

## INDEPENDENT AUDITOR'S REPORT

To the Members of JSW Utkal Steel Limited

Report on the Audit of the Ind AS Financial Statements

### Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the 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 Board's 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.

## 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 with reference 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 Utkal Steel Limited

Independent Auditors' Report for the year ended 31 March 2021

Page 3 of 9

- 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls 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;

JSW Utkal Steel Limited  
Independent Auditors' Report for the year ended 31 March 2021  
Page 4 of 9

- (g) According to the information and explanations given by the management, the managerial remuneration, if any, 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;
- (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 does not have any pending litigations which would impact its financial position;
  - 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 Vishal Bansal  
Partner  
Membership Number: 097546  
UDIN: 21097546AAAACV6753  
Place of Signature: Mumbai  
Date: May 14, 2021

JSW Utkal Steel Limited  
Independent Auditors' Report for the year ended 31 March 2021  
Page 5 of 9

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

Re: JSW Utkal Steel 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 and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The Company is in the process of setting up an integrated steel plant and does not have inventory as on date and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company at this stage.
- (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, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (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) The Company is in process of setting up an integrated steel plant and has not commenced production. Hence no cost records are available with the Company as specified under section 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other statutory dues applicable to it. The provisions relating to sales tax, duty of custom, duty of excise, service tax and value added tax are not applicable to the Company.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services 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. The provisions relating to sales tax, duty of custom, duty of excise, service tax and value added tax are not applicable to the Company.
  - c) According to the information and explanations given to us, there are no dues of provident fund, employees' state insurance, income-tax, goods and services tax and cess which have not been deposited on account of any dispute. The provisions relating to sales tax, duty of custom, duty of excise, service tax and value added tax are not applicable to the Company.

JSW Utkal Steel Limited

Independent Auditors' Report for the year ended 31 March 2021

Page 6 of 9

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud 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, if any, 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 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. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given by the management and audit procedures performed by us, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

# ***S R B C & COLLP***

Chartered Accountants

JSW Utkal Steel Limited  
Independent Auditors' Report for the year ended 31 March 2021  
Page 7 of 9

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

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

per Vishal Bansal  
Partner  
Membership Number: 097546  
UDIN: 21097546AAAACV6753  
Place of Signature: Mumbai  
Date: May 14, 2021

JSW Utkal Steel Limited  
Independent Auditors' Report for the year ended 31 March 2021  
Page 8 of 9

Annexure 2 to the Independent Auditor's Report of even date on the financial statements of JSW Utkal Steel Limited

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

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

We have audited the internal financial controls over financial reporting of JSW Utkal Steel Limited ("the Company") as of March 31, 2021 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 (as amended), 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 Utkal Steel Limited  
Independent Auditors' Report for the year ended 31 March 2021  
Page 9 of 9

## 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Vishal Bansal  
Partner  
Membership Number: 097546  
UDIN: 21097546AAAACV6753  
Place of Signature: Mumbai  
Date: May 14, 2021

**JSW Utkal Steel Limited**  
**Balance Sheet as at March 31, 2021**  
CIN No. U27209MH2017PLC301887

(Rupees In '000)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>I ASSETS</b>			
1 Non-current assets			
(a) Property, plant and equipment	3	4,67,269	4,73,627
(b) Capital work-in-progress	4	4,86,630	3,79,417
(c) Other Intangible assets	5	38	55
(d) Financial assets			
(i) Loans	6	310	310
(ii) Other financial assets	7	61	61
(e) Other non-current assets	8	65,611	56,214
Total non-current assets		10,19,919	9,09,684
2 Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	9	3,096	4,813
(b) Other current assets	8	25	26
Total current assets		3,121	4,839
Total Assets		10,23,040	9,14,523
<b>II. EQUITY AND LIABILITIES</b>			
Equity			
1 (a) Equity share capital	10	9,68,944	4,97,490
(b) Other Equity	11	(73,174)	(59,631)
Total equity		8,95,770	4,37,859
2 Share application money pending allotment (refer note 10)		24,100	3,75,154
3 Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	12	2,240	1,408
Total Non-current liabilities		2,240	1,408
4 Current liabilities			
(a) Financial liabilities			
(i) Trade payables	13	-	-
- Total outstanding due to micro enterprise and small enterprise		-	-
- Total outstanding due to creditors other than above		1,186	2,036
(ii) Other financial liabilities	12	98,431	94,736
(b) Other current liabilities	14	1,313	3,330
Total current liabilities		1,00,930	1,00,102
Total liabilities		1,27,270	4,76,664
Total Equity and liabilities		10,23,040	9,14,523
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 Firm Registration No. 324982E/E300003

