287.77	-	
Charge for the year	3.69	-	12.72	1.80	113.35	0.27	0.52	0.43	1.60	134.38	-	
Disposals	-	-	(0.14)	-	(20.64)	(0.00)	(0.01)	-	(0.00)	(20.79)	-	
At March 31, 2018	11.00	-	37.52	5.65	340.57	0.71	1.03	1.37	3.51	401.36	-	
Charge for the year	3.70	-	14.43	1.80	109.03	0.30	0.70	0.40	1.68	132.04	-	
Disposals	-	-	(1.15)	-	(23.13)	-	(0.42)	-	(0.02)	(24.73)	-	
Transfer to asset held for sale	-	-	(0.15)	-	(4.71)	-	-	-	-	(4.85)	4.85	
At March 31, 2019	14.70	-	50.65	7.45	421.76	1.01	1.31	1.77	5.17	503.82	4.85	
Net Block												
At March 31, 2019	245.87	327.76	323.15	28.43	1,386.00	1.45	3.61	1.92	1.15	2,319.34	6.14	
At March 31, 2018	244.52	280.82	262.09	30.23	897.36	1.29	4.44	1.57	2.43	1,724.75	3.02	



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

- a) Non-current asset held for sale includes Hot Rolling Mill, Acid Regeneration Plant and Effluent Treatment Plant which is retired from active use. The Company intends to dispose the same within the next 12 months by way of sale. The assets were already valued at their residual value, and hence there is no charge in the statement of profit and loss for the period ended March 31, 2019.
- b) For details of assets given on Operating Lease - Refer note 36
- c) Freehold land includes land transferred to the Company by virtue of composite scheme of amalgamation and arrangement which are in process of being registered in the name of the company amounting to Rs. 4.85 crores. (March 31, 2018 – Rs. 4.85 crores)
- d) Lease arrangement with M.I.D.C with respect to Land has been classified as a finance lease and accordingly included in Property, Plant and Equipment. The company has the option of renewal of lease after completion of initial lease term.
- e) Capital work in progress includes exchange fluctuation gain of Rs. 2.57 crores (March 31, 2018 - loss of Rs 2.02 crores) and borrowing cost Rs. 15.25 crores (March 31, 2018 – Rs. 6.39 crores) capitalised during the year.
- f) Borrowing cost and foreign exchange loss capitalized during the year is Rs. 26.09 crores (March 31, 2018 – Rs. Nil) and Rs. 22.83 crores respectively (March 31, 2018 – Rs. Nil)
- g) The Property, Plant and Equipment are pledged against borrowings, the details relating to which have been described in Note 14.



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 5 – Intangible Assets

(Rupees in crores)

Particulars	Computer Software	Total
Cost or valuation		
At April 1, 2017	10.13	10.13
Additions	2.63	2.63
Disposals	-	-
At March 31, 2018	12.76	12.76
Amortization		
At April 1, 2017	5.29	5.29
Charge for the year	2.11	2.11
Disposals	-	-
At March 31, 2018	7.40	7.40
Charge for the year	1.75	1.75
Disposals	-	-
At March 31, 2019	9.15	9.15
Net book value		
At March 31, 2019	3.67	3.67
At March 31, 2018	5.36	5.36



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 6 – Financial Assets

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Investments		
Investments in equity instruments		
Quoted – Others		
(at fair value through OCI)		
JSW Energy Limited		
90,31,770 (March 31, 2018: 43,76,770) Equity Shares of Rs. 10 each fully paid-up	65.57	31.86
Unquoted equity shares		
Tarapur Environment Protection Society		
244,885 (March 31, 2018 : 244,885) Equity Shares of Rs. 100 each fully paid-up	4.36	3.98
Total fair value through OCI investments	69.93	35.84
Current	-	-
Non-Current	69.93	35.84
Summary		
Quoted		
Aggregate carrying value	65.57	31.86
Aggregate market value	65.57	31.86
Unquoted		
Aggregate carrying value	4.36	3.98
Derivative instruments at fair value through OCI		
Cash Flow Hedges		
Foreign exchange forward contracts	41.37	1.54
Commodity contracts	-	0.25
Total derivative instruments at fair value through OCI	41.37	1.79
Current	41.37	1.79
Non-Current	-	-
Derivative instruments at fair value through Profit & Loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	0.07	1.27
Total derivative instruments at fair value through Profit & Loss	0.07	1.27
Current	0.07	1.27
Non-Current	-	-
Deposits (considered good unless otherwise stated)		
Security Deposits	12.96	11.30
Total Deposits	12.96	11.30
Current	0.23	0.22
Non-Current	12.73	11.08



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 6 – Financial Assets (contd...)

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Loans (Unsecured considered good unless otherwise stated)		
Loans to related party for business purpose	5.36	7.21
	5.36	7.21
Current	1.15	1.34
Non-Current	4.21	5.87
Other Financial Assets	88.53	87.29
Current	46.94	63.09
Non-Current	41.59	24.20
Total Financial Assets	218.22	144.70
Total Current	89.77	67.71
Total Non-Current	128.45	76.99

Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities.

Derivative instruments at fair value through OCI reflect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US dollars (USD).

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships.

Break up of financial assets carried at amortised cost

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Loans	5.36	7.21
Trade receivables (note 9)	340.76	427.31
Cash and cash equivalents (note 10)	78.30	49.80
Security deposits	12.96	11.30
Other financial assets	88.53	87.29
Total financial assets carried at amortised cost	525.91	582.91

Note 7 – Other non-current assets

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Capital advances	66.80	96.02
Less : Provision for doubtful advances	(0.52)	(0.52)
	66.28	95.50
Indirect tax balances/recoverables/credits	38.37	33.55
Prepayments and others	1.31	7.07
	39.68	40.62
Less : Provision for doubtful loans and advances	(0.14)	(0.62)
	39.54	40.00
Total other non-current assets	105.82	135.50



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 8 – Inventories

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Raw Materials (at cost)	443.54	486.68
Semi Finished/ Finished Goods (Refer note 23) (at cost or net realisable value)	778.09	758.11
Production Consumables and Stores and Spares (including packing material) (at cost)	46.71	42.24
Traded Goods (at cost or net realisable value)	19.14	3.10
Total inventories	1,287.48	1,290.13
Details of stock-in-transit included in above		
Raw Materials	141.37	177.81

- i) Inventory amounting to Rs. 292.38 crores (March 31, 2018 - Rs. 18.41 crores) was valued at Fair value less cost to sell.
- ii) During the year Rs. 6.72 crores (March 31, 2018 - Rs. 0.55 crore) was recognised as an expense for inventories carried at net realisable value in respect of inventory given in (i) above.
- iii) Inventories have been pledged as security against certain bank borrowings, details relating to which has been described in note 14.

Note 9 – Trade receivables

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Trade receivables	320.28	426.08
Receivables from other related parties (refer note 39)	20.48	1.23
Total Trade receivables	340.76	427.31
Break-up for security details		
Trade receivables		
Secured considered good	-	-
Unsecured, considered good	340.76	427.31
Trade receivable which have significant increase in credit risk	-	-
Trade receivables credit impaired	0.75	0.75
	<u>341.51</u>	<u>428.06</u>
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Trade receivable which have significant increase in credit risk	-	-
Trade receivables credit impaired	(0.75)	(0.75)
Total Trade receivables	340.76	427.31

Trade receivables have been given as collateral towards borrowings details relating to which has been described in note 14.



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Ageing of Trade receivables that are past due Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
60-90 days	0.26	1.23
90-180 days	2.39	2.57
> 180 days	2.74	2.45
	5.39	6.25

The credit period on sale of goods ranges from 7 to 60 days with or without security.

Note 10 – Cash and cash equivalents

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
In Current accounts	4.67	16.06
In Term Deposit accounts with maturity less than 3 months at inception	73.56	32.57
In Cash Credit accounts	-	1.10
Cash on hand	0.06	0.06
	78.29	49.79
Others		
In Margin Money with maturity more than 3 months but less than 12 months at inception	0.01	0.01
	78.30	49.80
Total cash and cash equivalents		
Earmarked balances		
In Margin Money	0.01	0.01

Margin money deposits with a carrying amount of Rs. 0.01 crore (March 31, 2018 – Rs. 0.01 crore) are subject to first charge to secure the Company's cash credit loans.

For the purpose of statement of cash flows, cash and cash equivalents comprise of the following:

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
In Current Accounts	4.67	16.06
In Term Deposit Accounts with maturity less than 3 months at inception	73.56	32.57
In Cash Credit Accounts	-	1.10
Cash on hand	0.06	0.06
In Margin Money with maturity more than 3 months but less than 12 months at inception	0.01	0.01
	78.30	49.80
Less - Working Capital Loan (Refer note 14)	(2.20)	(0.05)
	76.10	49.75



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 10 - Cash and cash equivalent (continued)

Changes in liabilities arising from financing activities for the year ended March 31, 2019

Particulars	April 1, 2018	Cash Flows	Foreign exchange management	Other	March 31, 2019
Non-current Borrowings	855.64	403.13	11.51	11.36	1,281.64
Current maturity of long term loans	87.89	(0.58)	-	10.64	97.95
Interest Payable	4.86	(174.44)	-	174.64	5.06
Total liabilities from financing activities	948.39	228.11	11.51	196.64	1,384.65

Changes in liabilities arising from financing activities for the year ended March 31, 2018

Particulars	April 1, 2017	Cash Flows	Foreign exchange management	Other	March 31, 2018
Non-current Borrowings	650.62	202.78	2.02	0.22	855.64
Current maturity of long term loans	88.44	(0.55)	-	-	87.89
Interest Payable	6.07	(139.86)	-	138.65	4.86
Total liabilities from financing activities	745.13	62.37	2.02	138.87	948.39

The 'Other' adjustment includes interest cost capitalised in Property, plant and equipment, interest accrued on borrowings and amortisation of upfront fees.

