

INDEPENDENT AUDITOR'S REPORT

To the Members of JSW Utkal Steel Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of JSW Utkal Steel Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2023, 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 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 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 financial statements.

Emphasis of Matter

We draw attention to Note 4 to the financial statements which describes the uncertainty relating to re-grant of environmental clearances and approval of land use which is pending for approval from Ministry of Environment, Forest and Climate Change.

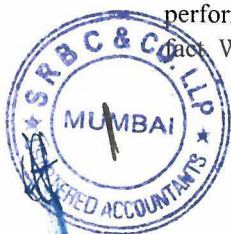
Our opinion is not modified in respect of this matter.

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

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

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



Responsibilities of Management for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 financial statements, including the disclosures, and 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 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, 2020 ("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 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 4 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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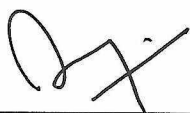
Chartered Accountants

- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.c.f. April 1, 2023, reporting under this clause is not applicable.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Anant Acharya

Partner

Membership Number: 124790

UDIN: 23124790BGVIKN8353

Place of Signature: Mumbai

Date: May 18, 2023



Annexure "1" referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**Re: JSW Utkal Steel Limited ("the Company")**

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

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- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) 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 clause 3(ii)(a) of the Order are not applicable to the Company at this stage.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d) and (e) of the Order are not applicable to the Company.
- (d) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
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- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.



- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is in the process of setting up an integrated steel plant and has not commenced commercial production. Hence the requirements relating to report on clause 3(vi) of the Order are not applicable to the Company.
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- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it. The provisions relating to sales-tax, service tax, duty of customs, duty of excise, value added tax are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, cess and other statutory dues which have not been deposited on account of any dispute. The provisions relating to sales-tax, service tax, duty of customs, duty of excise, value added tax are not applicable to the Company.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
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- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.



- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 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 section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) We have been informed by the management that as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is registered and three CICs which are not required to be registered with the Reserve Bank of India, forming part of the promoter group.
- (xvii) The Company has incurred cash losses amounting to Rs. 17,79,40,228 in the current year and amounting to Rs. 4,21,15,348 in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 27 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering the Company's current liabilities exceeds the current assets by Rs. 1,62,72,32,577; the Company has obtained the letter of financial support from the Holding Company, nothing has come to our attention, which causes us to believe that Company is not



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capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.

We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)

The provisions of section 135 of the Companies Act, 2013 are not applicable to the Company. Accordingly, the requirement to report on clause (xx) of the Order is not applicable to the Company.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Anant Acharya

Partner

Membership Number: 124790

UDIN: 23124790BGVIKN8353

Place of Signature: Mumbai

Date: May 18, 2023



ANNEXURE “2” to the Independent Auditor’s Report of even date on the financial statements of JSW Utkal Steel Limited**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to financial statements of JSW Utkal Steel Limited (“the Company”) as of March 31, 2023 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 (“ICAI”). 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 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls 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 Company’s internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls with reference to these Financial Statements

A company’s internal financial controls with reference to 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 controls with reference to 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Anant Acharya

Partner

Membership Number: 124790

UDIN: 23124790BGVIKN8353

Place of Signature: Mumbai

Date: May 18, 2023



(Rupees In '000)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	86,495	13,677
(b) Capital work-in-progress	4	72,10,237	13,26,499
(c) Right-of-use assets	5	8,10,717	5,00,203
(d) Other Intangible assets	6	220	292
(e) Financial assets			
(i) Other financial assets	7	27,334	310
(f) Other non-current assets	8	9,19,240	2,83,731
Total non-current assets		90,54,243	21,24,712
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	9	508	1,204
(ii) Bank balances other than (i) above	10	102	61
(b) Other current assets	8	1,664	132
Total current assets		2,274	1,397
Total Assets		90,56,517	21,26,109
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	76,51,469	21,44,269
(b) Other Equity	12	(3,13,587)	(1,22,666)
Total equity		73,37,882	20,21,603
Non-current liabilities			
(a) Financial liabilities			
(i) Lease Liability	13	45,313	-
(ii) Other financial liabilities	14	43,815	588
Total Non-current liabilities		89,128	588
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- Total outstanding due to micro enterprise and small enterprise	15	-	720
- Total outstanding due to other than micro enterprise and small enterprise		-	-
(ii) Lease Liability	13	3,268	-
(iii) Other financial liabilities	14	16,14,580	96,496
(b) Other current liabilities	16	11,659	6,702
Total current liabilities		16,29,507	1,03,918
Total liabilities		17,18,635	1,04,506
Total Equity and liabilities		90,56,517	21,26,109
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

