

Financial statements 2022/2023

JSW Steel (Netherlands) B.V.
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Financial statements 2022/2023

Balance sheet as at 31 March 2023

(After appropriation of result)

	31 March 2023		31 March 2022	
	USD	USD	USD	USD
ASSETS				
Non-Current assets				
Financial fixed assets	105,277,000		194,812,684	
		105,277,000		194,812,684
Current assets				
Loans subsidiaries	59,611,513		-	
Loans related company	14,151,727		-	
Receivables and prepayments	15,546		6,036	
Cash and cash equivalents	236,779		99,196	
		74,015,565		105,232
		179,292,565		194,917,916
EQUITY AND LIABILITIES				
Equity				
Share capital	44,161,097		45,078,789	
Other reserves	(271,788,354)		(241,281,077)	
		(227,627,257)		(196,202,288)
Non-Current liabilities				
	341,002,944		348,439,418	
Current liabilities				
	65,916,878		42,680,786	
		406,919,822		391,120,204
		179,292,565		194,917,916

Profit and loss account for the year 2022/2023

	2022/2023		2021/2022	
	USD	USD	USD	USD
Interest income and similar income		8,126,410		8,604,777
Dividend income		-		502,431
Total operating income		8,126,410		9,107,208
Interest expense and similar expenses	(18,188,208)		(13,518,849)	
Foreign exchange result	(9,408,994)		(4,623,336)	
General expenses	(326,498)		(235,170)	
Total operating expenses		(27,923,699)		(18,377,355)
Operating result		(19,797,289)		(9,270,147)
Impairment of assets		(11,624,503)		(8,604,777)
Result before taxation		(31,421,792)		(17,874,924)
Taxation		-		(25,158)
Result after taxation		(31,421,792)		(17,900,082)

General notes

1. General

General

JSW Steel (Netherlands) B.V. (the Company) is a private company with limited liability (a wholly-owned subsidiary of JSW Steel Limited), incorporated under the laws of The Netherlands on 17 August 2007, having its corporate seat in Amsterdam, with offices at Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands.

The Company is registered at the Chamber of Commerce under number 34280787.

Activities

The principal business activities of JSW Steel (Netherlands) B.V. and its group companies are: to acquire and make investments in all steel related and steel allied business, to trade in steel products in mining assets relating to steel.

Group structure

The Company is part of the JSW group. The head of this group is JSW Steel Limited, Mumbai, India. The financial statements of the Company are included in the consolidated financial statements of JSW Steel Limited, Mumbai, India.

Consolidation exemption

Consolidated accounts are not presented as the Company has availed itself of the exemption provisions of Article 408 section 1, Title 9 Book 2 of the Dutch Civil Code. Accordingly, the consolidated annual report of JSW Steel Limited for the year ended 31 March 2023 which include the financial statements of the Company and its subsidiaries, will be filed with the Chamber of Commerce.

Going concern

The equity of the Company amounts to USD 227,627,257 negative as at 31 March 2023.

As shown in the accompanying financial statements at balance sheet date liabilities exceed assets. Despite the unfavourable solvency and liquidity, the financial statements have been prepared in accordance with the accounting principles on the going concern assumption. The going concern assumption is based on the intention of the parent company to continue to support the operations of the Company.

General notes

Directors' report

The Company has taken advantage of Article 395a section 6, Title 9, Book 2 of the Dutch Civil Code and not presented a directors' report.

Estimates

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure.

The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

Comparison with previous year

The principles of valuation and determination of the result remained unchanged in comparison to the previous year.

Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

General notes

2. General accounting principles

Accounting policies

The financial statements have been prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards applicable for micro legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Based on Title 9, Book 2 of the Dutch Civil Code, the Company can be qualified as a so-called 'micro-sized company', but voluntarily discloses more information to meet the legal requirement to provide a true and fair view.

Valuation of assets and liabilities and determination of the result take place under the historical cost convention, unless presented otherwise.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account, if they have become known before preparation of the financial statements.

Foreign currency

Items included in the financial statements of the Company are valued with due regard for the currency in the economic environment in which the Company carries out most of its activities (the functional currency).

The financial statements are denominated in USD, this is both the functional currency and presentation currency of the Company.