Note 11 – Other current assets

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Advance to Suppliers	30.17	37.79
Indirect tax balances/recoverables/credits	251.53	418.18
Prepayments and others	29.83	3.97
	311.53	459.94
Less : Provision for doubtful loans and advances	(20.00)	-
Total other current assets	291.53	459.94



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 12 - Equity Share Capital

Particulars	As at	As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Number of shares		Amount (Rupees in crores)	
a. Authorised shares:				
Equity Shares of the par value of Rs.10 each	5,50,00,000	5,50,00,000	55.00	55.00
b. Issued and subscribed				
(i) Outstanding at the beginning of the year, fully paid-up	5,00,50,000	5,00,50,000	50.05	50.05
(ii) Issued during the year (at par value)	-	-	-	-
(iii) Outstanding at the end of the year, fully paid-up	5,00,50,000	5,00,50,000	50.05	50.05

a) Rights, preferences and restrictions attached to equity shares

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

b) Shareholders holding more than 5% share in the Company

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of shares	% of shares	No of shares	% of shares
Equity shares				
JSW Steel Limited (including nominees)	5,00,50,000	100.00%	5,00,50,000	100.00%

As per the records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

The Company has not declared any dividend during the current year (March 31, 2018 - Nil).

Note 13 - Other equity

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
General reserve	2.47	2.47
Retained Earnings	490.07	413.20
Other Comprehensive Income :		
Equity instruments through other comprehensive income	(17.99)	(13.71)
Effective portion of cash flow hedges	23.81	(2.47)
Other Reserves		
Capital reserve	1,263.49	1,263.49
Total	1,761.85	1,662.98



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

(i) General reserve

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

Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss to the General reserves.

(ii) Retained Earnings

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

(iii) Equity Instruments through other comprehensive income

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

(iv) Effective portion of cash flow hedges

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

(v) Equity settled share based payment

The Holding Company has share option schemes under which the option to subscribe for Holding Company's shares have been granted to certain senior employees. The share based payment reserve at Holding Company is used to recognise the value of equity settled share based payments provided to employees, including key management personnel, as a part of their remuneration.

(vi) Capital reserve

The Honourable High Court of Mumbai, on May 3, 2013 had sanctioned a scheme of amalgamation ("Scheme") under sections 391 to 394 of the Companies Act, 1956. In accordance with the scheme, Downstream Undertakings comprising of Vasind and Tarapur units of JSW Steel Limited and Kalmeshwar Unit of JSW Ispat Steel Limited were transferred to JSW Steel Coated Products Limited with effect from July 1, 2012 and accounted in the year ended March 31, 2014.

The Company had accounted all the assets and liabilities of Kalmeshwar Undertaking and Downstream Undertakings at the appointed date of July 1, 2012 at the respective fair values and had credited an amount equal to the difference in fair values of assets and liabilities of Kalmeshwar Undertaking and Downstream Undertakings to its Capital Reserve account.



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 14 – Borrowings

Particulars	Maturity	(Rupees in crores)	
		As at March 31, 2019	As at March 31, 2018
Non-current Borrowings			
Term Loan			
From Bank			
a. Secured bank loan	October 31, 2015 to July 31, 2023	455.88	551.31
b. i) Secured Foreign Currency Loan	July 31, 2019 to July 31, 2022	-	260.18
ii) Unsecured Foreign Currency Loan (ECB)	March 28, 2023 to January 29, 2026	713.97	32.52
iii) Unsecured Foreign Currency Loan (ECA)	June 2020 to June 2030	102.47	-
From other parties			
Deferred Payment Liabilities (Unsecured)			
c. Deferred Sales Tax/ Value Added Tax	April 2015 - June 2019	-	0.74
Loans (Unsecured)			
d. Sales Tax Loan from Government of Maharashtra	September 2016 - July 2031	9.32	10.89
Total non-current borrowings		1,281.64	855.64
Current borrowings			
Current maturity of long term loans			
From Bank			
a. Secured bank loan	October 31, 2015 to July 31, 2023	95.64	85.00
From other parties			
Deferred Payment Liabilities (Unsecured)			
b. Deferred Sales Tax/ Value Added Tax	April 2015 - June 2019	0.74	1.35
Loans (Unsecured)			
c. Sales Tax Loan from Government of Maharashtra	September 2016 - July 2031	1.57	1.54
Loan Repayable on Demand (from bank)			
d. Working Capital loans (Secured)	On demand	2.20	0.05
Total current borrowings		100.15	87.94
Less: Amount Classified under "other current financial liabilities"		(97.95)	(87.89)
Net current borrowings		2.20	0.05



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

a. Secured Bank Loan

Rupee Term Loans from Banks are secured as under:

Rupee Term Loan of Rs. 850 crores from State Bank of India is to be secured /secured by

- i) First charge by way of legal mortgage on 2400 sq feet land at Toranagallu village in the state of Karnataka.
- ii) First charge on the entire fixed assets of the Company situated at Vasind, Tarapur and Kalmeshwar both present and future.

The interest rate as on March 31, 2019 is 9.50%.

JSW Steel Ltd. (Holding Company) has provided a Letter of Comfort (LOC) in favour of the Bank for the Term Loan sanctioned and disbursed in favour of the Company.

Terms of Repayment of Rupee Term Loan

- (i) Rs. 297.50 crores is repayable in 14 quarterly instalments of Rs. 21.25 crores each from 31.10.2015 to 31.01.2019.
- (ii) Rs. 95.64 crores is repayable in 4 quarterly instalments of Rs. 23.91 crores each from 30.04.2019 to 31.01.2020.
- (iii) Rs. 318.74 crores is repayable in 12 quarterly instalments of Rs. 26.56 crores each from 30.04.2020 to 31.01.2023.
- (iv) Rs. 138.12 crores is repayable in 2 quarterly instalments of Rs. 69.06 crores each from 30.04.2023 to 31.07.2023.

b. Foreign Currency Loan

Foreign Currency Loan from Banks are as under:

- (i) Foreign currency loan from Citi Bank N.A of USD 40 million is secured by

First pari-passu charge over all of the tangible fixed assets (other than specifically carved out assets) consisting of land and building with all other erections and structures thereon as well as plant and machineries along with spares, tools and accessories both present and future.

The interest rate as on December 31, 2018 is 3.477%. Entire Loan amount of USD 40 Million has been repaid on December 31, 2018

- (ii) Foreign currency Unsecured External Commercial Borrowings loan of USD 105 million from Yes Bank is repayable in as under

- USD 1.67 million in FY 2022-23
- USD 35 million in FY 2023-24
- USD 35 million in FY 2024-25
- USD 33.33 million in FY 2025-26

The interest rate as on March 31, 2019 is 5.173%.

- (iii) Foreign currency Unsecured Export Credit Agencies Borrowings (Tranche A) of USD 10.40 million from KFW IPEX-Bank GmbH repayable from June 2020 to June 2030 in 20 equal half-yearly installments. The interest rate as on March 31, 2019 is 3.97 %.

- (iv) Foreign currency Unsecured Export Credit Agencies Borrowings (Tranche B) of USD 5.70 million from KFW IPEX-Bank GmbH repayable from June 2020 to June 2030 in 20 equal half-yearly installments. The interest rate as on March 31, 2019 is 3.97 %.



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

c. Deferred Payment Liabilities (Unsecured)

Deferred Sales Tax Loan is interest free and payable in five equal annual instalments after end of 10 years of respective year of collection and the repayment schedule from the Balance Sheet date is as follows:

Instalments due	March 31, 2019			March 31, 2018		
	Number of instalments	Non-Current (Rs. in crore)	Current Maturities (Rs. in crore)	Number of instalments	Non-Current (Rs. in crore)	Current Maturities (Rs. in crores)
Within one year	2	-	0.74	3	-	1.35
In the second year to third year	-	-	-	2	0.74	-
In the fourth year to fifth year	-	-	-	-	-	-
Total	2	-	0.74	5	0.74	1.35

d. Sales Tax Loan from Government of Maharashtra

Sales tax loan from Government of Maharashtra is interest free and payable in six equal annual instalments starting after 12 years of disbursement and the repayment schedule from the balance sheet date is as follows:

Instalments due	March 31, 2019			March 31, 2018		
	Number of instalments	Non-Current (Rs. in crores)	Current Maturities (Rs. in crores)	Number of instalments	Non-Current (Rs. in crores)	Current Maturities (Rs. in crores)
Within one year	7	-	1.57	6	-	1.54
In the second year to third year	14	3.14	-	14	3.14	-
In the fourth year to fifth year	4	0.27	-	9	1.80	-
After five years	48	5.91	-	50	5.95	-
Total	73	9.32	1.57	79	10.89	1.54

e. Working Capital loans (secured)

Above Working Capital Loans are secured by:

- pari passu first charge by way of hypothecation of Stocks of Raw Materials, Finished Goods, Work-in-Progress, Consumable Stores and Spares and Book Debts / Receivables of the Company, both present and future.
- pari passu second charge on movable properties and immovable properties forming part of the Fixed/Blocked assets of the company, both present and future except such properties as may be specifically excluded.

The working capital loan is repayable on demand and carries interest at 9.00 % to 9.50 % per annum (March 31, 2018 - 9.25% to 10.35% per annum).



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 15 – Other Financial Liabilities

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Financial liabilities at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	-	2.86
Interest rate swap	-	2.70
Total financial liabilities at fair value through OCI	-	5.56
Financial liabilities at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	7.89	0.72
Total derivative instruments at fair value through profit or loss	7.89	0.72
Other current financial liabilities at amortised cost		
Current maturity of long term loans (refer note 14)	97.95	87.89
Deposits received from customers	10.55	10.18
Payables to employees	16.63	17.33
Interest payable	5.06	4.86
Customer liabilities (rebate & discount)	26.07	17.86
Payables for capital projects		
Acceptances	79.86	46.43
Other than acceptances	185.20	88.47
Others	0.35	0.39
Total other current financial liabilities at amortised cost	421.67	273.41
Total other financial liabilities	429.56	279.69

Payables for Capital Projects comprise of credit availed by the Company from Banks for payment to suppliers for capital items amounting to Rs. 79.86 crores (March 31, 2018- Rs. 46.43 crores). These arrangements are interest bearing and are payable within one year. (Refer Note 2 (XVIII) (II) – Accounting policy on trade payables and other financial liabilities).

Financial liabilities at fair value through OCI

Financial liabilities at fair value through OCI reflect the change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future sales in USD.