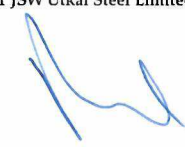

per Anant Aaharya
Partner
Membership No.: 124790


Place of Signature: Mumbai
Date: May 18, 2023




Ajanta Chatterjee
Director
DIN: 09376206


Amarnath Tiwari
Company Secretary
Membership No.: A22501
Place of Signature: Mumbai
Date: May 18, 2023


Ranjan Kumar Nayak
Whole time Director
DIN: 07974692



Nitin Kale
Chief Financial Officer

JSW Utkal Steel Limited
Statement of Profit and Loss for the year ended March 31, 2023
CIN - U27209MH2017PLC301887

		(Rupees In '000)	
Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from operations		-	-
II Other Income	17	685	4
III Total income (I + II)		685	4
IV Expenses			
(a) Employee benefits expense	18	18,767	16,067
(b) Finance Cost	19	3,255	-
(c) Depreciation and amortization expense	20	12,687	7,381
(d) Other expenses	21	1,56,897	26,053
Total expenses		1,91,606	49,501
V (Loss) before exceptional items and tax (III-IV)		(1,90,921)	(49,496)
VI Tax expense		-	1
VII Loss for the period		(1,90,921)	(49,497)
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income for the period		(1,90,921)	(49,497)
X Earnings per equity share (of ₹ 10/- each):			
(a) Basic & Diluted (in ₹)	22	(0.45)	(0.35)
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 Anant Acharya
Partner
Membership No.: 124790

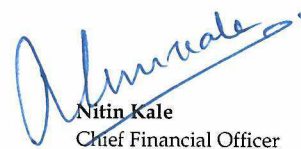


Place of Signature: Mumbai
Date: May 18, 2023


Ajanta Chatterjee
Director
DIN: 09376206


Ranjan Kumar Nayak
Whole time Director
DIN: 07974692


Amarnath Tiwari
Company Secretary
Membership No.: A22501
Place of Signature: Mumbai
Date: May 18, 2023


Nitin Kale
Chief Financial Officer


JSW Utkal Steel Limited
Statement of Cash flows for the year ended March 31, 2023
CIN No.U27209MH2017PLC301887

	(Rupees In '000)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities		
Net loss before tax	(1,90,921)	(49,496)
Adjustments for :		
Finance Cost	3,255	
Depreciation & amortization expenses	12,687	7,381
Operating loss before working capital changes	(1,74,979)	(42,115)
Adjustments for increase/decrease in Operating Assets/ Liabilities:		
Increase in other assets	(1,532)	(67,950)
Increase in trade and other payables	9,950	4,203
Cash flow from operations	(1,66,560)	(1,05,862)
Income Tax paid (Net of Refund)	-	
Net cash used in operating activities (A)	(1,66,560)	(1,05,862)
B. Cash flow from investing activities		
Purchase of property, plant & equipment, Capital work-in progress, Right of Use Asset and intangible assets (including security deposits and capital advances)	(53,38,027)	(10,47,266)
Bank deposits not considered as cash and cash equivalents (net)	(40)	-
Net cash used in investing activities (B)	(53,38,067)	(10,47,266)
C. Cash flow from financing activities		
Proceeds from Issue of Equity Share Capital (including share application money)	55,07,200	11,51,236
Repayment of Lease Liability	(3,268)	
Net cash from financing activities (C)	55,03,932	11,51,236
Net decrease in cash and cash equivalents (A+B+C)	(696)	(1,892)
Cash and cash equivalents at the beginning of the period	1,204	3,096
Cash and cash equivalents at the end of the period (Refer Note 9)	508	1,204

Notes:

1. 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



per Anant Acharya
Partner
Membership No.: 124790


Place of Signature: Mumbai
Date: May 18, 2023



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


Ajanta Chatterjee
Director
DIN: 09376206


Amarnath Tiwari
Company Secretary
Membership No.: A22501
Place of Signature: Mumbai
Date: May 18, 2023