Transactions, receivables and liabilities

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

3. Principles of valuation of assets and liabilities

FIXED ASSETS

Financial fixed assets

Investment in subsidiaries and participations

Based on the international structure and activities of the Company and in accordance with the provisions provided for in Article 389, sub 9, Book 2 and Article 408, Book 2 of the Dutch Civil Code, the Company values its investments in subsidiaries at historical cost. In accordance with Article 379, sub 2c, Book 2 of the Dutch Civil Code, the Company is exempted from disclosing the equity and result of these investments.

In the event of an impairment loss, valuation takes place at the realizable value; an impairment is recognized and charged to the profit and loss account.

General notes

In the light of the aforementioned application of Article 408 section 1, Title 9 Book 2 of the Dutch Civil code and in management's opinion disclosure of net asset value would not enhance the insight of the Company's financial position and results already provided by these accounts together with the consolidated accounts of JSW Steel Limited, India. The participations are valued at historical cost.

Receivables

Receivables recognized under financial fixed assets are initially valued at the fair value less transaction cost (if material). These receivables are subsequently valued at amortized cost. For determining the value, any impairments are taken into account.

Impairment of non-current assets

On each balance sheet date, the Company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realizable value of the asset is determined. If it is not possible to determine the realizable value of the individual asset, the realizable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realizable value; the realizable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognized in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

The realizable value can be based on a binding sale agreement, an active market value, or an estimate of the future net discounted cash flows in the event of continued use of the asset/ cash-generating unit.

When it is established that an impairment, that was recognized in the past, no longer exists or has reduced, the increased carrying amount of the net asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned has been reported. Reversed impairment is recognized via profit and loss account.

CURRENT ASSETS

Receivables

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. For determining the value, any impairments are taken into account.

Cash and cash equivalents

Cash and cash equivalents represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

General notes

LIABILITIES

Non-current liabilities

On initial recognition, non-current liabilities are recognized at fair value. Transaction costs, which can be directly attributed to the acquisition of the non-current liabilities, are included in the initial recognition. After initial recognition, non-current liabilities are recognized at the amortized cost price, being the amount received, taking into account premiums or discounts and minus transaction costs.

Current liabilities

On initial recognition, current liabilities are recognized at fair value. After initial recognition, current liabilities are recognized at the amortized cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

4. Principles for the determination of the result

General

The result is the difference between the realisable value of the services provided and the costs and other charges during the period. The results on transactions are recognised in the period in which they are realised.

Costs

Costs are determined on a historical basis and allocated to the financial year to which they relate.

Dividends

Dividends to be received from participations and securities not carried at net asset value are recognized as soon as the Company has acquired the right to them.

Financial income and expenses

Interest income and expenses are recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. When accounting for interest expenses, the recognized transaction expenses for loans received are taken into consideration.

Income tax

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Also changes are taken into account, which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Notes to the balance sheet as at 31 March 2023

ASSETS

Financial fixed assets

31 March 2023 **31 March 2022**
USD **USD**

A summary of the financial fixed assets is included below:

Subsidiaries

JSW Panama Holdings Corporation		1,830,000	1,830,000
JSW Steel (UK) Ltd		3,562,461	7,062,461
JSW Steel Italy Srl		27,412,364	27,412,364
Periama Holding LLC		1	1
Inversiones Eroush Limitadas		40	40
		32,804,866	36,304,866

	Place, Country	Valuation method	Share in issued capital %
JSW Panama Holding Corporation	Panama, Panama	cost price	100
JSW Steel UK Ltd	London, U.K.	cost price	95
JSW Steel Italy Srl	Milaan, Italy	cost price	100
Periama Holding LLC	Delaware, U.S.A.	cost price	99.9489
Inversiones Eroush Limitadas	Santiago, Chile	cost price	0.1

The Company holds 95% effective ownership in Inversiones Eroush Limitadas (0.1% directly held by The Company and 94.9% held by JSW Panama Holding Corporation, which in turn is 100% held by The Company).