Financial liabilities at fair value through profit or loss

The Company has entered into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales. These other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Break up of financial liabilities carried at amortised cost

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Borrowings (non-current) (note 14)	1,281.64	855.64
Borrowings (current) (note 14)	2.20	0.05
Current maturity of long term loans (note 14)	97.95	87.89
Trade payables (note 17)	1,533.98	1,321.63
Total financial liabilities carried at amortised cost	2,915.77	2,265.21



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 16 – Income Tax

The major components of income tax expense for the year ended March 31, 2019 is:

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Profit or loss section		
Current income tax:		
Current income tax charge	30.06	157.85
Adjustments in respect of current income tax of previous year	3.80	(2.55)
Deferred tax:		
Short/ (Excess) provision for Deferred tax relating to previous year	(5.30)	5.65
Relating to origination and reversal of temporary differences	12.26	(16.06)
Income tax expense reported in the statement of profit or loss	40.82	144.89
Other Comprehensive Income Section		
Deferred tax related to items recognised in Other Comprehensive Income during the year:		
Net gain/(loss) on revaluation of cash flow hedges	14.11	(20.85)
Net (loss)/ gain on remeasurements of defined benefit plans	(1.48)	(0.55)
Income tax charged to Other Comprehensive Income	12.63	(21.40)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019:

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Accounting profit before income tax	120.45	419.93
Enacted tax rate in India	34.944%	34.608%
Expected income tax (benefit)/expense at statutory tax rate	42.09	145.32
Expenses disallowed for tax purposes	2.67	3.31
Income exempt from tax	(0.74)	(0.62)
Tax holiday and similar exemptions	-	(7.64)
Reversal of Deferred Tax liabilities on Leasehold & Freehold land	(1.70)	1.42
Adjustment due to prior period items	(1.50)	3.10
At the effective income tax rate of 33.89% (March 31, 2018- 34.51%)	40.82	144.89
Income tax expense reported in the statement of profit and loss	40.82	144.89



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Deferred tax relates to the following:

Particulars	Balance Sheet		Statement of Profit and Loss	
	(Rupees in crores)		(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Provision for doubtful debts and advances	7.25	0.27	(6.98)	-
Post-employment benefits	23.46	20.60	(1.38)	(0.06)
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	17.30	14.36	(2.94)	(2.32)
Revaluation of Cash Flow Hedges	(12.79)	1.30	-	-
Property, plant and equipment	(367.86)	(344.73)	23.10	(13.68)
Others	(0.81)	-	(0.81)	-
Adjustment due to prior period items	-	(5.65)	(5.65)	5.65
Deferred tax expense/ (income)			6.96	(10.41)
Net deferred tax assets/(liabilities)	(333.45)	(313.85)		

Reconciliation of deferred tax liabilities (net):

Particulars	Rupees in crores
Deferred tax liabilities (net)	
Opening balance as on April 1, 2017	(345.66)
Tax income/ (expense) recognised in profit or loss	10.41
Tax income/ (expense) recognised in OCI	21.40
Closing balance as on March 31, 2018	(313.85)
Tax income/ (expense) recognised in profit or loss	(6.97)
Tax income/ (expense) recognised in OCI	(12.63)
Closing balance as on March 31, 2019	(333.45)
Closing balance as on March 31, 2018	(313.85)
Closing balance as on March 31, 2019	(333.45)

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



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 17 – Trade payables

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Acceptances	402.14	371.22
Other than acceptances	1,131.84	950.41
Total Trade payables	1,533.98	1,321.63
Break-up of Trade Payables		
Total outstanding dues of micro and small enterprises (refer note 31)	5.19	3.31
Total outstanding dues of creditors other than micro and small enterprises	1,528.79	1,318.32
Total Trade payables	1,533.98	1,321.63

Acceptances include credit availed by the Company from banks for payment to supplier for purchase of raw materials & other services amounting to Rs. 59.54 crores (March 31, 2018 – Rs. Nil). These arrangements are interest bearing and are payable within one year (Refer Note 2 (XVIII) (II) – Accounting policy on trade payables and other financial liabilities).

Note 18 – Other current liabilities

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Advances from Customers	158.64	89.07
Statutory Liabilities	19.55	26.36
Others	28.89	9.52
Total other current liabilities	207.08	124.95

Note 19 – Provisions

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Long Term		Short Term	
Provision for compensated absences	-	-	20.46	18.57
Provision for Gratuity	-	-	46.69	39.19
Provision for long service award	1.63	1.51	1.44	1.05
Total provisions	1.63	1.51	68.59	58.81



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 20 – Revenue from operations

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Revenue from operations		
Sale of products		
Domestic Turnover (includes Freight Recovery Rs. 275.36 crores, March 31, 2018- Rs. 251.04 crores)	8,565.32	8,403.09
Export Turnover	3,451.79	3,949.93
Traded Goods	156.50	288.11
	12,173.61	12,641.13
Sale of services		
Jobwork income	2.84	3.66
Other Operating Revenues		
Gain on prepayment of deferred Value Added/ Sales Tax @	2.11	1.56
Government Grant	5.41	1.40
Export Benefits	128.93	143.92
Miscellaneous Income	10.94	13.80
Total revenue from operations	12,323.84	12,805.47

Sale of goods includes excise duty collected from customers of Rs. Nil (March 31, 2018 - Rs. 204.75 crores). Sale of goods net of excise duty is Rs. 12,173.61 crores (March 31, 2018- Rs. 12,436.38 crores).

@ Pre GST period upto June 30, 2017 - Gain arising on prepayment of the Deferred Value Added Tax/Sales Tax liability payable in future years related to Kalmeshwar unit, on net present value basis, in terms of Section 94(2) of Maharashtra Value Added Tax Act, 2002 read with Rule 84 of Maharashtra Value Added Tax Rules, 2005, Rs. Nil (March 31, 2018 Rs. 0.43 crore). Post GST period gain arising on excess payment of GST over amount payable as per net present value basis has been considered @ 9.00% of Rs. 2.11 crores (March 31, 2018 Rs. 1.13 crores).

Government Grants have been recognised on account of duty exemption on imports of permitted goods under Export Promotion Capital Goods Scheme with an export obligation to be met in future periods.

Note 21 – Other income

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Other non-operating income		
Dividend income from long-term Investments	-	0.22
Net Gain on foreign currency transactions and translation (Other than considered as finance cost)	-	30.77
Net gain on disposal of property, plant and equipment	0.32	2.15
Interest income from:		
Related party	0.73	0.85
Others	1.54	15.74
Total other income	2.59	49.73



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 22 – Cost of materials consumed

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Inventory at the beginning of the year	486.68	361.42
Add: Purchases	9,963.54	10,412.87
	10,450.22	10,774.29
Less: Inventory at the end of the year	443.54	486.68
Total cost of materials consumed	10,006.68	10,287.61

Note 23 – Changes in inventories of finished goods and semi-finished goods

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Opening Stock :		
Semi-Finished /Finished Goods	761.21	618.11
	761.21	618.11
Closing Stock :		
Semi-Finished /Finished Goods	797.24	761.21
	797.24	761.21
Excise duty on stock of finished goods (net)	-	(30.94)
Total Changes in inventories of finished goods and semi-finished goods	(36.03)	(174.04)



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 24 – Employee benefits expense

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Salaries and Wages	225.53	221.43
Contribution to Provident and Other Funds	16.72	15.70
Expenses on employees stock option scheme of the Parent company (Refer note 35)	3.18	1.17
Staff Welfare Expenses	11.28	9.79
Total employee benefits expense	256.71	248.09

Note 25 – Depreciation and amortization expense

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Depreciation of tangible assets (note 4)	132.04	134.36
Amortization of intangible assets (note 5)	1.75	2.11
Total depreciation and amortization expense	133.79	136.47

Note 26 – Finance costs

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Interest	126.88	121.75
Other borrowing costs	14.08	10.73
Total Finance costs	140.96	132.48



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 27 – Other Expenses

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Stores and Spares consumed	145.16	129.97
Packing Expenses	128.36	115.56
Power and Fuel	402.34	344.19
Jobwork and Processing Charges	68.22	14.55
Rent	3.10	3.28
Repairs and Maintenance		
Plant and Machinery	17.62	17.05
Buildings	8.33	7.01
Others	2.36	2.42
Carriage and Freight	512.36	481.51
Commission on Sales	22.21	28.04
Net Loss on foreign currency transactions and translation (Other than considered as finance cost)	11.87	-
Provision for Doubtful advances	20.00	-
Insurance	7.53	6.56
Rates and Taxes	4.74	7.93
Expense towards CSR activities	6.13	3.47
Miscellaneous Expenses	174.36	149.91
Total other expenses	1,534.69	1,311.45

Details of CSR Expenditure:	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
a) Gross amount required to be spent by the Company	5.92	2.99
b) Amount spent during the year on		
i) Construction/ acquisition of an asset		
-in cash	-	-
-yet to be paid in cash	-	-
Total	-	-
ii) On purposes other than (i) above		
- in cash	2.83	2.02
-yet to be paid in cash	3.30	1.45
Total	6.13	3.47



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note - 28 Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1st, 2018 replaces the existing revenue recognition standards. The application of Ind AS 115 did not have any significant impact on Statement of Profit and Loss of the Company. However, the Company has determined that, in case of certain contracts, shipping services provided to customers is a separate performance obligation and accordingly the revenue attributable to such shipping services has been recognised as revenue from operations, which was hitherto netted off against the corresponding freight expense included as part of other expenses in the statement of profit and loss. The Company has applied full retrospective approach and restated the previous period presented.

The restated revenue for year ended March 31, 2018 is higher by Rs. 251.04 crores with the corresponding increase in Other expenses.

Further, the export benefits, amounting to Rs. 143.92 crores for the year ended March 31, 2018 which was earlier included as part of Revenue from sale of products has been reclassified to Other operating income.

The above adjustments have no impact on the balance sheet and cash flow statement for the previous period.

The restated revenue and restated other expenses for the year ended March 31, 2018 are:

Particulars	(Rupees in crores)
	For the Year Ended March 31, 2018
Revenue from operations	12,805.47
Other expenses	1,311.45

The Company has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 34):

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Revenue from contracts with customer - sale of products	12,173.61	12,641.13
Other operating revenue	150.23	164.34
Total revenue from operations	12,323.84	12,805.47
Timing of revenue recognition		
At a point in time	12,323.84	12,805.47
Over a period of time	-	-
Total revenue from operations	12,323.84	12,805.47

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Galvanized coils/sheets	4,585.08	4,622.67
Galvalume coils/sheets	1,980.77	1,541.04
Color Coated Galvanized coils/sheets	855.01	856.92
Color Coated Galvalume coils/sheets	3,622.34	2,972.20
Cold rolled coils/sheets	176.86	155.58
Hot rolled Coil Pickled & Oiled	17.83	13.75
Trading Sales	161.13	1,791.06
Others	774.59	687.91
Total	12,173.61	12,641.13



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Contract Balances

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Contract assets		
Trade Receivables	340.76	427.31
Contract liabilities		
Advance from customers	158.64	89.07

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

As at March 31, 2019, Rs. 0.75 crore (March 31, 2018 - Rs.0.75 crore) was recognised as provision for expected credit losses on trade receivables.