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

per Vishal Bansal  
Partner  
Membership No.: 97546

Place of Signature: Mumbai  
Date: May 14, 2021

**ARUN  
MAHESHWARI**  
Digitally signed by ARUN MAHESHWARI  
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Arun Maheshwari  
Director  
DIN: 01380000

**AMAR  
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TIWARI**  
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Amarnath Tiwari  
Company Secretary  
Place of Signature: Mumbai  
Date: May 14, 2021

**SHANKAR PRATAP SINGH**  
Digitally signed by SHANKAR PRATAP SINGH  
Date: 2021.05.14 18:44:33 +05'30'

Shankar Pratap Singh  
Whole Time Director  
DIN: 07053299

**CHANDRA PRAKASH TATED**  
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Date: 2021.05.14 16:51:27 +05'30'

Chandraprakash Tated  
Chief Financial Officer

# JSW Utkal Steel Limited

## Statement of Profit and Loss for the period ended March 31, 2021

CIN No.U27209MH2017PLC301887

(Rupees In '000)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I Other Income	15	26	0
Total Income		26	0
II Expenses			
(a) Employee benefits expense	16	4,577	7,415
(b) Depreciation and amortization expense	17	7,032	6,860
(c) Other expenses	18	1,953	8,007
Total expenses		13,562	22,282
III Loss before tax		(13,536)	(22,282)
IV Tax expense		7	-
V Loss for the period		(13,543)	(22,282)
VI Other Comprehensive Income		-	-
VII Total Comprehensive Income for the period		(13,543)	(22,282)
VIII Earnings per equity share (of ₹ 10/- each):			
(a) Basic & Diluted (in ₹)	19	(0.15)	(0.50)
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 Firm Registration No. 324982E/E300003

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

**ARUN  
MAHESHWARI**  
Digitally signed by ARUN  
MAHESHWARI  
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ou=Maheshwari,  
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Date: 2021.05.14  
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per Vishal Bansal  
Partner  
Membership No.: 97546

Arun Maheshwari  
Director  
DIN: 01380000

Shankar Pratap Singh  
Whole Time Director  
DIN: 07053299

Place of Signature: Mumbai  
Date: May 14, 2021

**AMAR  
NATH  
TIWARI**  
Digitally signed by AMAR NATH  
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Date: 2021.05.14  
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Amarnath Tiwari  
Company Secretary  
Place of Signature: Mumbai  
Date: May 14, 2021

**CHANDRA  
PRAKASH  
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Date: 2021.05.14  
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Chandraprakash Tated  
Chief Financial Officer

# JSW Utkal Steel Limited

## Statement of Cash flows for the period ended March 31, 2021

CIN No.U27209MH2017PLC301887

(Rupees In '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Net loss before tax	(13,536)	(22,282)
Adjustment to reconcile loss before tax to Net Cash Flows		
Depreciation & amortization expenses	7,032	6,860
Operating loss before working capital changes	(6,504)	(15,422)
Adjustments for increase/decrease in Operating Assets/ Liabilities:		
Increase in other assets	(8,883)	(20,078)
Decrease in trade and other payables	(6,561)	(3,11,068)
	(15,444)	(3,31,146)
Net cash used in operating activities (A)	(21,948)	(3,46,568)
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital advance)	(1,00,170)	(1,21,886)
Net cash used in investing activities (B)	(1,00,170)	(1,21,886)
<b>C. Cash flow from financing activities</b>		
Proceeds from Issue of Equity Share Capital (including share application money)	1,20,401	4,65,354
Net cash from financing activities (C)	1,20,401	4,65,354
Net decrease in cash and cash equivalents (A+B+C)	(1,717)	(3,100)
Cash and cash equivalents at the beginning of the period	4,813	7,913
Cash and cash equivalents at the end of the period (Refer Note 9)	3,096	4,813