Participations

Geosteel LLC		1,400,000	1,400,000
		1,400,000	1,400,000

	Place, Country	Valuation method	Share in issued capital %
Geosteel LLC	Rustavi, Georgia	cost price	10

Notes to the balance sheet as at 31 March 2023

	<u>31 March 2023</u>	<u>31 March 2022</u>
	USD	USD
Long term loans subsidiaries		
JSW Steel (UK) Ltd	-	11,225,407
JSW Steel Italy Srl	70,796,269	124,442,190
Interest due from subsidiaries	275,864	7,288,494
	<u>71,072,134</u>	<u>142,956,091</u>
	<u>31 March 2023</u>	<u>31 March 2022</u>
	USD	USD
Long term loans from related company		
JSW Steel USA Inc	-	12,557,596
Interest due from related company	-	1,594,131
	<u>-</u>	<u>14,151,727</u>
	<u>105,277,000</u>	<u>194,812,684</u>

JSW Steel (UK) Ltd

The loan to JSW Steel UK is originally for a principal amount of GBP 16,000,000. The loan bears interest at 6 months Libor plus 5% per annum and matures at 31 August 2023. The outstanding loan balance as at 31 March 2023 amounts to USD 1,813,231 and the outstanding interest balance amounts to USD 5,061,175. This loan can be converted to capital if required. The loan has been reclassified from long term to short term.

During the year, following the business performance of JSW Steel (UK) Ltd, the management decided to recognise a provision on interest receivable of USD 427,499 equal to the interest charge for the year. The cumulative provision on interest receivable is USD 2,431,363.

Notes to the balance sheet as at 31 March 2023

JSW Steel Italy Srl

The long term loan JSW Steel Italy Srl consist of six separate loans.

(a) The first loan is for a principal amount of EUR 200,000. The loan bears interest at 6 months Euribor plus 5% per annum and matures on 31 August 2023. The outstanding loan balance as at 31 March 2023 amounts to USD 81,563 and the outstanding interest balance amounts to USD 28,627. The outstanding principal and interest balance have fully been provided for.

(b) The second loan is for a principal amount of EUR 1,500,000. The loan bears interest at 6 months Euribor plus 5% per annum and matures on 26 December 2023. The outstanding loan balance as at 31 March 2023 amounts to USD 1,152,750 and the outstanding interest balance amounts to USD 379,136. The outstanding principal and interest balance have been fully provided for.

(c) The third loan is for a principal amount of EUR 35,000,000. The loan bears interest at 6 months Euribor plus 4.67% per annum and matures on 28 April 2023. The outstanding loan balance as at 31 March 2023 amounts to USD 38,062,510 and the outstanding interest balance amounts to USD 4,979,992.

(d) The fourth loan is for a principal amount of EUR 20,000,000. The loan bears interest at 6 months Euribor plus 4.7% per annum and matures on 13 January 2024. The outstanding loan balance as at 31 March 2023 amounts to USD 13,050,004 and the outstanding interest balance amounts to USD 1,394,590.

(e) The fifth loan is for a principal amount of EUR 80,000,000. The loan bears interest at 6 months Euribor plus 8.15% per annum and matures on 18 July 2024. The outstanding loan balance as at 31 March 2023 amounts to USD 51,765,014 and the outstanding interest balance amounts to USD 23,789,450. This loan can be converted to capital if required.

(f) The sixth loan is for a principal amount of EUR 20,000,000. The loan bears interest at 6 months Euribor plus 4.55% per annum and matures on 19 July 2024. The outstanding loan balance as at 31 March 2023 amounts to USD 19,031,256 and the outstanding interest balance amounts to USD 1,233,652.

During the year, following the business performance of JSW Steel Italy Srl, the Management decided to recognise a provision on interest receivable of USD 7,020,947 equal to the interest charged for the year. The cumulative provision on interest receivable amounts to USD 24,747,238.

JSW Steel USA Inc

The long term loan JSW Steel USA Inc is for a principal amount of USD 15,000,000. The loan bears interest at 6 months Libor plus 5% per annum and matures at 31 August 2023. The outstanding loan balance as at 31 March 2023 amount to USD 12,557,596 and the outstanding interest balance amounts to USD 4,507,216. This loan can be converted to capital if required. Same has been reclassified under current asset.

During the year, following the business performance of JSW Steel USA Inc, the Management decided to recognise a provision on interest receivable of USD 676,057 equal to the interest charged for the year. The cumulative provision on interest receivable of USD 2,913,084. Same has been reclassified under current asset.