Contract liabilities include short term advances received for sale of goods. The outstanding balances of these accounts increased in due to the continuous increase in the customer base.

Amount of revenue recognized from amounts included in the contract liabilities at the beginning of the year Rs. 81.09 crores (March 31, 2018 Rs. 107.93 crores) and performance obligations satisfied in the previous years is Rs. Nil (March 31, 2018 - Rs. Nil)

Out of the total contract liabilities outstanding as on March 31, 2019, Rs. 158.64 crores will be recognized by March 2020.

Refund Liabilities

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Arising from volume rebates and discounts	26.07	17.86

The Company does not have any significant adjustments between the contracted price and revenue recognized in the statement of profit or loss. All the performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from delivery.

Note – 29 Research and development activities

The Company has a separate In-House Research & Development (R&D) Centre involved in developmental activities for new products, processes etc. The In-House R&D Centre is recognised by The Department of Scientific and Industrial Research (DSIR) vide letter No. TU/IV-RD/1424/2016 dated April 1, 2016. The R&D expenditure (Capital and Revenue) has been reflected in the financial statements:

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Capital Expenditure	-	0.27
Revenue Expenditure **	3.81	3.31
Total	3.81	3.58

**Revenue expenditure comprises of cost to R&D employees Rs. 3.26 crores (March 31, 2018 – Rs. 2.96 crores) and other related expenses Rs. 0.55 crore (March 31, 2018 – Rs. 0.35 crore)



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note – 30 Payment to auditors

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
As auditor :		
Audit Fees (including limited reviews)	0.75	0.75
Tax Audit Fees	0.09	0.08
In other capacity :		
Other services	0.45	0.45
Reimbursement of expenses	0.04	0.04
Total	1.33	1.32

(Above amount is excluding service tax/Goods and Services Tax)

Note – 31 Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company) under the MSMED Act, 2006

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Principal amount outstanding as at end of year	5.19	3.31
Interest due on above and unpaid as at end of year	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the period	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid as at end of period	-	-
Amount of further interest remaining due and payable in succeeding year	-	*

*(Amount less than Rs. 0.01 crore)



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 32 – Earnings per share (EPS)

Basic and diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars		For the year	For the year
		ended	ended
		March 31, 2019	March 31, 2018
Profit attributable to equity holders	Rs. In crores	79.63	275.04
Weighted average number of Equity shares	Nos.	5,00,50,000	5,00,50,000
Earnings per share - Basic & Diluted	Rs. / share	15.91	54.95

Note 33 – Gratuity

The Company operates defined benefit plans, viz., gratuity for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

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

The fund has the form of a trust and it is governed by the Board of Trustees, the Board of trustees is responsible for the administration of the plan assets and for the defining the investment strategy.

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

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

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company.

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2019 by Certified Actuarial valuer. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for gratuity.

Net benefit expense March 31, 2019 (recognised in the statement of profit or loss)	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Current service cost	2.59	2.50
Net Interest cost	3.07	2.86
Net benefit expense	5.66	5.36
Actual return on plan assets	1.41	0.88

Balance sheet
Benefit asset/ liability

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	(66.39)	(59.36)
Fair value of plan assets	19.71	20.17
Plan Liability	(46.68)	(39.19)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	59.36	54.69
Current service cost	2.59	2.50
Interest cost	4.64	4.11
Benefits paid	(3.87)	(2.55)
Remeasurement losses/(gains) in other comprehensive income		
Liability transferred out	(0.39)	(0.60)
Actuarial loss/(gain) on obligation from changes in financial assumptions	1.11	(1.18)
Experience adjustments	2.95	2.39
Closing defined benefit obligation	66.39	59.36

The Company expects to contribute Rs. 46.68 crores (March 31, 2018 Rs. 39.19 crores) to its Gratuity Fund during the next year.

Changes in the fair value of plan assets are as follows:

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Opening fair value of plan assets	20.17	16.84
Expected return	1.58	1.26
Contributions by employer	2.00	5.00
Benefits paid	(3.87)	(2.55)
Remeasurement losses/(gains) in other comprehensive income		
Return on plan assets	(0.17)	(0.38)
Closing fair value of plan assets	19.71	20.17



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

The major categories of plan assets of the fair value of total plan assets are as follows:

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Investments quoted in active markets:		
HDFC Standard Life Insurance Co. Limited		
- Defensive Managed Fund	1.86	1.85
- Secure Managed Fund	15.18	16.64
BAJAJ Allianz Secured Fund	2.85	1.68
	19.71	20.17

The fair values are determined are based on quoted market prices in active markets.

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

Concentration of Fund is as follows:

Particulars	As at	
	March 31, 2019	March 31, 2018
Government Securities	35.46%	34.05%
Debentures/ Bonds	55.20%	54.45%
Equity	4.58%	4.06%
Deposits, Money Market Securities	4.76%	7.44%
	100.00%	100.00%

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	As at	
	March 31, 2019	March 31, 2018
Discount rate	7.54%	7.82%
Expected rate of return on assets	7.54%	7.82%
Future salary increases	6.00%	6.00%
Attrition Rate	2.00%	2.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market, expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Amounts for the current and previous periods are as follows:

Particulars	(Rupees in crores)			
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	(66.39)	(59.36)	(54.69)	(51.85)
Plan assets	19.71	20.17	16.84	16.06
Deficit	(46.68)	(39.19)	(37.85)	(35.79)
Experience adjustments on plan liabilities	2.95	2.39	1.65	2.93
Experience adjustments on plan assets	-	-	-	-

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

Particulars	(Rupees in crores)			
	As at March 31, 2019		As at March 31, 2018	
Projected Benefit Obligation on Current Assumptions		66.39		59.36
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Impact Due to Change in rate of Discounting	(3.82)	4.25	(3.56)	3.97
Impact Due to Change in rate of Salary Increase	4.28	(3.91)	4.00	(3.65)
Impact Due to Change in rate of Employee Turnover	0.38	(0.41)	0.43	(0.46)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following is the maturity analysis of Projected Benefit Obligation to be paid from the fund

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Within next 12 months (next annual reporting period)	5.73	4.84
Between 2 and 5 years	26.58	22.53
Between 6 and 10 years	35.77	32.90
More than 10 years	47.36	47.75

The average duration of the defined benefit plan obligation at the end of the reporting period is 11 years (March 31, 2018 - 11 years)



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note – 34 Operating Segments

The Company is primarily engaged in the business of manufacture and sale of value added steel products. The Chief Operating Decision Maker (CODM) of the Company monitors and reviews the profitability of value added steel products and Power business collectively treating it as profit from Steel products business. Hence, the Company has identified one primary business segment i.e., Value added steel products.

Information about geographical revenue and assets

	(Rupees in crores)	
For the Year Ended	Revenue from operations	Non- current operating assets
March 31, 2019		
Within India	8,852.88	3,576.08
Outside India	3,470.96	-
Total	12,323.84	3,576.08
March 31, 2018		
Within India	8,855.54	2,389.70
Outside India	3,949.93	-
Total	12,805.47	2,389.70

Note – 35 Employee share based payment plans**ESOP SCHEME 2016:**

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

The said scheme is for permanent employees of the Company and its subsidiaries in the grade of L16 (AVP) and above including any director except to any employee who is a promoter or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the Company. The Employees Stock Ownership Plan is effective from 1st April, 2016.

1st Grant under ESOP Scheme 2016

The eligible employees can exercise the option from May 17, 2016 till March 31, 2019 (for 50% of grant) and May 17, 2016 till March 31, 2020 (for remaining 50% of grant).

A total of 295,190 options for equity shares having face value of Re. 1 per share were granted to the eligible employees of the Company.

The Fair Value of option on the date of each grant is determined by using Black Scholes model.

2nd Grant under ESOP Scheme 2016

The eligible employees can exercise the option from May 16, 2017 till March 31, 2020 (for 50% of grant) and May 16, 2017 till March 31, 2021 (for remaining 50% of grant)

A total of 212,178 options for equity shares having face value of Re. 1 per share were granted to the eligible employees of the Company.

The Fair Value of option on the date of each grant is determined by using Black Scholes model.

3rd Grant under ESOP Scheme 2016

The eligible employees can exercise the option from May 15, 2018 till March 31, 2021 (for 50% of grant) and May 15, 2018 till March 31, 2022 (for remaining 50% of grant)

A total of 156,000 options for equity shares having face value of Re. 1 per share were granted to the eligible employees of the Company.

The Fair Value of option on the date of each grant is determined by using Black Scholes model.