### Notes:

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

As per our Report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

For and on behalf of the Board of Directors

of JSW Utkal Steel Limited

per Vishal Bansal

Partner

Membership No.: 97546

Place of Signature: Mumbai

Date: May 14, 2021

**ARUN  
MAHES  
HWARI**

Digitally signed by ARUN MAHESHWARI  
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Date: 2021.05.14 17:44:18 +05'30'

Arun Maheshwari

Director

DIN: 01380000

**AMAR  
NATH  
TIWARI**

Digitally signed by AMAR NATH TIWARI  
Date: 2021.05.14 16:36:21 +05'30'

Amarnath Tiwari  
Company Secretary

Place of Signature: Mumbai

Date: May 14, 2021

**SHANKAR  
PRATAP  
SINGH**

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Date: 2021.05.14 18:45:35 +05'30'

Shankar Pratap Singh

Whole Time Director

DIN: 07053299

**CHANDRA  
PRAKASH  
TATED**

Digitally signed by CHANDRA PRAKASH TATED  
Date: 2021.05.14 16:52:21 +05'30'

Chandraprakash Tated  
Chief Financial Officer

# JSW Utkal Steel Limited

## Statement of Change in Equity for the period ended March 31, 2021

CIN No.U27209MH2017PLC301887

### A. Equity Share and Capital

Particulars	(Rupees In '000)			
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Share Capital	Number of Shares		Amount in '000	
(a) Authorized				
Equity shares of the par value 10 each	20,00,00,000	20,00,00,000	20,00,000	20,00,000
(b) Issues and Subscribed				
Outstanding at the beginning of the year	4,97,49,000	3,94,39,000	4,97,490	3,94,390
Issued during the year / period	4,71,45,400	1,03,10,000	4,71,454	1,03,100
Outstanding at the end of the year, Fully paid up	9,68,94,400	4,97,49,000	9,68,944	4,97,490

### B. Other Equity

Particulars	(Rupees In '000)
Opening Balance 1st April 2019	(37,349)
Loss for the year	(22,282)
Closing Balance as on 31 March 2020	(59,631)
Loss for the year	(13,543)
Closing Balance as on 31 March 2021	(73,174)

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

per Vishal Bansal  
Partner  
Membership No.: 97546

Place of Signature: Mumbai  
Date: May 14, 2021

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Arun Maheshwari  
Director  
DIN: 01380000

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Amarnath Tiwari  
Company Secretary  
Place of Signature: Mumbai  
Date: May 14, 2021

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

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SINGH**  
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PRATAP SINGH  
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Shankar Pratap Singh  
Whole Time Director  
DIN: 07053299

**CHANDRA  
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Chandraprakash Tated  
Chief Financial Officer

1. General Information

JSW Utkal Steel Limited (the 'Company') has been incorporated for setting up an integrated steel plant in the state of Odisha. The project is under implementation stage and the Company has not commenced commercial operations. The Company is a 100% subsidiary of JSW Steel Limited, a public limited company. The registered office of the Company is JSW Centre, Bandra Kurla Complex, Bandra (East) Mumbai – 400051.

JSW Utkal Steel Limited is incorporated in India on November 16, 2017 under the Companies Act, 2013.

2. Significant Accounting Policy

A. Statement of Compliance

The Financial Statements have been prepared in compliance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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

The Financial statements of JSW Utkal Steel Limited as at and for the year ended March 31, 2021 were approved and authorized for issue by the Board of Directors on May 14, 2021

B. Basis of Preparation & Presentation

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

The Financial Statements are presented in the company's functional currency i.e., Indian National Rupees ('INR'). The Financial statement are rounded off to the nearest thousand except otherwise indicated.

C. Summary of significant accounting policies

i) Current and non-current Classification

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

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

ii) Interest Income recognition

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.

iii) Functional Currency

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

iv) Employee Benefits

A liability is recognized for benefit accruing to employees in respect of wages and salaries in the year in which, the related services are rendered at the undiscounted amount of the benefit expected to be paid in exchange of that service. The amount is recognized as expense unless it is eligible for capitalization in accordance with the other applicable IND AS

v) Income Tax Expenses

Tax expenses represents the sum of current and deferred tax.

