

PERIAMA HOLDINGS, LLC
SPECIAL PURPOSE CONSOLIDATED
FINANCIAL STATEMENTS
For the year ended March 31, 2023
With report of Independent Auditor

PERIAMA HOLDINGS, LLC
SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2023

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Independent Auditor's Report

To the Board of Directors of
JSW Steel Limited

Report on the audit of the Special Purpose Consolidated Financial Statements

Opinion

We have audited the Special Purpose Consolidated Financial Statements of Periana Holdings, LLC (the Company) and its subsidiaries (collectively referred to as 'the Group'), which comprise the consolidated balance sheet as at March 31, 2023, and the related consolidated statement of comprehensive income/(loss), consolidated statement of changes in Member's equity/ (deficit) and consolidated statement of cash flows for the year then ended, and the related notes to the Special Purpose Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Special Purpose Consolidated Financial Statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023 and the consolidated results of its operations and its consolidated cash flows for the year then ended in conformity with the basis of preparation paragraph as specified in Note 2(a) of these special purpose consolidated financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards further described in the Auditor's responsibilities for the audit of the Special Purpose Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Special Purpose Consolidated Financial Statements in the United States of America, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Preparation and Restriction on Distribution

As described in Note 2(a) these Special Purpose Consolidated Financial Statements are prepared for JSW Steel Limited ('the Parent Company') to comply with the requirement of Regulation 46(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended (the 'LODR') in India. As a result, the Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. It is not to be used for the any other purpose, or referred to in any other document, or distributed to anyone else without our prior written consent. Our opinion is not modified in respect of this matter.



Responsibilities of management and those charged with governance for the Special Purpose Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose consolidated financial statements in accordance with Note 2(a) of these special purpose consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the special purpose consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated 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 ISAs 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 special purpose consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose consolidated 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, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



S R B C & CO LLP

Chartered Accountants

Periama Holdings, LLC

Audit Report on Special Purpose Consolidated Financial Statements - March 2023

- 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 Group'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 special purpose consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose consolidated financial statements, including the disclosures, and whether the special purpose consolidated 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.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Vikram Mehta
Partner

Membership Number: 105938
UDIN: 23105938BGXGHK3437



Place of Signature: Mumbai

Date: July 07, 2023


Periama Holdings, LLC
Consolidated Balance Sheet
(Currency: US dollars)

	Note	March 31, 2023	March 31, 2022
Assets			
Current Assets			
Cash and cash equivalents		4,141,655	4,607,795
Accounts receivables net of provision	5	72,508,577	61,148,511
Inventories	6	186,303,915	208,911,904
Prepaid expenses and other current assets		1,033,594	1,070,891
Total current assets		263,987,741	275,739,101
Property, plant and equipment, net of accumulated depreciation & impairment	7	544,502,145	555,351,076
Owned and leased mineral rights, net of accumulated depletion and amortization & impairment	8	-	-
Notes to related Party		3,102,924	3,102,924
Restricted cash and bond collateral		1,501,421	2,454,543
Deferred Tax Assets	12	-	-
Total assets		813,094,231	836,647,644
Liabilities and Stockholders' Equity			
Current liabilities			
Accounts payable	9	23,069,643	67,297,624
Accrued liabilities		18,495,054	34,685,521
Short Term Borrowings	11	95,802,754	102,640,978
Current maturities of nites payable - related parties	11	77,056,041	-
Current maturities of notes payable - others		-	314,463
Federal and state taxes payable		60,488	52,835
Interest Accrued on borrowings		30,349,608	27,785,106
Total current liabilities		244,833,588	232,776,527
Long-term debt, net unamortized issuance cost	11	855,350,006	789,428,963
Notes payable - related parties	11	205,427,500	303,674,955
Notes payable - others	11	117,899	111,694
Other long-term payable		3,333,679	3,324,529
Interest Accrued on borrowings		4,094,300	-
Total liabilities		1,313,156,972	1,329,316,668
Members' Interest			
Members' Capital		28,100,100	28,100,100
Non-controlling interest		(75,071,374)	(77,753,224)
Accumulated deficit		(453,091,467)	(443,015,900)
Total stockholders' equity		(500,062,741)	(492,669,024)
Total liabilities and stockholders' equity (deficit)		813,094,231	836,647,644