Ranjan Kumar Nayak
Whole time Director
DIN: 07974692


Nitin Kale
Chief Financial Officer

JSW Utkal Steel Limited
Statement of Change in Equity for the year ended March 31, 2023
CIN - U27209MH2017PLC301887

A. Equity Share and Capital

Particulars

Share Capital

(a) Authorized

Equity shares of Rs 10 each

(b) Issues and Subscribed

Outstanding at the beginning of the year

Issued during the year

Outstanding at the end of the year, Fully paid up

(Rupees In '000)

As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Number of Shares		Amount	
1,00,00,00,000	50,00,00,000	1,00,00,000	50,00,000
21,44,26,900	9,68,94,400	21,44,269	9,68,944
55,07,20,000	11,75,32,500	55,07,200	11,75,325
76,51,46,900	21,44,26,900	76,51,469	21,44,269

Opening Balance April 01, 2021

Loss during the year

Equity shares application money received during the year

Other change (Shares issued)

Closing Balance as on March 31, 2022

Loss during the year ended March 31, 2023

Application money pending allotment

Equity shares application money received during the year

Other change (Shares issued)

Closing Balance as on March 31, 2023

Retained Earnings	Share application money pending allotment	Total
(73,169)	24,093	(49,076)
(49,497)	-	(49,497)
-	11,51,232	11,51,232
-	(11,75,325)	(11,75,325)
(1,22,666)		(1,22,666)
(1,90,921)	-	(1,90,921)
-	-	-
-	55,07,200	55,07,200
-	(55,07,200)	(55,07,200)
(3,13,587)	-	(3,13,587)

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 Anant Acharya
Partner

Membership No.: 124790

Place of Signature: Mumbai

Date: May 18, 2023




Ajanta Chatterjee
Director

DIN: 09376206



Amarnath Tiwari

Company Secretary

Membership No.: A22501

Place of Signature: Mumbai

Date: May 18, 2023


Ranjan Kumar Nayak
Whole time Director

DIN: 07974692


Nitin Kale
Chief Financial Officer

JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2023

CIN No. U27209MH2017PLC301887

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 wholly owned subsidiary of JSW Steel Limited, which is listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra Kurla Complex, Bandra (East) Mumbai - 400051.

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

2. Significant Accounting Policies

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, 2023, 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, 2023, were approved and authorized for issue by the Board of Directors on May 18, 2023

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.

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.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2023

(Rupees in '000)

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.

Operating Cycle

The operating cycle of an entity is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. When the entity's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

The Company is in the process of setting up Integrated Steel Plant and is yet to commence its operations, the entity's normal operating cycle is not clearly identifiable, hence it is assumed to be twelve months.

c. Revenue Recognition

Sale of products

The Company is in the process of setting up Integrated Steel Plant and it is currently not generating revenue from operations, the accounting policy for revenue recognition will be implemented in accordance with Ind AS 115, Revenue from Contract with Customers, once the company begins its operations and enters into contract with customers.

Interest Income recognition

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

d. 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).

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

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

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



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2023

(Rupees in '000)

e. 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.

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

f. 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.

g. 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, 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.

The Company has used the following life for the purpose:

- Vehicles - 8 years
Furniture and Fixtures - 10 years
Office equipment - 5 years



JSW Utkal Steel Limited**Notes to Financial Statements for the year ended March 31, 2023****(Rupees in '000)****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 87 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.

h. Depreciation

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

Assets held under finance 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.

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

The 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.

i. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

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 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.

The management has estimated the useful life of Intangible Asset to be five years.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2023

(Rupees in '000)

j. 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.

k. 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.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2023

(Rupees in '000)

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.

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.

I. Cash & Cash Equivalent

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

For the purpose of Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above.



JSW Utkal Steel Limited**Notes to Financial Statements for the year ended March 31, 2023****(Rupees in '000)****m. 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.

n. 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 in to account the risks and uncertainties surrounding the obligation.

Use of Estimates and Judgments

The preparation of the Financial Statements is 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. Considering this, the financial statement has been prepared on going concern basis.