Current tax

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

#### Deferred tax

Deferred tax is recognized on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amount for financial reporting purpose. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

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

#### vi) Property Plant & Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

The cost of property, plant and equipment comprises of the following:

- i. Purchase price net of any trade discounts and rebates, plus any import duties and other taxes (other than those subsequently recoverable from the tax authorities),
- ii. Any directly attributable expenditure on making the asset ready for its intended use, and
- iii. Any expected costs of decommissioning arising due to acquisition /construction of 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.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The Company has used the following lives for depreciation purposes:

Leasehold Land:	79, 80, 82 & 83 years
Office Equipment:	5 years
Furniture and Fixtures:	10 years

Assets held under lease are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

vii) Leases

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

Land lease:

The Company recognizes leasehold land at the commencement date of the lease (i.e., the date the underlying asset is available for use). Leasehold lands are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Lease hold land - 79 to 83 years

The right-of-use assets are also subject to impairment. Refer to the accounting policy for Impairment of non-financial assets.

Short-term leases and leases of low-value assets

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

viii) Intangible Assets

Intangible Assets having finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses if any. Intangible assets having finite lives are depreciated over their useful lives. Amortization is recognized on a straight-line basis over their estimated useful lives. The management has estimated the useful life of Intangible Asset, viz, to be five years. The estimated useful lives and amortization method are reviewed at the end of each reporting year, with the effect of any changes in estimates being accounted for on a prospective basis.

ix) Impairment of Non-Financial Assets

At the end of each reporting year, 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.

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

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

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

x) Financial Instrument

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions to the instruments.

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

Financial Assets – Recognition and subsequent measurement

The Company initially recognizes loans and advances, deposits, 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.

For the purpose of subsequent measurement, financial assets are classified in below categories:

Debt instruments at amortized cost

A 'Debt Instrument' is measured at the amortized cost if both the following conditions are met:

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

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 the finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables. The company does not have financial assets classified as FVTOCI or FVTPL

#### Financial Assets – De-recognition

The Company derecognizes 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.

#### Financial assets – Impairment

The Company recognizes a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortized cost in accordance with IND AS 109 the company applies 12 months or life ECL as appropriate measure. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

#### Financial Liabilities – Recognition and subsequent measurement

Financial liabilities are classified at initial recognition as either financial liabilities 'at Fair Value through Profit or Loss' ('FVTPL') or 'other financial liabilities'.

The Company's Financial Liabilities includes trade and other payables classified as other financial liabilities.

The subsequent measurement of financial liabilities depends on their classification, as described below;

#### Financial liabilities at amortized cost (Loans and Borrowings)

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 as finance costs in profit or loss. The Company does not have financial liabilities measured as at FVTPL.

#### Financial Liabilities – De-recognition

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

#### xi) Cash & Cash Equivalent

Cash and cash equivalent in the Balance Sheet and the statement of cash flow comprise cash at banks and on hand.

xii) Earnings per Share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted EPS is calculated by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

xiii) Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account time value of money as well as risks and uncertainties surrounding the obligation.

D. Use of Estimates and Judgments

The preparation of the Financial Statements are in conformity with Ind AS which requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosure of contingent assets and liabilities at the date of these financials statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

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

i) 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

ii) Going Concern

The Company is setting up an integrated steel plant in the state of Odisha. JSW Steel Limited, the parent Company has committed to provide financial support to the Company for running its operations and also for setting up the plant. Considering this, the financial statement has been prepared on going concern basis.

JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2021

3. Property Plant & Equipment

(Rupees in '000)

Particulars	Furniture & Fixtures	Freehold land	Leasehold land*	Office equipment's	Total
<b>Cost</b>					
At 31 March 2019	3,487	-	4,72,633	3,418	4,79,538
Additions	256	5,025	-	659	5,940
At 31 March 2020	3,743	5,025	4,72,633	4,077	4,85,478
Additions	657	-	-	-	657
At 31 March 2021	4,400	5,025	4,72,633	4,077	4,86,135
<b>Accumulated Depreciation</b>					
At 31 March 2019	195	-	4,439	374	5,008
Depreciation for the year	340	-	5,782	721	6,843
At 31 March 2020	535	-	10,221	1,095	11,851
Depreciation for the year	393	-	5,766	856	7,015
At 31 March 2021	928	-	15,987	1,951	18,866
Net Block as on 31 <sup>st</sup> March 2021	3,472	5,025	4,56,645	2,127	4,67,269
Net Block as on 31 <sup>st</sup> March 2020	3,208	5,025	4,62,412	2,982	4,73,627

\* The Company has leasehold land having useful life for 79, 80, 82 & 83 years.