See accompanying notes to the consolidated financial statements



Samir Kalra
President



Sanjay Pipalia
CFO & Treasurer



Periama Holdings, LLC
Consolidated Statement of Comprehensive Income / (Loss)
(Currency: US dollars)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue	4	652,039,699	477,470,397
Operating expenses:			
Cost of sales (excludes items shown below)		520,070,702	383,005,157
Selling, general and administrative expenses:		62,581,772	54,660,010
Asset impairment charge	10	-	89,232,765
Total Expense		582,652,474	526,897,932
Income / (loss) from operations		69,387,225	(49,427,535)
Other income (expenses):			
Interest income		78,575	255,242
Facility fees and financing charges	11	(77,431,337)	(65,138,804)
Other income/(expense)		571,818	(23,361,252)
Interest Payable written back		-	224,003,999
Net interest and other finance costs		(76,780,944)	135,759,185
Net income/(loss) before income taxes		(7,393,719)	86,331,650
Income taxes			
Current income tax expense / (benefit)	12	-	-
Deferred income tax expense /(benefit)	12	-	-
Total income tax expense / (benefits)		-	-
Other comprehensive expense / (income)		-	-
Net comprehensive income/(loss)		(7,393,719)	86,331,650
Net income/(loss) / total comprehensive income/(loss) attributable to:			
Owners of the Company		(10,075,567)	87,230,533
Non-controlling interest		2,681,848	(898,883)
Net comprehensive income/(loss)		(7,393,719)	86,331,650

See accompanying notes to the consolidated financial statements



Samir Kalra
President


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CFO & Treasurer



Periama Holdings, LLC
Consolidated Statement of Cash Flow
(Currency: US dollars)

	March 31, 2023	March 31, 2022
a) Cash Flow From Operating Activities:		
Net loss	(7,393,719)	86,331,650
Adjustments for:		
Depreciation expense	41,402,823	41,251,044
Asset impairment charge	-	89,232,765
Amortisation of facility fees	1,992,763	680,106
Grant income recognized on forgiveness of PPP loan	-	6,897,076
Allowance for prepaid royalties	-	2,478,435
Allowance for doubtful accounts	618,191	447,656
Interest payable written back	-	(224,003,999)
Gain on sale of property, plant & equipment	-	(59,888)
Amortisation of bond expenses & bond premium	(2,130,101)	(2,124,601)
Changes in operating assets and liabilities:		
(Increase) / Decrease in Trade receivables	(11,360,065)	(42,519,239)
(Increase) / Decrease in Inventories	22,607,989	(128,197,598)
(Increase) / Decrease in Prepaid expenses and other current assets	37,298	298,464
(Increase) / Decrease in Advanced Coal Royalties	-	(146,998)
Increase / (Decrease) in accounts payable	(40,759,595)	32,902,255
Increase / (Decrease) in Accrued liabilities	(16,190,467)	22,488,026
Increase / (Decrease) in Interest payable financial institutions	3,978,075	1,129,991
Increase / (Decrease) in Interest payable related parties	2,680,727	(59,132)
Taxes Paid during the year	7,654	43,033
Net cash used in operating activities (A)	(4,508,429)	(112,930,953)
Cash Flows From Investing Activities:		
Purchase of property, plant and equipment	(33,303,904)	(23,328,376)
Disposal of property, plant and equipment	-	71,500
Net cash used in investing activities (B)	(33,303,904)	(23,256,876)
Cash Flows From Financing Activities:		
Short term borrowings (net)	(6,838,225)	39,933,146
Facility Fees Paid during the year	(1,992,760)	(586,773)
Long term borrowings	66,474,574	30,837,966
Notes repaid to related party	(55,804,125)	(27,947,636)
Notes from related party	34,612,711	74,755,000
Other payables	(59,104)	(308,751)
Net cash from financing activities (C)	36,393,071	116,682,953
Net decrease in cash and cash equivalents (A + B + C)	(1,419,262)	(19,504,877)
Cash and cash equivalents at beginning of the year	7,062,338	26,567,214
Cash and cash equivalents at end of the year	5,643,076	7,062,338
Supplemental disclosure of cash flow information:		
Interest paid	68,701,196	63,132,597
Non cash investing activity - payables relating to purchase of property, plant equipment	10,836,736	8,073,726

See accompanying notes to the consolidated financial statements

Note : The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the Balance Sheet that sum to the total of the same such amounts shown in the Statement of Cash Flows.