Notes to the balance sheet as at 31 March 2023

Interest due from subsidiaries and participations

	<u>31 March 2023</u>	<u>31 March 2022</u>
	USD	USD
Interest accrued	25,023,102	33,189,852
Provision on interest accrued	(24,747,238)	(24,307,227)
	<u>275,864</u>	<u>8,882,625</u>

Current Assets

Loans subsidiaries

	<u>31 March 2023</u>	<u>31 March 2022</u>
	USD	USD
JSW Steel Italy Srl	51,112,513	-
JSW Steel (UK) Ltd	1,813,231	-
Interest due	6,685,769	-
	<u>59,611,513</u>	<u>-</u>

Loans related company

	<u>31 March 2023</u>	<u>31 March 2022</u>
	USD	USD
JSW Steel USA Inc	12,557,596	-
Interest due from related company	1,594,131	-
	<u>14,151,727</u>	<u>-</u>

JSW Steel Italy Srl

The short term loan JSW Steel Italy Srl consist of two separate loans.

(a) The first loan is for a principal amount of EUR 35,000,000. The loan bears interest at 6 months Euribor plus 4.67% per annum and matures on 28 April 2023. The outstanding loan balance as at 31 March 2023 amounts to USD 38,062,510 and the outstanding interest balance amounts to USD 4,979,992.

(b) The second loan is for a principal amount of EUR 20,000,000. The loan bears interest at 6 months Euribor plus 4.7% per annum and matures on 13 January 2024. The outstanding loan balance as at 31 March 2023 amounts to USD 13,050,003 and the outstanding interest balance amounts to USD 1,394,590.

Notes to the balance sheet as at 31 March 2023

JSW Steel (UK) Ltd

The loan to JSW Steel UK is originally for a principal amount of GBP 16,000,000. The loan bears interest at 6 months Libor plus 5% per annum and matures at 31 August 2023. The outstanding loan balance as at 31 March 2023 amounts to USD 1,813,231 and the outstanding interest balance amounts to USD 5,061,175. This loan can be converted to capital if required. The loan has been reclassified from long term to short term.

During the year, following the business performance of JSW Steel (UK) Ltd, the management decided to recognise a cumulative provision on interest receivable of USD 2,431,363.

JSW Steel USA Inc

The long term loan JSW Steel USA Inc is for a principal amount of USD 15,000,000. The loan bears interest at 6 months Libor plus 5% per annum and matures at 31 August 2023. The outstanding loan balance as at 31 March 2023 amount to USD 12,557,596 and the outstanding interest balance amounts to USD 4,507,216. This loan can be converted to capital if required.

During the year, following the business performance of JSW Steel USA Inc, the Management decided to recognise a provision on interest receivable of USD 676,057 equal to the interest charged for the year. The cumulative provision on interest receivable of USD 2,913,084.

Receivables and prepayments

	<u>31 March 2023</u>	<u>31 March 2022</u>
	USD	USD
VAT receivable	11,487	1,083
Other receivables	4,059	4,953
	<u><u>15,546</u></u>	<u><u>6,036</u></u>

Notes to the balance sheet as at 31 March 2023

EQUITY AND LIABILITIES

Equity

Share capital

The issued and fully paid share capital of the Company amounts to EUR 40,607,875 divided into 707,625 ordinary shares of EUR 1 each (equivalent to USD 769,564) on 31 March 2023 and 39,900,250 redeemable non-cumulative preference shares of EUR 1 each (equivalent to USD 43,391,533) on 31 March 2023.

The share capital of EUR 40,607,875 is translated into USD using the year end spot rate per 31 March 2023 of EUR 0.91954 : USD 1 (per 31 March 2022: EUR 0.900820: USD 1). Per 31 March 2023, the cumulative FX revaluation impact amounts to USD 1,642,847.

Proposed appropriation of result for the financial year 2022/2023

Management proposes to charge the entire result for the financial year starting 1 April 2022 and ending 31 March 2023 amounting to a loss of USD 31,421,792 to the other reserves. This proposal has been incorporated in the financial statements.