4. Capital work in progress

(Rupees in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening CWIP	3,79,417	248,630
Add: Addition to CWIP during the year	87,496	99,934
Add: Pre-operative expenses	20,374	36,793
Less: Capitalisation during the year	(657)	(5,940)
Closing CWIP	486,630	379,417

JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2021

5. Intangible assets (Software)

Particulars	(Rupees in '000)	
	Computer Software	Total
Cost		
At 31 March 2019	85	85
Additions	-	-
At 31 March 2020	85	85
Additions	-	-
At 31 March 2021	85	85
Accumulated Depreciation		
At 31 March 2019	13	13
Depreciation for the year	17	17
At 31 March 2020	30	30
Depreciation for the year	17	17
At 31 March 2021	47	47
Net Block as on 31 <sup>st</sup> March 2021	38	38
Net Block as on 31 <sup>st</sup> March 2020	55	55

6. Loans

Particulars	(Rupees in '000)	
	As at March 31, 2021	As at March 31, 2020
Security Deposit for Office*	310	310
Total	310	310

\*Both the Company and the lessor can cancel the lease by giving 15 days' notice. The management expects the lease to be cancelled in a short period of time. Hence, the lease is cancellable / short-term and has not been capitalized as ROU assets under Ind AS 116. No lease rent is paid/ payable for the current year and previous year the lease rental amounting to Rs. 989 ('000) has been capitalized as part of preoperative expenses.

7. Other financial Assets

Particulars	(Rupees in '000)	
	As at March 31, 2021	As at March 31, 2020
Security Deposit	61	61
Total	61	61

8. Other assets

Particulars	(Rupees in '000)			
	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-current	Current
Capital Advances	17,734	-	17,220	-
Security Deposit	1,582	-	1,282	-
GST Receivable	46,295	-	37,712	-
Prepayments	-	25	-	26
Total	65,611	25	56,214	26

JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2021

9. Cash and cash equivalents

Particulars	(Rupees in '000)	
	As at March 31, 2021	As at March 31, 2020
Balance with Banks (On current account)	3,096	4,813
Total	3,096	4,813

10. Equity share capital

Particulars	(Rupees in '000)			
	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of shares	Amount
a) Authorized:				
Equity shares of the par value of Rs.10 Each	20,00,00,000	20,00,000	20,00,00,000	20,00,000
b) Issued, Subscribed & Paid up:				
Equity shares of Rs.10 each fully paid Up	9,68,94,400	9,68,944	4,97,49,000	4,97,490
Total	9,68,94,400	9,68,944	4,97,49,000	4,97,490
c) Reconciliation of number of shares outstanding at the beginning and at the end of the year:				
At the beginning of the year	4,97,49,000	4,97,490	3,94,39,000	3,94,390
Issued during the year	4,71,45,400	4,71,454	1,03,10,000	1,03,100
At the end of the year	9,68,94,400	9,68,944	4,97,49,000	4,97,490

a. Rights and Restriction attached to Equity Shares

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

b. Share application money pending allotment

The Company has received share application money from its holding company for allotment of fixed number of shares (Number of shares: current year 24,10,000 and previous year 3,75,15,400). In accordance with terms agreed between the parties, the holding company does not have right to ask refund of the share application money. Accordingly, the share application money has been classified as part of 'Equity'. Subsequent to the reporting date, i.e., on April 16,2021 the Company has allotted 24,10,000 number of shares against the application money received from holding company. For the application money received in previous year, shares were allotted on April 20, 2020.

c. Shareholding more than 5% shares in the Company / Shares held by holding Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	%age	Number of shares	%age
JSW Steel Limited, the holding Company and its nominee	9,68,94,400	100	4,97,49,000	100

11. Other Equity

Particulars	(Rupees in '000)	
	As at March 31, 2021	As at March 31, 2020
Retained Earnings	(59,631)	(37,349)
Opening Balance	(13,543)	(22,282)
Add: Loss for the year		
Closing Balance	(73,174)	(59,631)

12. Other Financial Liabilities

Particulars	(Rupees in '000)			
	As at March 31, 2021		As at March 31, 2020	
	Non-current	Current	Non-current	Current
Retention money for capital projects	2,240		1408	-
Payable for capital projects	-	98,431	-	91,050
Due to related party (Refer Note 24)	-	-	-	3,686
Total	2,240	98,431	1408	94,736

- Due to related party are interest free and repayable on demand.