4

JSW Utkal Steel Limited
Notes to Financial Statements for the year ended March 31, 2023
(Rupees in '000)
3. Property, plant & equipment

Particulars	Furniture & Fixtures	Freehold land	Vehicle	Office equipment	Total
/Cost / Deemed Cost					
At 31 March 2021	4,401	5,025	-	4,077	13,503
Additions during the year	4,086	-	-	272	4,358
At 31 March 2022	8,487	5,025	-	4,349	17,861
Additions during the year	1,484	64,371	6,003	3,241	75,099
At 31 March 2023	9,971	69,396	6,003	7,590	92,960
Accumulated Depreciation					
At 31 March 2021	928	-	-	1,951	2,879
Depreciation for the year	527	-	-	778	1,305
At 31 March 2022	1,455	-	-	2,729	4,184
Depreciation for the year	919	-	293	1,069	2,281
At 31 March 2023	2,374	-	293	3,798	6,465
Net Block as on 31 March 2023	7,597	69,396	5,710	3,792	86,495
Net Block as on 31 March 2022	7,032	5,025	-	1,620	13,677

4. Capital Work in Progress

Particulars	As at March 31, 2023	As at March 31, 2022
Opening CWIP	13,26,499	4,86,630
Add: Addition to CWIP during the year	62,31,093	8,44,227
Less: Considered as finance lease during the year	(2,72,256)	-
Less: Capitalised during the year	(75,099)	(4,358)
Closing CWIP	72,10,237	13,26,499

Projects has been grouped into various heads basis nature of the projects

CWIP Ageing Schedule as on March 31, 2023

Particulars	Amount in CWIP for a Period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	52,94,011	1,78,875	33,813	1,88,254	56,94,953
Project Temporarily Suspended*	8,22,917	5,80,937	15,656	95,774	15,15,284
Total	61,16,928	7,59,812	49,469	2,84,028	72,10,237

*Pursuant to the National Green Tribunal (NGT) order dated 20 March, 2023, Environmental Clearances (EC) granted to the Company on 11.4.2022 and 12.4.2022 w.r.t. two interconnected projects - Integrated Steel Plant and a captive jetty project [Capital work in Progress - INR 15,15,284] near Paradip Port in Orissa stand suspended and the matter is remitted to the Ministry of Environment, Forest and Climate Change for fresh appraisal and decision in light of observations cited in the said order, which may take place within three months. The management of the Company believes that they have complied with all the necessary conditions required for EC and the observations raised by NGT have already been addressed. Consequently, the suspension of EC is temporary and would not impact the overall sustainability of the projects, therefore no provision is considered necessary in these financial statements at this stage.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2023

(Rupees in '000)

CWIP Ageing Schedule as on March 31, 2022

Particulars	Amount in CWIP for a Period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,38,952	3,80,525	71,674	3,35,348	13,26,499
Project Temporarily Suspended	-	-	-	-	-
Total	5,38,952	3,80,525	71,674	3,35,348	13,26,499

5. Right of Use (Leasehold Land)

Particulars	Leasehold Land*
At April 01,2021	4,72,633
Additions during the year	49,612
Disposals during the year	-
As at 31 March,2022	5,22,245
Additions during the year	3,20,849
Disposals during the year	-
As at 31 March,2023	8,43,094

Accumulated Depreciation	
At 1 April, 2021	15,987
Depreciation for the year	6,054
Disposals during the year	-
At 31 March,2022	22,041
Depreciation for the year	10,336
Disposals for the year	-
At 31 March,2023	32,377

	Net Book Value
At 31 March, 2023	8,10,717
At 31 March, 2022	5,00,203

* The Company has leasehold land having useful life for 79 to 87 years. ROU asset is amortized over the remaining lease period. Lease Liability for the entire period provided for INR 48,581 (Refer Note 13).

Net present Value on lease rent for the entire lease period added to the asset value.



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JSW Utkal Steel Limited
Notes to Financial Statements for the year ended March 31, 2023

(Rupees in '000)

6. Intangible Assets

Particulars	Intangible Assets (Software)
Cost / Deemed Cost	
At April 01, 2021	85
Additions during the year	275
At March 31, 2022	360
Additions during the year	0
At March 31, 2023	360
Accumulated Amortization	
At April 01, 2021	47
Amortization during the year	21
At March 31, 2022	68
Amortization during the year	72
At March 31, 2023	140
Net Block as on March 31, 2023	220
Net Block as on March 31, 2022	292

7. Other Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	27,334	310
Total	27,334	310

8. Other assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-current	Current
Capital Advances	6,36,156	-	1,68,011	-
Security Deposit	-	-	4,936	-
Other Advances	2,153	1,452	-	-
Indirect Tax Balances/recoverable	2,80,931	140	1,10,784	-
Prepayments	-	72	-	132
Total	9,19,240	1,664	2,83,731	132

9. Cash & Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Banks (on current account)	508	1,204
Total	508	1,204

10. Bank Balance other than Cash & Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Bank In term deposits accounts (with maturity more than 12 months)*	102	61
Total	102	61

*Endorsed to Office of Executive Engineer (Road & Building) as security deposit.