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

The details of the Share based payment plan are as follows:

Particulars	Year	ESOP 2016 1 st Grant (AVP & Above)	ESOP 2016 2 nd Grant (AVP & Above)	ESOP 2016 3 rd Grant (AVP & Above)
Date of grant		May 17, 2016	May 16, 2017	May 15, 2018
Opening Balance as on	April 1, 2018	2,83,950	2,13,839	-
	April 1, 2017	2,95,190	-	-
Allotted	March 31, 2019	-	-	1,56,000
	March 31, 2018	-	2,12,178	-
Transfer to JSW Steel	March 31, 2019	43,200	29,999	19,690
	March 31, 2018	39,610	18,265	-
Transfer from JSW Steel	March 31, 2019	-	-	-
	March 31, 2018	28,370	19,926	-
Forfeited during the period	March 31, 2019	-	-	-
	March 31, 2018	-	-	-
Exercised during the period	March 31, 2019	-	-	-
	March 31, 2018	-	-	-
Outstanding as on	March 31, 2019	2,40,750	1,83,840	1,36,310
	March 31, 2018	2,83,950	2,13,839	-
Exercisable as on	March 31, 2019	-	-	-
	March 31, 2018	-	-	-
Vesting Period	March 31, 2019	17-May-16 till 31-Mar-19 (for 50% of grant) and 17-May-16 till 31-Mar-20 (for remaining 50% of grant)	16-May-17 till 31- Mar-20 (for 50% of grant) and 16-May- 17 till 31-Mar-21 (for remaining 50% of grant)	15-May-18 till 31-Mar-21 (for 50% of grant) and 15-May-18 till 31-Mar-22 (for remaining 50% of grant)
	March 31, 2018	17-May-16 till 31-Mar-19 (for 50% of grant) and 17-May-16 till 31-Mar-20 (for remaining 50% of grant)	16-May-17 till 31- Mar-20 (for 50% of grant) and 16-May- 17 till 31-Mar-21 (for remaining 50% of grant)	-
Method of settlement		Equity	Equity	Equity
Exercise Price		103.65	161.36	263.24
Fair Value as on the Date of Grant		67.48	104.04	167.15

Notes:

Note 1 - The company has recognised an expense of Rs. 3.18 crores (March 31, 2018 - Rs. 1.17 crores) towards share based payments transactions based on charge received from holding company (i.e. JSW Steel Limited) corresponding liability is recognised in the books of Holding company.

Note 2 - The share options outstanding at the end of the year has a weighted average exercise price of Rs. 103.65 for 1st Grant under ESOP Scheme 2016, Rs. 161.36 for 2nd Grant under ESOP Scheme 2016 and Rs. 167.15 for 3rd Grant under ESOP Scheme 2016 and a weighted average remaining contractual life of NIL days.



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Note – 36 Commitments and contingencies

a) Operating lease commitments

1. As Lessor:

i. The Company has entered into Leave and License agreements, for renting 642 houses (admeasuring approximately 345,003 square feet) at the rate of Rs. 2 per square feet per annum, for a period of 60 months. These agreements have expired on March 31, 2019.

The agreements are renewable at the option of the lessee after the end of the lease term.

ii. Disclosure in respect of assets (buildings) given on operating lease:

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Gross Carrying amount of Assets	30.72	30.72
Accumulated Depreciation	3.14	2.29
Net Block	27.58	28.43
Depreciation for the year	0.85	0.85

iii. The Company has entered into Leave and License agreement for renting freehold Land admeasuring 22,303 sq meter for a non-cancellable period of 25 years. The Gross Book Value of the land is Rs. 10.70 crores.

Future minimum rentals receivable under this agreement is as under

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	0.91	0.86
Later than one year but not later than five years	3.64	3.42
Later than five years	16.74	16.63
Total	21.29	20.91

2. As Lessee:

The agreements are executed for a period of 11 to 180 months with a renewable clause and also provide for termination at will by either party giving a prior notice period of 1 to 3 months.

Lease Rentals charged to the statement of profit or loss for right to use following assets are:

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Office Premises, Residential Flats, Plant & Machinery etc.	3.10	3.28



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

b) Contingent Liabilities

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debts*	1.36	1.44
Disputed Claims/Levies (excluding interest, if any)		
Excise Duty	1.21	5.19
Custom Duty	7.38	7.38
Service Tax	13.91	14.34
Sales Tax	70.32	102.50
Total	94.18	130.85

* The claims against the Company comprises of claims by suppliers, employees and other parties.

In respect of items shown above, future cash outflows are determinable only on receipt of judgments pending at various forums / authorities. The Company does not expect the outcome of matters stated above to have a material adverse effect on the Company's financial conditions, result of operations or cash flows.

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has assessed the impact on prospective basis and the same is not material. The Company will evaluate the position on receiving further clarity on the subject.

There are four litigation cases (PY: four cases) for which the Company has made a provision in the books aggregating Rs. 65.68 crores (March 31, 2018 – Rs. 55.15 crores). The amount paid under protest is Rs. 17.62 crores (March 31, 2018 – Rs. 7.15 crores).

c) Capital and Other Commitments

At March 31, 2019, estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 1,790.13 crores (March 31, 2018 - Rs. 1,463.45 crores).

The Company has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports within the stipulated year. Such export obligations at year end aggregate to Rs 885.58 crores (March 31, 2018 - Rs 443.53 crores)

Note – 37 Capital Management

The Company manages its capital to ensure that entity will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings).

The Company prepares projections via Annual Business plan and Capex Business plan to plan the capital structure and the outflow. The Company is not subject to any externally imposed capital requirements. The management reviews the capital structure on a quarterly basis. The Company monitors its capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as Loans and borrowings less cash and cash equivalent.

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Long term borrowings	1,281.64	855.64
Current maturities of long term debt	97.95	87.89
Short term borrowings	2.20	0.05
Less: cash and cash equivalent	(78.30)	(49.80)
Net debt	1,303.49	893.78
Total equity	1,811.90	1,713.03
EBIDTA	395.20	688.88
Gearing ratio	0.72	0.52
Net debt / EBIDTA	3.30	1.30



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

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

(ii) Debt is defined as long and short term borrowings.

Note – 38 Financial Instruments

a) Categories of Financial Instruments

As at 31 st March 2019				(Rupees in crores)	
Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total Carrying Value	Fair value
Financial assets					
Loans	5.36	-	-	5.36	5.36
Other financial assets (including Deposits)	101.49	-	-	101.49	101.49
Trade receivables	340.76	-	-	340.76	340.76
Cash and cash equivalents	78.30	-	-	78.30	78.30
Derivative assets	-	-	41.44	41.44	41.44
Investments	-	69.93	-	69.93	69.93
Total financial assets	525.91	69.93	41.44	637.28	637.28
Financial liabilities					
Long-term borrowings #	1,379.59	-	-	1,379.59	1,379.59
Short-term borrowings	2.20	-	-	2.20	2.20
Trade payables	1,533.98	-	-	1,533.98	1,533.98
Derivative liabilities	-	-	7.89	7.89	7.89
Other financial liabilities	323.72	-	-	323.72	323.72
Total financial liabilities	3,239.49	-	7.89	3,247.38	3,247.38

including current maturities of long term debt

As at 31 st March 2018				(Rupees in crores)	
Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total Carrying Value	Fair value
Financial assets					
Loans	7.21	-	-	7.21	7.21
Other financial assets (including Deposits)	98.59	-	-	98.59	98.59
Trade receivables	427.31	-	-	427.31	427.31
Cash and cash equivalents	49.80	-	-	49.80	49.80
Derivative assets	-	-	3.06	3.06	3.06
Investments	-	35.84	-	35.84	35.84
Total financial assets	582.91	35.84	3.06	621.81	621.81
Financial liabilities					
Long-term borrowings #	943.53	-	-	943.53	943.53
Short-term borrowings	0.05	-	-	0.05	0.05
Trade payables	1,321.63	-	-	1,321.63	1,321.63
Derivative liabilities	-	-	6.28	6.28	6.28
Other financial liabilities	185.52	-	-	185.52	185.52
Total financial liabilities	2,450.73	-	6.28	2,457.01	2,457.01

including current maturities of long term debt



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

b) Credit Risk Management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivables.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (see note Liquidity Risk). As at March 31, 2019 no amount has been recognised in the financial position as financial liabilities for guarantees.

1. The following are the list of the top five Largest customer for the Company and their credit exposure at the end of the year:

Particulars	(Rupees in crores)	
	Sales Value	Receivable
March 31, 2019		
Kirby Building Systems India Pvt Ltd.	208.63	8.22
Metalkraft Forming Industries Pvt Ltd.	208.41	7.38
Roba Metals B.V	184.13	8.49
Surendra Steel Pvt Ltd	193.66	-
Arihant Steel Corporation	159.62	2.75
March 31, 2018		
Kirby Building Systems India Pvt Ltd.	170.04	14.65
Secure Steel & Commodities AG	163.25	4.09
Arihant Steel Corporation	157.21	6.78
Surendra Steel Pvt Ltd	149.79	1.86
Mohan Steel Corporation	134.85	1.28

2. Movement of provision for doubtful debts:

Particulars	(Rupees in crore)
Balances as on April 1, 2017	0.75
Additions	-
Write – off	-
Balances as on March 31, 2018	0.75
Additions	-
Write – off	-
Balances as on March 31, 2019	0.75



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

c) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

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

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

Liability exposure as on March 31, 2019				(Rupees in crores)
Particulars	< 1 year	1-5 years	> 5 years	Total
Non-current liabilities				
Long term borrowings	-	736.24	545.40	1,281.64
Total Non-Current Liabilities	-	736.24	545.40	1,281.64
Current Liabilities				
Short term borrowings	2.20	-	-	2.20
Trade payables	1,533.98	-	-	1,533.98
Other current financial liabilities				
Deposits Received from Customers	10.55	-	-	10.55
Payables for Capital Projects acceptances	79.86	-	-	79.86
Payables for Capital Projects other than acceptances	185.20	-	-	185.20
Customer Liabilities	26.07	-	-	26.07
Interest payables	5.06	-	-	5.06
Others	0.35	-	-	0.35
Derivative liabilities	7.89	-	-	7.89
Payable to employees	16.63	-	-	16.63
Current maturities of long-term debt	97.95	-	-	97.95
Total current liabilities	1,965.74	-	-	1,965.74

Liability exposure as on March 31, 2018				(Rupees in crores)
Particulars	< 1 year	1-5 years	> 5 years	Total
Non-current liabilities				
Long term borrowings	-	689.88	165.76	855.64
Total Non-Current Liabilities	-	689.88	165.76	855.64
Current Liabilities				
Short term borrowings	0.05	-	-	0.05
Trade payables	1,321.63	-	-	1,321.63
Other current financial liabilities				
Deposits Received from Customers	10.18	-	-	10.18
Payables for Capital Projects acceptances	46.43	-	-	46.43
Payables for Capital Projects other than acceptances	88.47	-	-	88.47
Customer Liabilities	17.86	-	-	17.86
Interest payables	4.86	-	-	4.86
Others	0.39	-	-	0.39
Derivative liabilities	6.28	-	-	6.28
Payable to employees	17.33	-	-	17.33
Current maturities of long-term debt	87.89	-	-	87.89
Total current liabilities	1,601.37	-	-	1,601.37



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 1: Above undiscounted amounts equals carrying value in the books.

Note 2: At March 31, 2019, the Company had available Rs. 624 crores (March 31, 2018 - Rs. 1,233 crores) of undrawn committed borrowing facilities.