13. Trade payables

Particulars	(Rupees in '000)	
	As at March 31, 2021	As at March 31, 2020
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 22)	-	-
- Total outstanding dues of creditors other than micro and small enterprises	1,186	2,036
Total	1,186	2,036

Notes

1. There are no amounts due to micro and small enterprises.
2. The trade payables are non-interest bearing.

14. Other current liabilities

Particulars	(Rupees in '000)	
	As at March 31, 2021	As at March 31, 2020
Statutory liabilities	1,313	3,330
Total	1,313	3,330

15. Other Income

Particulars	(Rupees in '000)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Miscellaneous Income	26	0
Total	26	0

## 16. Employee benefit expense

Particulars	(Rupees in '000)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries & wages*	4,464	6,351
Staff welfare expenses	113	1,064
<b>Total</b>	<b>4,577</b>	<b>7,415</b>

\*Salaries amounting to Rs. 11,524 ('000) previous year Rs. 12,442 ('000) have been capitalized under CWIP during the year.

Expenses in relation to the PF and gratuity are being accrued by the parent entity and will be settled by the parent entity as and when the same becomes payable.

## 17. Depreciation and amortization

Particulars	(Rupees in '000)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment	7,015	6,843
Amortization of intangible assets	17	17
<b>Total</b>	<b>7,032</b>	<b>6,860</b>

## 18. Other expenses

Particulars	(Rupees in '000)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Rates & Taxes	58	7
Legal & professional charges	171	2,291
Payment to Auditors		
- For Statutory Audit	1,100	500
- Out of Pocket Expense	-	11
Sponsorship Fees	121	2,127
Office Expense	184	1,253
Travelling Expense	85	295
Other Miscellaneous expenses	234	1,523
<b>Total</b>	<b>1,953</b>	<b>8,007</b>

## 19. Earnings per Share

Particulars	(Rupees in '000)	
	As at March 31, 2021	As at March 31, 2020
Loss attributable to Equity Share Holders (Rupees in '000)	(13,543)	(22,282)
Weighted average number of Equity shares	9,04,98,233	4,48,61,760
Basic & Diluted EPS	(0.15)	(0.50)

\*Since the company has incurred losses, share application money is anti-dilutive. Hence, the diluted EPS has been kept the same as Basic EPS.

20. Deferred Tax

The company is in the project stage and any loss incurred during project stage is not allowed to be carried forward. Considering this and in the absence of future taxable profit, Deferred Tax Assets have not been recognized. Hence, Other disclosures required by IND AS 12 including reconciliation are not considered material at this stage.

21. Segment Reporting

The Company is in the process of commissioning a steel plant in the state of Odisha. This is single project and treated as one segment by management for performance evaluation / resource allocation. No revenue has been earned at this stage. Hence other requirements of IND AS 108 are not applicable.

22. Details of dues to micro and small enterprises as per MSMED Act, 2006

There are no Micro and Small Enterprises as defined in the Micro and Small Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro and Small Enterprises has been determined to the extent such parties has been identified on the basis of information available with the Company.

23. Financial Risk Management

a. Capital Risk Management:

The Company is incorporated to set up an Integrated Steel Plant in the state of Odisha, since the Company is being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximize the return to stakeholders through optimum mix of debt and equity.

At present, the Company is under the project stage and the principal source of fund to meet the initial set up expenses and various fees are paid by its parent company on its behalf. The Company is not subject to any externally imposed capital requirement.

b. Liquidity Risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects.

The Company remains committed to maintain a healthy liquidity, gearing ratio and strengthening the balance sheet. The maturity profile of the Company's financial liability based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect contractual undiscounted cash obligation of the company.

## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2021

#### Liquidity exposure as at March 31,2021

(Rupees in '000)				
Particulars	<1 year	1-5 years	> 5 years	Total
Current				
- Trade Payable	1,186	-	-	1,186
- Other Financial Liabilities	98,431	2,240	-	1,00,671
<b>Total</b>	<b>99,617</b>	<b>2,240</b>	<b>-</b>	<b>1,01,857</b>

#### Liquidity exposure as at March 31,2020

(Rupees in '000)				
Particulars	<1 year	1-5 years	> 5 years	Total
Current				
- Trade Payable	2,036	-	-	2,036
- Other Financial Liabilities	94,736	1,408	-	96,144
<b>Total</b>	<b>96,772</b>	<b>1,408</b>	<b>-</b>	<b>98,180</b>

Majority of other Financial Liabilities of the Company are towards payable to parent entity. The parent has agreed to provide necessary financial support to the Company for developing steel plant. Considering this, the management believes that the Company will not be required to pay financial liabilities, unless it has capacity to do so.

#### Fair Value of the Financial Instruments

Most of the financial assets and liabilities of the company are short-term. Due to short-term, fair value of these financial assets and financial liabilities approximates their carrying amount.

Non-current financial assets/liabilities, if any, are not material.

#### 24. Related party disclosure.

##### List of Related Parties

- i. Holding Company - JSW Steel Limited
- ii. KMP – Mr. Shankar Pratap Singh – Whole Time Director  
Mr. Shyam Maheshwari – Chief Financial Officer (till September 29, 2020)  
Mr. Chandraprakash Tated - Chief Financial Officer (wef March 10, 2021)  
Mr. Gaurav Munoli – Company Secretary (till July 24, 2020)  
Mr. Amarnath Tiwari – Company Secretary (wef September 29, 2020)

##### Details of related party transactions

(Rupees in '000)		
Transaction with holding Company	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Reimbursement of expenses incurred by parent company	23,565	43,711
Allotment of Equity shares of Rs. 10 each fully paid up	47,145	10,310
Share application money received and pending allotment	24,100	3,75,154

Outstanding Balances at the year end March 31, 2021

	(Rupees in '000)	
Closing Balance with Holding Company	As at March 31, 2021	As at March 31, 2020
Other Financial Liabilities	-	3,687
Share Application Money pending allotment	24,100	3,75,154

Term and conditions of outstanding balance

The outstanding amount are interest free and repayable on demand.

Remuneration to Key Management Personnel Rs 14,125 ('000) previous year Rs. 18,793('000) paid during the year (includes Rs. 11,524 ('000) previous year Rs. 12,442 ('000) capitalized as CWIP).

Expenses in relation to the PF and Gratuity of the KMP are being accrued and accounted by the parent company. The expenses will be debited to the company as and when settled and becomes payable.

25. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for at the end of year March 31, 2021 is Rs. 2,53,102 ('000) previous year Rs. 2,39,243 ('000)

26. Impact of COVID-19 Pandemic

The COVID-19 outbreak in the month of March 2020 and measures to curtail the spread had caused significant disturbances and slowdown in economic activity. There was a swift recovery in economic activity growth momentum in India from the second and third quarter following the easing of lockdown restrictions and opening up of the economy. However, the much-anticipated boost to economic activity from the vaccination rollouts is being somewhat held back by new mutations of COVID-19 and increasing spread of the second waves of infections across India.

The management has assessed and determined that Covid-19 did not have any impact on the financial position and performance of the Company for the year ended 31 March 2021. The Company continues to monitor any material changes to the future economic conditions.

27. Events after Reporting Period

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

JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2021

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

As per our report of even date  
For S R B C & Co LLP Limited  
Chartered Accountants  
Firm Registration No. 324982E/E300003

per Vishal Bansal  
Partner  
Membership No. 97546

Place: Mumbai  
Date: May 14, 2021

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

**ARUN  
MAHES  
HWARI**

Digitally signed by ARUN  
MAHESHWARI  
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MAHESHWARI  
Date: 2021.05.14 17:48:38 +05'30'

Arun Maheshwari  
Director  
DIN : 01380000

**AMAR NATH  
TIWARI**

Digitally signed by  
AMAR NATH TIWARI  
Date: 2021.05.14  
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Amarnath Tiwari  
Company Secretary  
Place of Signature: Mumbai  
Date: May 14, 2021

**SHANKAR  
PRATAP  
SINGH**

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by SHANKAR  
PRATAP SINGH  
Date: 2021.05.14  
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Shankar Pratap Singh  
Whole Time Director  
DIN: 075053299

**CHANDRA  
PRAKASH  
TATED**

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CHANDRA PRAKASH  
TATED  
Date: 2021.05.14  
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Chandraprakash Tated  
Chief Financial Officer