JSW Utkal Steel Limited
Notes to Financial Statements for the year ended March 31, 2023

(Rupees in '000)

11. Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of shares	Amount
a) Authorized:				
Equity shares of the par value of Rs.10 Each	1,00,00,00,000	1,00,00,000	50,00,00,000	50,00,000
b) Issued, Subscribed & Paid up:				
Equity shares of Rs.10 each fully paid Up	76,51,46,900	76,51,469	21,44,26,900	21,44,269

During the year ended 31 March 2023, the authorized share capital was increased by INR 50,00,000; Equity shares of INR 10 each.

c. Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of shares	Amount
As at 01 April 2022	21,44,26,900	21,44,269	9,68,94,400	9,68,944
Addition during the year	55,07,20,000	55,07,200	11,75,32,500	11,75,325
Closing Equity shares of Rs.10 each fully paid Up	7,65,146,900	76,51,469	21,44,26,900	21,44,269

d. 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.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	%	Number of shares	%
JSW Steel Limited, the holding Company	76,51,46,900	100	21,44,26,900	100

f. Changes in Promoter's Shareholding Pattern

Particulars	As at March 31, 2023		As at March 31, 2022		% Change during the period
	Number of Shares	%	Number of shares	%	
JSW Steel Limited, the holding Company	76,51,46,900	100	21,44,26,900	100	-

12. Other Equity

Particulars	As at March 31, 2023		As at March 31, 2022	
As at 01 April 2022	(1,22,666)		(73,169)	
Loss during the year	(1,90,921)		(49,497)	
Closing Retained Earnings as on 31 st March 2023	(3,13,587)		(1,22,666)	
Share application money pending allotment *	-		-	
Total	(3,13,587)		(1,22,666)	

*The Company has received share application money from its holding company for allotment of fixed number of shares and as on 31.03.23, there is no application money pending for allotment.



JSW Utkal Steel Limited
Notes to Financial Statements for the year ended March 31, 2023
(Rupees in '000)
13. Lease Liabilities

Particulars	Leasehold Land
At 1 April 2021	-
Additions	-
Interest accrued	-
Lease principal payments	-
Lease interest payments	-
At 31 March 2022	-
Additions during the year	48,594
Interest accrued	3,255
Lease payments	(3,268)
At 31 March 2023	48,581

Breakup of lease liabilities:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Lease Rent on ROU Assets	45,313	3,268	-	-
Total	45,313	3,268	-	-

Lease rent liability on ROU assets provided for the entire lease period.

Ageing of Lease Liability:

Particulars	As at 31 March, 2023
Less than 1 year	3,268
1 to 5 Years	13,072
More than 5 Years	32,241

14. Other Financial Liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Retention money for Capital Projects	43,815	898	588	-
Payables for Capital Projects	-	16,08,688	-	96,496
Others	-	4,994	-	-
Total	43,815	16,14,580	588	96,496

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Payable to Related Party (Ref Note 26)				
- Retention money for Capital Projects	592	-	-	-
- Payables for Capital Projects	-	12,09,055	-	-
Payable to Others	43,223	4,05,525	588	96,496
Total	43,815	16,14,580	588	96,496

Transactions with related party are made in ordinary course of business.