Note 3: Derivative financial liabilities are settled on contract by contract basis accordingly the above amount represents net amount payable as at March 31, 2019.

d) Commodity price risk:

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

The Company is therefore subject to fluctuations in prices for the purchase of HR coil, zinc, paint and other raw material inputs. The Company aims to sell the products at prevailing market prices. Similarly, the Company procures key raw materials like HR coil and zinc based on prevailing market rates as the selling prices of Coated steel and the prices of input raw materials move in the same direction.

Commodity hedging is used primarily as a risk management tool to secure the future cash flows in case of volatility by entering into commodity forward contracts. The Company has entered into commodity forward contracts for Zinc. Hedging commodity is based on its procurement schedule and price risk. Commodity hedging is undertaken as a risk offsetting exercise and, depending upon market conditions, hedges may extend beyond the financial year.

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

Commodity	(Rupees in crores)			
	Increase for the year ended		Decrease for the year ended	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Zinc	47.33	52.99	(47.33)	(52.99)

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

Year Ended	Nature	No. of Contracts	Quantity (MT)	US\$ equivalent of Notional Value \$ in Million	INR Equivalent (Rupees in crores)	MTM of Commodity Contract (INR crores)
March 31, 2019	Assets	Nil	-	-	-	-
March 31, 2019	Liabilities	Nil	-	-	-	-
March 31, 2018	Assets	1	1000	3.24	21.09	0.25
March 31, 2018	Liabilities	Nil	-	-	-	-



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

e) Interest rate risk

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

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

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Fixed rate borrowings	111.36	-
Floating rate borrowings	1,281.00	930.25
Total borrowings	1,392.36	930.25
Total Net borrowings	1,370.16	929.06
Add: Upfront fees	22.20	1.19
Total Borrowings	1,392.36	930.25

Interest Rate Sensitivity

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

The following table demonstrates the sensitivity to a change in interest rates by 50 basis points higher / lower and all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Increase/Decrease in basis points		
INR	50	50
USD	50	50
Effect on profit before tax		
INR	2.77	3.18
USD	3.63	0.16

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

Year Ended	Nature	No. of Contracts	US\$ equivalent \$ in Million	MTM of IRS (INR crores)
March 31, 2019	Assets	Nil	-	-
March 31, 2019	Liabilities	Nil	-	-
March 31, 2018	Assets	Nil	-	-
March 31, 2018	Liabilities	1	40.00	2.70



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

f) Currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Currency Exposure as at March 31, 2019

Assets	\$in Million	€in Million	Rupees in crores
Non-current assets			
Long term loans and advances			
Security deposits	-	-	12.73
Non-current investment	-	-	69.93
Loans and advances to related parties	-	-	4.21
Others	-	-	41.59
Total non-current assets	-	-	128.46
Current assets			
Trade and other receivables	19.65	4.13	172.75
Cash and cash equivalents	-	-	78.30
Derivative Instruments	-	-	41.44
Loans	-	-	1.15
Others	-	-	47.17
Total current assets	19.65	4.13	340.81
Liabilities			
Non-current liabilities			
Long term borrowings	121.10	-	443.98
Total Non-current liabilities	121.10	-	443.98
Current liabilities			
Short term borrowings	-	-	2.20
Trade Payables and acceptances			
Other than Acceptances	21.11	-	985.80
Acceptances	49.53	-	59.54
Other current financial liabilities			
Deposits Received from Customers	-	-	10.55
Payables for Capital Projects - Other than Acceptances	1.36	-	175.76
Payables for Capital Projects – Acceptances	11.55	-	-
Payables to employees	-	-	16.63
Interest payable	0.09	-	4.46
Customer Liabilities	-	-	26.07
Others	-	-	0.35
Derivative liabilities	-	-	7.89
Current maturities of long-term debt	-	-	97.95
Total current liabilities	83.64	-	1,387.20



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Currency Exposure as at March 31, 2018

Assets	\$in Million	€in Million	Rupees in crores
Non-current assets			
Long term loans and advances			
Security deposits	-	-	11.08
Non-current investment	-	-	35.84
Loans and advances to related parties	-	-	5.87
Others	-	-	24.20
Total non-current assets	-	-	76.99
Current assets			
Trade and other receivables	30.82	5.24	184.61
Cash and cash equivalents	-	-	49.80
Derivative Instruments	-	-	3.06
Loans	-	-	1.34
Others	-	-	9.17
Total current assets	30.82	5.24	247.98

Liabilities	\$in Million	€in Million	Rupees in crores
Non-current liabilities			
Long term borrowings	45.00	-	562.94
Total Non-current liabilities	45.00	-	562.94
Current liabilities			
Short term borrowings	-	-	0.05
Trade Payables and acceptances			
Other than Acceptances	12.99	2.90	842.54
Acceptances	57.07	-	-
Other current financial liabilities			
Deposits Received from Customers	-	-	10.18
Payables for Capital Projects - Other than Acceptances	0.01	-	88.40
Payables for Capital Projects – Acceptances	7.14	-	-
Interest payable	-	-	4.86
Customer Liabilities	-	-	17.86
Others	-	-	0.39
Derivative liabilities	-	-	6.28
Payable to employees	-	-	17.33
Current maturities of long-term debt	-	-	87.89
Total current liabilities	77.21	2.90	1,075.78

Currency risk sensitivity:

(Rupees in crores)

Particulars	Gain/(Loss) on profit before tax		Effect on pre-tax equity	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Increase by 50 paise				
USD	(5.91)	(2.34)	0.30	4.85
EURO	0.21	0.12	0.00	-
Decrease by 50 paise				
USD	5.91	2.34	(0.30)	(4.85)
EURO	(0.21)	(0.12)	(0.00)	-



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy.

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

Year Ended	No. of Contracts	Type	US\$ equivalent \$ in Million	INR Equivalent (Rupees in crores)
March 31, 2019	15	Sell	149.91	1,036.96
March 31, 2018	10	Sell	96.72	629.11
March 31, 2019	26	Buy	46.69	322.99
March 31, 2018	6	Buy	44.63	290.31

Unhedged Foreign Currency

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

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	US\$ Equivalent \$in Million	INR Equivalent (Rupees in crores)	US\$ Equivalent \$in Million	INR Equivalent (Rupees in crores)
Trade Receivables	4.15	28.69	37.31	242.70

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	US\$ Equivalent \$in Million	INR Equivalent (Rupees in crores)	US\$ Equivalent \$in Million	INR Equivalent (Rupees in crores)
Trade Payables				
Acceptances	2.84	19.64	12.44	80.92
Other than Acceptances	21.11	146.02	16.59	107.89
Payable for Capital Projects including Acceptances	12.91	89.30	7.15	46.50
Foreign Currency Loan from Bank including interest payable	121.19	838.25	45.00	292.70

g) Fair value risk

The management assessed that fair value of trade and other receivables, Cash and Cash Equivalents, Interest and claim receivables and Trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the FVTOCI quoted investments are derived from quoted market prices in active markets.

Carrying Value of all material Non-Current Financial Assets and Liabilities reflects their fair values.



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

h) Level wise disclosure of financial instruments

Particulars	Fair values As at March 31, 2019	Fair values As at March 31, 2018	Level	Valuation technique and key inputs
<u>Non-current investment</u>				
Investments in the equity shares of JSW Energy Limited	65.57	31.86	1	Quoted bid prices in an active market
Investments in the equity shares of Tarapur Environment Protection Society	4.36	3.98	3	Net Asset value of share arrived has been considered as fair value
<u>Financial assets</u>				
Derivative instruments	41.44	3.06	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
<u>Financial Liabilities</u>				
Derivative instruments	7.89	6.28	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Reconciliation of fair value measurement of the investment in unquoted equity shares:

Particulars	(Rupees in crores) Amount
Balance as on April 1, 2017	4.06
Sales	-
Purchases	-
Total gains/(losses) recognised in OCI	(0.08)
Balance as on March 31, 2018	3.98
Sales	-
Purchases	-
Total gains/(losses) recognised in OCI	0.38
Balance as on March 31, 2019	4.36



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note - 39 Related Party Disclosures

Parties with whom the Company has entered into transactions during the year where control exists

1. Holding Company

JSW Steel Limited

2. Fellow Subsidiaries

Amba River Coke Limited
JSW Realty & Infrastructure Private Limited
Dolvi Coke Projects Ltd.

3. Key management personnel (KMP)

Mr. Jayant Acharya
Mr. Rajeev Pai
Mr. Dileep Bhatt (till July 31, 2018)
Mr. Amarjeetsingh Dahiya (from August 1, 2018)
Mr. Hemant Shete
Ms. Deepti Walawalkar

4. Other related parties

Jindal Steel & Power Limited
Jindal Saw Limited
JSW Energy Limited
JSW Structural Metal Decking Limited
JSW Power Trading Company Limited
JSW Cement Limited
JSW Projects Limited
JSW Jaigarh Port Limited
Jindal Stainless Limited
JSW IP Holdings Private Limited (Formerly known as JSW Investments Private Limited)
Ganga Ferro Alloy Private Limited
JSW Vallabh Tinplate Limited
JSW Techno Projects Management Private Limited
JSW Global Business Solution Limited (Formerly Known as Sapphire Technologies Limited)
JSW Steel Coated Products Limited Group Gratuity Trust
Tranquil Homes & Holdings Private Limited
JSW Dharamtar Port Private Limited
Jindal Technologies & Management Services Private Limited
JSW Severfield Structures Limited
Jindal Quality Tubular Ltd
Descon Limited
Southwest Port Limited
JSW Paints Private Limited
Monnet Ispat & Energy Limited
JSW Foundation
JSW MI Steel Services Center Private Limited
Mr. Parth Jindal
JSW Realty Private Limited
JSW Retail Limited