Non-Current liabilities

	<u>31 March 2023</u>	<u>31 March 2022</u>
	USD	USD
	Remaining	Remaining
	maturity 1-5	maturity 1-5
	years	years
	USD	USD
Bank loans	227,963,355	88,389,503
Loans payable to shareholder	94,797,892	219,064,992
Interest payable to shareholder	16,222,799	39,034,522
Amounts payable to JSW Panama Holdings Corporation	2,018,898	1,950,401
	<u>341,002,944</u>	<u>348,439,418</u>

Bank loans can be detailed as follows:

	<u>31 March 2023</u>	<u>31 March 2022</u>
	USD	USD
Australia and New Zealand Banking Group Limited	24,748,345	49,714,455
ING Bank N.V.	-	22,082,834
ING Bank N.V.	64,724,210	-
KFW Ipex Bank	-	16,592,214
KFW Ipex Bank	108,750,000	-
CTBC Bank	29,740,800	-
	<u>227,963,355</u>	<u>88,389,503</u>

Notes to the balance sheet as at 31 March 2023

Further details are as follows:

Australia and New Zealand Banking Group Limited

	<u>2022/2023</u>	<u>2021/2022</u>
	USD	USD
Balance as at 1 April	49,714,455	49,579,450
Reclassification to short term portion	(25,000,000)	-
Capitalized transaction cost	33,890	135,005
Balance as at 31 March	<u><u>24,748,345</u></u>	<u><u>49,714,455</u></u>

The loan facility agreement with Australia and New Zealand Banking Group Limited, Singapore is for a maximum of USD 50,000,000 and bears interest at a 6 months Libor plus 2.40% with a repayment date of 6 May 2024. The outstanding loan balance as at 31 March 2023 amounts to USD 24,782,143 and the accrued interest payable within 12 months from year end amounts to USD 1,440,334.

ING Bank N.V.

	<u>2022/2023</u>	<u>2021/2022</u>
	USD	USD
Balance as at 1 April	-	11,612,812
Reclassification to short term portion	-	(3,020,498)
Repayment of loan	-	(8,923,228)
Capitalized transaction cost	-	112,195
Revaluation of loan	-	218,719
Balance as at 31 March	<u><u>-</u></u>	<u><u>-</u></u>

The loan facility agreement with ING Bank N.V. Hong Kong Branch is for a maximum of EUR 40,000,000 and bears interest at a 6 months Euribor plus 2.40% with a repayment date of 20 July 2022. The loan has been fully repaid, and as at 31 March 2023, there were no outstanding balances.

ING Bank N.V.

	<u>2022/2023</u>	<u>2021/2022</u>
	USD	USD
Balance as at 1 April	22,082,834	37,909,869
Reclassification to short term portion	(22,082,834)	(5,786,749)
Repayment of loan	-	(8,737,228)
Capitalized transaction cost	-	77,241
Revaluation of loan	-	(1,380,299)
Balance as at 31 March	<u><u>-</u></u>	<u><u>22,082,834</u></u>

The loan facility agreement with ING Bank N.V. Hong Kong Branch is for a maximum of EUR 40,000,000 and bears interest at a 6 months Euribor plus 2.40% with a repayment date of 15 January 2024. The outstanding loan balance as at 31 March 2023 amounts to EUR 20,000,000 (equivalent to USD 21,750,005) and the accrued interest payable within 12 months from year end amounts to EUR 156,973 (equivalent to USD 170,708). The loan has been reclassified from long term to short term.

Notes to the balance sheet as at 31 March 2023

ING Bank N.V.

	<u>2022/2023</u>	<u>2021/2022</u>
	USD	USD
Balance as at 1 April	-	-
Addition during the year	59,303,774	-
Capitalized transaction cost	(525,790)	-
Revaluation of loan	5,946,226	-
Balance as at 31 March	<u>64,724,210</u>	<u>-</u>

The loan facility agreement with ING Bank N.V. Singapore Branch is for a maximum of EUR 60,000,000 and bears interest at a 6 months Euribor plus 1.95% with a repayment date of 22 September 2027. The outstanding loan balance as at 31 March 2023 amounts to EUR 60,000,000 (equivalent to USD 64,724,210) and the accrued interest payable within 12 months from year end amounts to EUR 84,083 (equivalent to USD 91,441).

KFW IPEX Bank

	<u>2022/2023</u>	<u>2021/2022</u>
	USD	USD
Balance as at 1 April	16,592,214	33,233,881
Reclassification to short term portion	(16,542,762)	(16,666,667)
Capitalized transaction cost	(49,452)	25,000
Balance as at 31 March	<u>-</u>	<u>16,592,214</u>

The loan facility agreement with KFW IPEX Bank is for a maximum of USD 50,000,000 and bears interest at a 6 months Libor plus margin 2.25% per annum with a repayment date of 13 March 2024. The outstanding loan balance as at 31 March 2023 amounts to USD 16,666,667 and the accrued interest payable within 12 months from year end amounts to USD 64,582. The loan has been reclassified from long term to short term.