JSW Utkal Steel Limited
Notes to Financial Statements for the year ended March 31, 2023

(Rupees in '000)

15. Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues of micro enterprises and small enterprises	-	720
- Total outstanding dues of creditors other than micro and small enterprises	-	-
Total	-	720

Trade Payable ageing as on March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Not yet Dues	Less than 1 year	1-2 Years	2-3 Years	More than 3 Year	
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Disputed dues-MSME	-	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-	-

Trade Payable ageing as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Not yet Dues	Less than 1 year	1-2 Years	2-3 Years	More than 3 Year	
MSME	720	-	-	-	-	-	720
Others	-	-	-	-	-	-	-
Disputed dues-MSME	-	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-	-

16. Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	11,659	6,702
Total	11,659	6,702

17. Other Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on financial assets	5	4
Other Income	680	-
Total	685	4

18. Employee benefit expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries & wages*	15,913	15,543
Staff welfare expenses	2,854	524
Total	18,767	16,067



JSW Utkal Steel Limited**Notes to Financial Statements for the year ended March 31, 2023**

(Rupees in '000)

- *i) The amount of Salaries & wages capitalised during the year ended 31 March 2023 is Rs. 86,274 (31 March 2022 - Rs. 13,626) (Refer Note - 4).
- ii) The Employees are on deputation from Parent company. Salaries & wages including PF, Gratuity and Statutory Dues of the employees are being accrued and accounted by the parent company and subsequently debited to the Company.

19. Finance Cost

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on finance lease obligations	3,255	-
Total	3,255	-

20. Depreciation and amortization

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	12,615	7,360
Amortization of intangible assets	72	21
Total	12,687	7,381

21. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rates & Taxes	8,224	10,967
Legal & professional charges	9,770	720
Power & Fuel	1,357	9
Rent & Guest House Expenses	6,999	1,494
Payment to Auditors	2,000	800
Repair & Maintenance	284	1,245
Office Expense	13,849	1,403
Travelling & Conveyance	1,946	12
Consultancy Services	17,072	-
Vehicle Hiring Charges	11,936	-
Other Miscellaneous expenses	83,460	9,403
Total	1,56,897	26,053

Statutory Audit Fees

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment to Auditors - for Statutory Audit	2,000	800
Total	2,000	800

22. Earnings per Share

Particulars	As at March 31, 2023	As at March 31, 2022
Loss attributable to Equity Share Holders	(1,90,921)	(49,497)
Weighted average number of Equity shares	42,23,06,198	14,11,40,570
Basic & Diluted EPS	(0.45)	(0.35)

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



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JSW Utkal Steel Limited**Notes to Financial Statements for the year ended March 31, 2023**

(Rupees in '000)

23. 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.

24. 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.

25. 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. Category of Financial Instruments:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Financial Assets		
Measured at amortized cost		
Cash and cash equivalents	508	1204
Bank balances other than Cash and cash equivalents	102	61
Other Financial Assets	27,334	310
Total financial assets at amortized cost	27,944	1575
Financial Liabilities		
Measured at amortized cost		
Lease Liability	48,581	
Trade Payables	-	720
Other Financial Liabilities	16,58,395	97,084
Total financial liabilities at amortized cost	17,06,976	97,804

C. Fair Value hierarchy of Financial Instruments:

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

D. Financial Risk Management:

The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptance risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company. The Company is presently exposed to liquidity risk. The risk mitigation policies aim to mitigate the credit risk based on Company's current activities.

E. Liquidity Risk

JSW Utkal Steel Limited**Notes to Financial Statements for the year ended March 31, 2023**

(Rupees in '000)

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.

Liquidity exposure as at March 31, 2023

Particulars	<1 year	1-5 years	> 5 years	Total
Current				
- Trade Payable	-	-	-	-
- Other Financial Liabilities	16,14,580	43,815	-	16,58,395
Total	16,14,580	43,815	-	16,58,395

Liquidity exposure as at March 31, 2022

Particulars	<1 year	1-5 years	> 5 years	Total
Current				
- Trade Payable	720	-	-	720
- Other Financial Liabilities	96,496	588	-	97,084
Total	97,216	588	-	97,804

Majority of other Financial Liabilities of the Company are related to retention. 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 be able to pay its financial liabilities.