5. Post-employment benefit entity

JSW Steel Coated Products Limited Gratuity Trust

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Related party transactions

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiaries	Key Management Personnel	Other related parties	(Rupees in crores)	
							Total	Total
Purchase of Goods								
	JSW Steel Limited	March 31, 2019	10,070.73	-	-	-	-	10,070.73
		March 31, 2018	9,801.99	-	-	-	-	9,801.99
	Jindal Steel & Power Limited	March 31, 2019	-	-	-	5.15	-	5.15
		March 31, 2018	-	-	-	1.91	-	1.91
	JSW Cement Limited	March 31, 2019	-	-	-	1.31	-	1.31
		March 31, 2018	-	-	-	2.91	-	2.91
	JSW Paints Private Limited	March 31, 2019	-	-	-	1.09	-	1.09
		March 31, 2018	-	-	-	-	-	-
Total		March 31, 2019	10,070.73	-	-	7.55	-	10,078.28
		March 31, 2018	9,801.99	-	-	4.82	-	9,806.81
Purchase of Capital Goods								
	JSW Steel Limited	March 31, 2019	82.07	-	-	-	-	82.07
		March 31, 2018	8.75	-	-	-	-	8.75
	JSW Cement Limited	March 31, 2019	-	-	-	24.38	-	24.38
		March 31, 2018	-	-	-	4.41	-	4.41
	JSW Severfield Structures Ltd	March 31, 2019	-	-	-	0.39	-	0.39
		March 31, 2018	-	-	-	52.08	-	52.08
	Mr. Parth Jindal	March 31, 2019	-	-	-	26.71	-	26.71
		March 31, 2018	-	-	-	-	-	-
Total		March 31, 2019	82.07	-	-	51.48	-	133.55
		March 31, 2018	8.75	-	-	56.49	-	65.24
Purchase of JSW Energy Shares from JSW Steel								
	46,55,000 Equity Shares in JSW Energy Ltd	March 31, 2019	38.35	-	-	-	-	38.35
Total		March 31, 2018	-	-	-	-	-	-
		March 31, 2019	38.35	-	-	-	-	38.35
		March 31, 2018	-	-	-	-	-	-
Purchase of Power & Fuel								
	JSW Energy Limited	March 31, 2019	-	-	-	185.80	-	185.80
		March 31, 2018	-	-	-	127.61	-	127.61
Total		March 31, 2019	-	-	-	185.80	-	185.80
		March 31, 2018	-	-	-	127.61	-	127.61



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Related party transactions

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiaries	Key Management Personnel	(Rupees in crores)	
						Other related parties	Total
Purchase of services							
	JSW Power Trading Company Limited	March 31, 2019	-	-	-	8.03	8.03
		March 31, 2018	-	-	-	2.70	2.70
	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited) (Sales Commission)	March 31, 2019	-	-	-	11.62	11.62
		March 31, 2018	-	-	-	9.87	9.87
	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited) (Shared Services)	March 31, 2019	-	-	-	15.37	15.37
		March 31, 2018	-	-	-	13.52	13.52
	Ganga Ferro Alloys Private Limited	March 31, 2019	-	-	-	2.50	2.50
		March 31, 2018	-	-	-	1.75	1.75
	Jindal Technologies & Management Services Private Limited	March 31, 2019	-	-	-	12.91	12.91
		March 31, 2018	-	-	-	11.86	11.86
	Southwest Port Ltd	March 31, 2019	-	-	-	0.08	0.08
		March 31, 2018	-	-	-	-	-
	JSW Realty Pvt Ltd	March 31, 2019	-	-	-	0.71	0.71
		March 31, 2018	-	-	-	-	-
	JSW Retail Ltd	March 31, 2019	-	-	-	0.51	0.51
		March 31, 2018	-	-	-	-	-
Total		March 31, 2019	-	-	-	51.73	51.73
		March 31, 2018	-	-	-	39.70	39.70

Reimbursement of Expenses incurred on behalf of the Company by

JSW Steel Limited	March 31, 2019	68.52	-	-	68.52
	March 31, 2018	70.17	-	-	70.17
Total	March 31, 2019	68.52	-	-	68.52
	March 31, 2018	70.17	-	-	70.17



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Related party transactions

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiaries	Key Management Personnel	Other related parties	(Rupees in crores)	
							Total	Total
Commission Paid								
	JSW Steel Limited	March 31, 2019	0.22	-	-	-	-	0.22
		March 31, 2018	0.22	-	-	-	-	0.22
Total		March 31, 2019	0.22	-	-	-	-	0.22
		March 31, 2018	0.22	-	-	-	-	0.22
Interest Paid								
	JSW Steel Limited	March 31, 2019	49.49	-	-	-	-	49.49
		March 31, 2018	31.95	-	-	-	-	31.95
Total		March 31, 2019	49.49	-	-	-	-	49.49
		March 31, 2018	31.95	-	-	-	-	31.95
Branding Fees								
	JSW IP Holdings Private Limited (Formerly known as JSW Investment Private Limited)	March 31, 2019	-	-	-	16.42	-	16.42
		March 31, 2018	-	-	-	19.74	-	19.74
Total		March 31, 2019	-	-	-	16.42	-	16.42
		March 31, 2018	-	-	-	19.74	-	19.74
Rent Paid								
	Tranquil Homes & Holdings Private Limited	March 31, 2019	-	-	-	0.02	-	0.02
		March 31, 2018	-	-	-	0.02	-	0.02
	Descon Limited	March 31, 2019	-	-	-	-	-	-
		March 31, 2018	-	-	-	0.02	-	0.02
Total		March 31, 2019	-	-	-	0.02	-	0.02
		March 31, 2018	-	-	-	0.04	-	0.04
Sale of Goods								
	JSW Steel Limited	March 31, 2019	74.93	-	-	-	-	74.93
		March 31, 2018	23.50	-	-	-	-	23.50
	Amba River Coke Limited	March 31, 2019	-	-	-	-	-	-
		March 31, 2018	-	0.41	-	-	-	0.41
	Jindal Steel & Power Limited	March 31, 2019	-	-	-	5.81	-	5.81
		March 31, 2018	-	-	-	9.37	-	9.37



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Related party transactions

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiaries	Key Management Personnel	Other related parties	(Rupees in crores)
							Total
	JSW Structural Metal Decking Limited	March 31, 2019	-	-	-	10.65	10.65
	Jindal Saw Limited	March 31, 2018	-	-	-	-	-
		March 31, 2019	-	-	-	2.40	2.40
	JSW Cement Limited	March 31, 2018	-	-	-	1.42	1.42
		March 31, 2019	-	-	-	0.84	0.84
	Dolvi Coke Projects Ltd	March 31, 2018	-	-	-	6.54	6.54
		March 31, 2019	-	0.29	-	-	0.29
		March 31, 2018	-	4.80	-	-	4.80
	JSW Jaigarh Port Ltd	March 31, 2019	-	-	-	0.46	0.46
		March 31, 2018	-	-	-	2.48	2.48
	JSW Paints Private Limited	March 31, 2019	-	-	-	2.19	2.19
		March 31, 2018	-	-	-	-	-
	JSW Energy Limited	March 31, 2019	-	-	-	6.81	6.81
		March 31, 2018	-	-	-	-	-
	Monnet Ispat & Energy Limited	March 31, 2019	-	-	-	0.62	0.62
		March 31, 2018	-	-	-	-	-
	JSW MI Steel Services Center Pvt Ltd	March 31, 2019	-	-	-	4.25	4.25
		March 31, 2018	-	-	-	-	-
	JSW Vallabh Tinplate Private Limited	March 31, 2019	-	-	-	64.50	64.50
		March 31, 2018	-	-	-	-	-
	Others	March 31, 2019	-	-	-	0.72	0.72
		March 31, 2018	-	-	-	3.49	3.49
Total		March 31, 2019	74.93	0.29	-	99.25	174.48
		March 31, 2018	23.50	5.21	-	23.30	52.01

Sale of Fixed Assets

JSW Steel Limited	March 31, 2019	-	-	-	-	-
	March 31, 2018	31.33	-	-	-	31.33
Total	March 31, 2019	-	-	-	-	-
	March 31, 2018	31.33	-	-	-	31.33



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Related party transactions

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiaries	Key Management Personnel	Other related parties	(Rupees in crores)	
							Total	Total
Sale of Licenses								
	JSW Steel Limited	March 31, 2019	44.87	-	-	-	44.87	
		March 31, 2018	35.85	-	-	-	35.85	
	Total	March 31, 2019	44.87	-	-	-	44.87	
		March 31, 2018	35.85	-	-	-	35.85	
Interest / Dividend Received								
	JSW Energy Limited	March 31, 2019	-	-	-	-	-	
		March 31, 2018	-	-	-	0.22	0.22	
		March 31, 2019	-	-	-	0.71	0.71	
	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited)	March 31, 2018	-	-	-	0.84	0.84	
		March 31, 2019	-	-	-	0.01	0.01	
		March 31, 2018	-	-	-	0.02	0.02	
	Total	March 31, 2019	-	-	-	0.72	0.72	
		March 31, 2018	-	-	-	1.08	1.08	
Other Income								
	JSW Realty & Infrastructure Private Limited	March 31, 2019	-	1.47	-	-	1.47	
		March 31, 2018	-	1.41	-	-	1.41	
		March 31, 2019	-	-	-	1.06	1.06	
		March 31, 2018	-	-	-	1.08	1.08	
	Total	March 31, 2019	-	1.47	-	1.06	2.53	
		March 31, 2018	-	1.41	-	1.08	2.49	



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Related party transactions

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiaries	Key Management Personnel	Other related parties	(Rupees in crores)	
							Total	Total
Recovery of Expenses incurred by the Company on behalf of								
	JSW Steel Limited	March 31, 2019	13.45	-	-	-	-	13.45
		March 31, 2018	10.10	-	-	-	-	10.10
	Jindal Technologies & Management Services Private Ltd	March 31, 2019	-	-	-	0.53	-	0.53
		March 31, 2018	-	-	-	0.38	-	0.38
	JSW Energy Limited	March 31, 2019	-	-	-	0.47	-	0.47
		March 31, 2018	-	-	-	0.41	-	0.41
	Total	March 31, 2019	13.45	-	-	1.00	-	14.45
		March 31, 2018	10.10	-	-	0.79	-	10.89

Adjustment of receivable/(payable)

	March 31, 2019	110.01	-	-	-	-	-	110.01
	March 31, 2018	-	-	-	-	-	-	-
Total	March 31, 2019	110.01	-	-	-	-	-	110.01
	March 31, 2018	-	-	-	-	-	-	-