KFW IPEX Bank

	<u>2022/2023</u>	<u>2021/2022</u>
	USD	USD
Balance as at 1 April	-	-
Additions during the year	106,840,004	-
Capitalized transaction cost	-	-
Revaluation of loan	1,909,996	-
Balance as at 31 March	<u>108,750,000</u>	<u>-</u>

The loan facility agreement with KFW IPEX Bank is for a maximum of EUR 100,000,000 and bears interest at a 6 months Libor plus margin 2.1% per annum with a repayment date of 01 March 2027. The outstanding loan balance as at 31 March 2023 amounts to EUR 100,000,000 (USD 108,750,000) and the accrued interest payable within 12 months from year end amounts to EUR 460,005 (USD 500,256).

Notes to the balance sheet as at 31 March 2023

CTBC Bank

	<u>2022/2023</u>	<u>2021/2022</u>
	USD	USD
Balance as at 1 April	-	-
Addition during the year	30,000,000	-
Capitalized transaction cost	(259,200)	-
Balance as at 31 March	<u><u>29,740,800</u></u>	<u><u>-</u></u>

The loan facility agreement with CTBC Bank is for a maximum of USD 30,000,000. USD 6,000,000 bears interest at 6.59804% and USD 24,000,000 bears interest at a 7.1152% per annum with a repayment date of 18 January 2028. The outstanding loan balance as at 31 March 2023 amounts to USD 29,740,800 and the accrued interest payable within 12 months from year end amounts to USD 189,375.

The bank loans are guaranteed by the parent company.

Loan payable to shareholder

The amounts payable to shareholder as at 31 March 2023 of USD 94,797,892 is made up of eleven separate loan facility agreements.

(a) The first loan facility agreement with our shareholder is for a maximum of USD 25,000,000 at an interest rate of 6 months Libor plus 4.40% with a repayment date of 25 October 2023. The loan has been fully repaid during the year.

(b) The second loan facility agreement with our shareholder is for a maximum of USD 150,000,000 and the outstanding loan balance is USD 94,797,892 as per 31 March 2023. Furthermore the facility bears interest for a remaining amount of USD 16,222,799 at a 6 months Libor plus 5% with a repayment date of 31 August 2024.

(c) The third loan facility agreement with our shareholder is for a maximum of USD 25,000,000 at an interest rate of 6 months Libor plus 4.35% with a repayment date of 14 January 2024. The loan has been fully repaid during the year.

(d) The fourth loan facility agreement with our shareholder is for a maximum of USD 25,000,000 at an interest rate of 6 months Libor plus 4.70% with a repayment date of 17 February 2024. The loan has been fully repaid during the year.

(e) The fifth loan facility agreement with our shareholder is for a maximum of USD 25,000,000 at an interest rate of 6 months Libor plus 4.55% with a repayment date of 19 July 2024. The loan has been fully repaid during the year.

(f) The sixth loan facility agreement with our shareholder is for a maximum of USD 25,000,000 at an interest rate of 6 months Libor plus 4.85% with a repayment date of 9 December 2024. The loan has been fully repaid during the year.

Notes to the balance sheet as at 31 March 2023

(g) The seventh loan facility agreement with our shareholder is for a maximum of USD 25,000,000 at an interest rate of interest rate of 5.75% with a repayment date of 2 March 2025. The loan has been fully repaid during the year.

(h) The eighth loan facility agreement with our shareholder is for a maximum of USD 15,000,000 at an interest rate of 6 months Libor plus 5% with a repayment date of 31 August 2024. The loan has been fully repaid during the year.

(i) The ninth loan facility agreement with our shareholder is for a maximum of USD 100,000,000 at an interest rate of 6 months Libor plus 5.30% with a repayment date of 18 June 2024. The loan has been fully repaid during the year.

(j) The tenth loan facility agreement with our shareholder is for a maximum of USD 25,000,000 at an interest rate of 7.10% with a repayment date of 19 June 2025. The loan has been fully repaid during the year.