26. Related party disclosure.**I. List of Related Parties**

- a. Holding Company - JSW Steel Limited
- b. Related Party - JSW Infrastructure Limited
- c. Related Party - JSW Techno Projects Management Limited
- d. Related Party - Jindal Saw Limited
- e. Key Management Personnel
 - i. Mr. Ranjan Kumar Nayak - Whole Time Director
 - ii. Mr. Nitin Kale - Chief Financial Officer
 - iii. Mr. Amarnath Tiwari - Company Secretary
 - iv. Mr. Satya Prakash Rai - Director
 - v. Ms. Ajanta Asim Chatterjee - Director

II. Transactions with Related Parties which are in Ordinary course of Business and on Arm's Length Basis

Name of Related Party	Nature of Transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
JSW Steel Limited	Purchase of Slab /Reimbursement of exp	19,72,139	29,772
JSW Steel Limited	Allotment of Equity shares of Rs. 10 each fully paid up	55,07,200	11,75,325
Jindal Saw Limited	Conversion of slab into Pipes	12,77,789	-
JSW Infrastructure Limited	Reimbursement of Exp	11,700	-
JSW Techno Projects Management Limited	Consultancy Service	7,788	-
Total		87,76,616	12,05,097



JSW Utkal Steel Limited**Notes to Financial Statements for the year ended March 31, 2023**

(Rupees in '000)

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

Compensation to key management personnel:

KMP - Mr. Ranjan Kumar Nayak - Whole Time Director
Mr. Nitin Kale - Chief Financial Officer
Mr. Amarnath Tiwari - Company Secretary

Remuneration to Key Management Personnel Rs. 30,571 (previous year Rs.27,567) paid during the year (includes Rs.18,422 (previous year Rs.13,626) 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.

III. Amount due to related parties as on 31 March, 2023

Name of Related Party	Nature of Transaction	Outstanding balance as on March 31, 2023	Outstanding balance as on March 31, 2022
JSW Steel Limited	Purchase of Slab /Reimbursement of exp	11,60,158	-
Jindal Saw Limited	Conversion of slab into Pipes	49,489	-
JSW Infrastructure Limited	Reimbursement of Exp	-	-
JSW Techno Projects Management Limited	Consultancy Service	-	-
Total		12,09,647	-

The outstanding amount are interest free and repayable on PO terms.

27. Ratios*

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Change	Reason for Change
Current Ratio	Current Assets	Current Liabilities	0.00	0.01	-100%	Current Ratio decreased due to increase in Current Liabilities
Return on equity ratio	Net Profit after taxes-Preference Dividend	Average Shareholders' Equity	-4.08	-3.37	21.06%	Return on equity decreased due to increase in loss and increase in Equity
Return on capital employed	EBIT	Total Assets-Total Current Liability	-2.51	-2.45	2.44%	Return on Capital employed decreased due to increase in loss

*Only ratios applicable to the Company are disclosed

28. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for at the end of year March 31, 2023 is Rs. 128,40,905 (previous year Rs. 79,12,056).

29. Events after Reporting Period

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

30. Qualitative Disclosure

- (i) The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2023

(Rupees in '000)

- (ii) The company do not have any transactions with companies struck off by the Registrar of Companies under the Act.
- (iii) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The company have not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.
- (vii) The company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
31. Previous year figures have been re-grouped /re-classified wherever necessary including those as required in keeping with revised Schedule III amendments.
32. Standards issued but not yet effective -
- Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:
- (i) Ind AS 1 - Disclosure of material accounting policies: The amendments related to shifting of disclosure of erstwhile "significant accounting policies" to "material accounting policies" in the notes to the financial statements requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS). The Company does not expect this amendment to have any significant impact in its financial statements.
- (ii) Ind AS 8 - Definition of accounting estimates: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates." Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.
- (iii) Ind AS 12 - Income Taxes The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12. At the date of transition to Ind ASs, a first-time adopter shall recognize a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Similarly, a deferred tax liability for all deductible and taxable temporary differences associated with:



4

JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2023

(Rupees in '000)

a) right-of-use assets and lease liabilities.

b) decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset.

Therefore, if a company has not yet recognised deferred tax on right-of-use assets and lease liabilities or has recognised deferred tax on net basis, the same need to recognize on gross basis based on the carrying amount of right-of-use assets and lease liabilities. The Company does not expect this amendment to have any significant impact in its financial statements.

As per our report of even date

For S R B C & Co LLP Limited

Chartered Accountants

Firm Registration No. 324982E/E300003



per Anant Acharya
Partner

Membership No. 124790



For and on behalf of the Board of Directors



Ajanta Chatterjee

Director

DIN: 09376206



Ranjan Kumar Nayak

Whole time Director


DIN: 07974692



Amarnath Tiwari

Company Secretary

Membership No. A22501



Nitin Kale

Chief Financial Officer

Place: Mumbai

Date: May 18, 2023