Loans and advances given

	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited)	March 31, 2019	-	-	-	0.68	-	0.68
		March 31, 2018	-	-	-	3.53	-	3.53
	Ganga Ferro Alloys Private Limited	March 31, 2019	-	-	-	0.02	-	0.02
		March 31, 2018	-	-	-	0.02	-	0.02
	Total	March 31, 2019	-	-	-	0.70	-	0.70
		March 31, 2018	-	-	-	3.55	-	3.55



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Related party transactions

Nature of Transaction	Name of Company	Year	Holding Company	Subsidiaries	Fellow Subsidiaries	Management Personnel	Key Personnel	Other related parties	(Rupees in crores)	
									Total	Total
Donation/ CSR expenses										
	JSW Foundation	March 31, 2019	-	-	-	-	-	0.86		0.86
		March 31, 2018	-	-	-	-	-	0.99		0.99
	Total	March 31, 2019	-	-	-	-	-	0.86		0.86
		March 31, 2018	-	-	-	-	-	0.99		0.99
Contribution to defined benefit plan										
	JSW Steel Coated Products Limited	March 31, 2019	-	-	-	-	-	2.00		2.00
	Group Gratuity Trust	March 31, 2018	-	-	-	-	-	5.00		5.00
	Total	March 31, 2019	-	-	-	-	-	2.00		2.00
		March 31, 2018	-	-	-	-	-	5.00		5.00
Remuneration										
	Mr. Dileep Bhatt (upto July 31, 2018)	March 31, 2019	-	-	-	-	1.08	-		1.08
		March 31, 2018	-	-	-	-	2.21	-		2.21
	Mr. Amarjeetsingh Dahiya (from August 1, 2018)	March 31, 2019	-	-	-	-	0.54	-		0.54
	Mr. Hemant Shete	March 31, 2018	-	-	-	-	-	-		-
		March 31, 2019	-	-	-	-	0.92	-		0.92
		March 31, 2018	-	-	-	-	1.46	-		1.46
	Ms. Deepthi Walawalkar	March 31, 2019	-	-	-	-	0.13	-		0.13
		March 31, 2018	-	-	-	-	0.10	-		0.10
	Total	March 31, 2019	-	-	-	-	2.67	-		2.67
		March 31, 2018	-	-	-	-	3.77	-		3.77

Notes: 1. The Remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

2. The Remuneration to the key managerial personnel includes Share based payment expenses recognised based on ESOP plan (Refer Note 35).



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Closing balance of Related Parties

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiaries	Key Management Personnel	Other related parties	(Rupees in crores)	
							Total	Total
Trade Payables								
	JSW Steel Limited	March 31, 2019	679.24	-	-	-	679.24	
		March 31, 2018	446.70	-	-	-	446.70	
	JSW Energy Limited	March 31, 2019	-	-	-	16.22	16.22	
		March 31, 2018	-	-	-	16.16	16.16	
	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited) (Auction sale)	March 31, 2019	-	-	-	5.85	5.85	
		March 31, 2018	-	-	-	9.25	9.25	
	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited) (Shared Services)	March 31, 2019	-	-	-	-	-	
	Jindal Technologies & Management Services Private Limited	March 31, 2018	-	-	-	5.46	5.46	
		March 31, 2019	-	-	-	0.52	0.52	
	JSW Power Trading Company Limited	March 31, 2018	-	-	-	0.75	0.75	
		March 31, 2019	-	-	-	7.46	7.46	
	JSW Severfield Structures Ltd.	March 31, 2018	-	-	-	-	-	
		March 31, 2019	-	-	-	0.83	0.83	
		March 31, 2018	-	-	-	-	-	



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Closing balance of Related Parties

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiaries	Key Management Personnel	Other related parties	(Rupees in crores)	
							Total	Total
JSW Paints Pvt Ltd		March 31, 2019	-	-	-	1.15	1.15	1.15
		March 31, 2018	-	-	-	-	-	-
Others		March 31, 2019	-	-	-	2.56	2.56	2.56
		March 31, 2018	-	-	-	4.34	4.34	4.34
Total		March 31, 2019	679.24	-	-	34.59	713.84	713.84
		March 31, 2018	446.70	-	-	35.96	482.66	482.66
Advance Received from Customers								
Jindal Saw Limited		March 31, 2019	-	-	-	0.13	0.13	0.13
		March 31, 2018	-	-	-	0.13	0.13	0.13
		March 31, 2019	-	-	-	0.21	0.21	0.21
Jindal Steel & Power Limited		March 31, 2018	-	-	-	0.12	0.12	0.12
		March 31, 2019	-	-	-	0.27	0.27	0.27
JSW Jaigarh Port Limited		March 31, 2018	-	-	-	0.03	0.03	0.03
		March 31, 2019	-	-	-	0.04	0.04	0.04
		March 31, 2018	-	-	-	-	-	-
JSW Cement Limited		March 31, 2019	-	-	-	0.09	0.09	0.09
		March 31, 2018	-	-	-	0.42	0.42	0.42
Total		March 31, 2019	-	-	-	0.74	0.74	0.74
		March 31, 2018	-	-	-	0.70	0.70	0.70



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Closing balance of Related Parties

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiaries	Key Management Personnel	Other related parties	(Rupees in crores)	
							Total	Total
Loan and Advances paid including deposits								
	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited)	March 31, 2019	-	-	-	5.31	5.31	5.31
	JSW IP Holdings Private Limited (Formerly known as JSW Investment Private Limited)	March 31, 2018 March 31, 2019	- -	- -	- -	7.05 2.48	7.05 2.48	7.05 2.48
	Jindal Steel & Power Limited	March 31, 2018 March 31, 2019	- -	- -	- -	0.87 0.02	0.87 0.02	0.87 0.02
	Others	March 31, 2018 March 31, 2019 March 31, 2018	- - -	- - -	- - -	1.15 0.05 -	1.15 0.05 -	1.15 0.05 -
	Total	March 31, 2018 March 31, 2019	- -	- -	- -	7.86 9.07	7.86 9.07	7.86 9.07

Trade Receivables

	Dolvi Coke Projects Limited	March 31, 2019	-	0.05	-	-	-	0.05
	JSW Techno Projects Management Limited	March 31, 2018 March 31, 2019	- -	0.24 -	- -	- -	- -	0.24 -
	JSW Cement Limited	March 31, 2018 March 31, 2019	- -	- -	- -	0.23 -	0.23 -	0.23 -



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Closing balance of Related Parties

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiaries	Key Management Personnel	Other related parties	(Rupees in crores)	
							Total	Total
		March 31, 2018	-	-	-	0.65	-	0.65
	Amba River Coke Limited	March 31, 2019	-	0.01	-	-	-	0.01
		March 31, 2018	-	0.01	-	-	-	0.01
	JSW Project Ltd	March 31, 2019	-	-	-	-	-	-
		March 31, 2018	-	-	-	0.10	-	0.10
	JSW Paints Private Limited	March 31, 2019	-	-	-	1.08	-	1.08
		March 31, 2018	-	-	-	-	-	-
	JSW Energy Limited	March 31, 2019	-	-	-	0.16	-	0.16
		March 31, 2018	-	-	-	-	-	-
	JSW MI Steel Services Center Pvt Ltd	March 31, 2019	-	-	-	0.53	-	0.53
		March 31, 2018	-	-	-	-	-	-
	JSW Vallabh Tinplate Private Limited	March 31, 2019	-	-	-	16.76	-	16.76
		March 31, 2018	-	-	-	-	-	-
	JSW Structural Metal Decking Limited	March 31, 2019	-	-	-	0.01	-	0.01
		March 31, 2018	-	-	-	-	-	-
Total		March 31, 2019	-	0.06	-	18.54	-	18.60
		March 31, 2018	-	0.25	-	0.98	-	1.23



JSW STEEL COATED PRODUCTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Closing balance of Related Parties

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiaries	Key Management Personnel	Other related parties	(Rupees in crores)
							Total
Investment in Gratuity Fund							
	JSW Steel Coated Products Limited	March 31, 2019	-	-	-	19.71	19.71
	Group Gratuity Trust	March 31, 2018	-	-	-	20.18	20.18
	Total	March 31, 2019	-	-	-	19.71	19.71
		March 31, 2018	-	-	-	20.18	20.18

- Notes: 1. JSW Steel Limited (The Holding Company) has provided a Letter of Comfort (LOC) in favor of the Bank for the Term Loan sanctioned and disbursed in favour of the Company.
2. JSW Steel Limited (The Holding Company) has provided Corporate Guarantees in favor of the Company for Rs. 24.54 crores (March 31, 2018 Rs. 24.54 crores)



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those as prevailing in arm's length transactions. Outstanding balances at the year end are unsecured and interest is charged, wherever applicable, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2018 - Rs. Nil). This assessment is undertaken each financial year through examining the financial position of related parties and the market in which related party operates.

Compensation of key management personnel of the Company

Particulars	(Rupees in crores)	
	As at March 31, 2019	As at March 31, 2018
Short Term employee benefits	2.67	2.73
Share-based payment expense	2.66	1.04
Total Compensation Paid to key management personnel	5.33	3.77

Note - 40 Additional Information**A) C.I.F value of imports**

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Capital goods	357.06	115.33
Raw materials	1,136.38	1,204.96
Stores & spare parts	4.98	2.51
Other services	4.02	1.48
Total	1,502.44	1,324.28

B) Expenditure in foreign currency

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Interest and finance charges	39.43	12.08
Ocean freight	8.10	0.25
Commission on sales	10.99	12.07
Legal and professional fees	0.29	0.67
Others	1.40	0.80
Total	60.21	25.87

C) Earnings in foreign currency

Particulars	(Rupees in crores)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
F.O.B value of exports	3,363.21	3,806.49
Total	3,363.21	3,806.49



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note – 41

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

Note - 42 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 does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its 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 and Amendments to Ind AS 28: Long-term interests in associates and joint ventures are not applicable to the Company.

Note - 43 Events after the reporting period

There are no significant events which have occurred after the reporting period.

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



per Suresh Yadav
Partner
Membership No : 119878



Place: Mumbai
Date : April 30, 2019

For and on behalf of the Board of Directors



Rajeev Pai
Director
DIN:00045604



Amarjit Singh Dahiya
Whole Time Director
Head (Coated Products)
DIN: 08178338



Deepti Walawalkar
Company Secretary
ICSI Membership No. A24818
Place: Mumbai
Date : April 30, 2019



Hemant Shete
Chief Financial Officer