(k) The eleventh loan facility agreement with our shareholder is for a maximum of USD 15,000,000 at an interest rate of 6 months Libor + 5% with a repayment date of 31 August 2024. The loan has been fully repaid during the year.

Amounts payable to JSW Panama Holdings Corporation

	<u>31 March 2023</u>	<u>31 March 2022</u>
	USD	USD
Loan payable to JSW Panama	1,062,380	1,062,380
Interest on loan payable to JSW Panama	956,518	888,021
	<u>2,018,898</u>	<u>1,950,401</u>

The loan facility agreement with JSW Panama Holdings Corporation is for a maximum of USD 10,000,000 and the outstanding loan balance is USD 1,062,380 as at 31 March 2023. The facility bears interest at 7.4% with a repayment date of 27 October 2025.

Current liabilities

	<u>31 March 2023</u>	<u>31 March 2022</u>
	USD	USD
Loan payable to banks	63,416,672	41,620,888
Interest payable to banks	2,456,696	989,296
Trade payables and trade credit	19,306	21,239
Accruals	24,204	49,363
	<u>65,916,878</u>	<u>42,680,786</u>

Notes to the balance sheet as at 31 March 2023

Bank loans can be detailed as follows:

	<u>31 March 2023</u>	<u>31 March 2022</u>
	USD	USD
Australia and New Zealand Banking Group Limited	25,000,000	-
ING Bank N.V.	21,750,005	24,954,220
KFW Ipex Bank	16,666,667	16,666,667
	<u>63,416,672</u>	<u>41,620,888</u>

Further details are as follows:

Australia and New Zealand Banking Group Limited

	<u>2022/2023</u>	<u>2021/2022</u>
	USD	USD
Balance as at 1 April	-	-
Reclassification to short term portion	25,000,000	-
Balance as at 31 March	<u>25,000,000</u>	<u>-</u>

The loan facility agreement with Australia and New Zealand Banking Group Limited, Singapore is for a maximum of USD 50,000,000 and bears interest at a 6 months Libor plus 2.40% with a repayment date of 6 May 2024. The outstanding loan balance as at 31 March 2023 amounts to USD 25,000,000 and the accrued interest payable within 12 months from year end amounts to USD 1,440,334.

ING Bank N.V.

	<u>2022/2023</u>	<u>2021/2022</u>
	USD	USD
Balance as at 1 April	13,876,246.09	8,793,755
Reclassification to short term portion	24,801,585	5,786,749
Repayment of loan	(2,714,428)	-
Capitalized transaction cost	(51,664)	-
Revaluation of loan	(285,489)	(704,258)
Balance as at 31 March	<u>21,750,005</u>	<u>13,876,246</u>

The loan facility agreement with ING Bank N.V. Hong Kong Branch is for a maximum of EUR 40,000,000 and bears interest at a 6 months Euribor plus 2.40% with a repayment date of 15 January 2024. The outstanding loan balance as at 31 March 2023 amounts to EUR 20,000,000 (equivalent to USD 21,750,005) and the accrued interest payable within 12 months from year end amounts to EUR 156,973 (equivalent to USD 170,708). The loan has been reclassified from long term to short term.

Notes to the balance sheet as at 31 March 2023

ING Bank N.V.

	<u>2022/2023</u>	<u>2021/2022</u>
	USD	USD
Balance as at 1 April	11,077,975	20,518,761
Reclassification to short term portion	-	3,020,498
Repayment of loan	(10,547,665)	(11,526,121)
Capitalized transaction cost	-	(23,023)
Revaluation of loan	(553,331)	(912,142)
Balance as at 31 March	<u>-</u>	<u>11,077,975</u>

The loan facility agreement with ING Bank N.V. Hong Kong Branch is for a maximum of EUR 40,000,000 and bears interest at a 6 months Euribor plus 2.40% with a repayment date of 20 July 2022. The loan has been fully repaid, and as at 31 March 2023, there were no outstanding balances.

KFW IPEX Bank

	<u>2022/2023</u>	<u>2021/2022</u>
	USD	USD
Balance as at 1 April	16,666,667	-
Repayment of loan	(16,666,667)	-
Reclassification to short term portion	16,592,214	16,666,667
Capitalized transaction cost	74,453	-
Balance as at 31 March	<u>16,666,667</u>	<u>16,666,667</u>

The loan facility agreement with KFW IPEX Bank is for a maximum of USD 50,000,000 and bears interest at a 6 months Libor plus margin 2.25% per annum with a repayment date of 13 March 2024. The outstanding loan balance as at 31 March 2023 amounts to USD 16,666,667 and the accrued interest payable within 12 months from year end amounts to USD 64,582. The loan has been reclassified from long term to short term.

Contingent assets and liabilities

The Company has no contingent assets and liabilities that are not already included in the annual report.

Notes to the profit and loss account for the year 2022/2023

	<u>2022/2023</u>	<u>2021/2022</u>
	USD	USD
Interest income and similar income		
Interest income subsidiaries and participations	8,126,410	8,604,777
	<u>8,126,410</u>	<u>8,604,777</u>
Dividend income		
Dividend income (Geosteel LLC)	-	502,431
	<u>-</u>	<u>502,431</u>
Interest expense and similar expenses		
Interest on shareholders loans	10,830,406	8,923,801
Interest on bank loans	7,289,304	4,534,919
Interest on subsidiaries	68,497	60,129
	<u>18,188,208</u>	<u>13,518,849</u>
Exchange difference		
Foreign exchange result	9,408,994	4,623,336
	<u>9,408,994</u>	<u>4,623,336</u>
General expenses		
Audit fees	18,574	47,385
Tax advisory fees	12,819	18,923
Administrative fees	222,446	160,623
Legal fees	91,991	535
Bank charges	5,825	7,704
Write off liabilities	(25,158)	-
	<u>326,498</u>	<u>235,170</u>
Impairment of assets		
Provision for accrued interest	8,124,503	8,604,777
Impairment JSW Steel (UK) Ltd	3,500,000	-
	<u>11,624,503</u>	<u>8,604,777</u>
Taxation result		
Withholding tax on dividend income	-	25,158
	<u>-</u>	<u>25,158</u>

Notes to the profit and loss account for the year 2022/2023

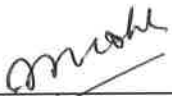
Average number of employees

The Company had no employees during the year under review (2021/2022: none).

Events after reporting date

No major activities have occurred after reporting date that could have a material effect on the annual accounts.

Amsterdam, 29 September 2023



M.K. Mohta
Managing director A



R.M. Pai
Managing director A



IQ EQ Management (Netherlands) B.V.
Managing director B



A. Bhugra
Managing director B

15

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The Shareholder and Board of Directors of
JSW Steel (Netherlands) B.V.
Amsterdam

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements for the book year ended 31 March 2023

Our opinion

We have audited the financial statements for the book year ended 31 March 2023 of JSW Steel (Netherlands) B.V., based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of JSW Steel (Netherlands) B.V. as at 31 March 2023, and of its result for the year then ended, in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 The balance sheet as at 31 March 2023;
- 2 The profit and loss account for the year 2022/2023;
- 3 The notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of JSW Steel (Netherlands) B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit approach fraud risks

During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud.

We assessed the risks of material misstatements of the financial statements due to fraud, and have identified the risk of management override of controls as a fraud risk.

Management is considered to be in a unique position to perpetrate fraud as a result of their ability to manipulate financial records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We have evaluated the processes around the preparation of the financial statements and the identification of significant transactions outside the normal course of business.

Based on our evaluation, we have not identified any signals of fraud which indicated a possible material misstatement due to fraud.

Audit approach going concern

Management has prepared the financial statements based on the assumption of going concern and that the company will continue its business for the foreseeable future.

Our audit approach to evaluate the going concern assessment by management included:

- consideration as to whether management's assessment of going concern contains all relevant information of which we are aware as a result of our audit;
- evaluation of whether management's assumptions are reasonable and whether plans for future action by management are feasible under the given circumstances;
- assessment on whether management has identified events and/or circumstances that may cast reasonable doubt on the entity's ability to continue as a going concern;
- inquiry from management regarding their knowledge of events and/or circumstances beyond the period of management's assessment.

Our audit procedures did not produce results that were inconsistent with management's assumptions and judgements in applying the going concern assumption.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern.

Based on the financial reporting framework mentioned, management should prepare the financial statements 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.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means that we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures, and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included, among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding 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 a company to cease to continue as a going concern;

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the 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 findings in internal control that we identify during our audit.

Amsterdam, 29 September 2023

HAB International B.V.



Drs. H.A. Burke RA