	March 31, 2023	March 31, 2022
Cash and cash equivalents	4,141,655	4,607,795
Restricted cash included in non current assets	1,501,421	2,454,543
	5,643,076	7,062,338



Samir Kalra
President




Sanjay Pibalia
CFO & Treasurer


Periama Holdings, LLC
Consolidated Statement of changes in Member's Equity / (Deficit)
(Currency: US dollars)

Particulars	Member's Interest	Accumulated Deficit	Non-Controlling Interest	Total Equity
Balance as at April 1, 2022	28,100,100	(443,015,900)	(77,753,224)	(492,669,024)
Loss for the year	-	(10,075,567)	2,681,850	(7,393,719)
Balance as at March 31, 2023	28,100,100	(453,091,467)	(75,071,374)	(500,062,741)

Particulars	Member's Interest	Accumulated Deficit	Non-Controlling Interest	Total Equity
Balance as at April 1, 2021	28,100,100	(530,246,433)	(76,854,341)	(579,000,674)
Loss for the year	-	87,230,533	(898,883)	86,331,650
Add: Membership Interest	-	-	-	-
Balance as at March 31, 2022	28,100,100	(443,015,900)	(77,753,224)	(492,669,024)

See accompanying notes to the consolidated financial statements


Samir Kalra
President


Sanjay Pipalia
CFO & Treasurer



1 Organisation and nature of business

Periama Holdings, LLC (the "Company") has been incorporated in the State of Delaware. The Company is 99.9 percent owned by JSW Steel Netherlands B.V and 0.1 percent owned by JSW Steel Limited, India. The ultimate holding is JSW Steel India.

The Company owns 90 percent of JSW Steel (USA), Inc and the balance 10 percent is owned by Green Suppliers and Services Pte. Ltd. JSW Steel USA, Inc consists of a steel plate manufacturing facility, a pipe manufacturing facility and a double jointing and coating facility in Baytown, Texas.

Company also has 100% interest in the entities operating out of the State of West Virginia and are primarily engaged in the production, loading and sale of metallurgical coal from the mines located in West Virginia. The Company along with JSW Steel (USA) Inc. and the West Virginia entities is collectively herein referred as the "Group". The Company's coal operations are operated through two direct subsidiaries namely Planck Holdings, LLC ('Planck') and Purest Energy, LLC ('Purest').

Wholly owned subsidiaries of Purest include Meadow Creek Minerals, LLC, and Hutchinson Minerals, LLC, which own or lease and operate the mining interests. Keenan Minerals, LLC, R. C Minerals, LLC and Peace Leasing, LLC, were other wholly owned subsidiaries merged with Planck with effect from December 02, 2021

Wholly Owned subsidiaries of Planck are Caretta Minerals, LLC and Lower Hutchinson Minerals, LLC which also owns or lease and operates minerals interests. Planck also wholly owns Periama Holdings, LLC, merged with Planck with effect from December 02, 2021, which was used to own or lease rail and dock coal loading equipment on leased facilities.

2 Summary of significant accounting policies

a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in the United States ("US-GAAP") and are presented in USD. All significant inter-company transactions have been eliminated upon consolidation. These special purpose consolidated financial statements are prepared for JSW Steel Limited to comply with the requirement of Regulation 46(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended (the 'LODR') in India. Accordingly, these special purpose consolidated financial statements should not be used for any other purpose.

b) Use of Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, accompanying disclosures, and the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods. Estimates are based upon historical factors, current circumstances and judgement of management. Management evaluates these assumptions and estimates on an ongoing basis and may engage outside subject matter expert to assist in its evaluation. Actual results could differ from other estimates and assumptions.

Significant items subject to such estimates and assumptions include the useful lives of property, plant and equipment, impairment testing of tangible assets, goodwill and intangible assets, allowance for doubtful accounts, realizability of deferred tax assets, valuation of inventories, income tax uncertainties and other contingencies and commitments.

c) Revenue Recognition

Revenue is generated primarily from contracts to produce, ship and deliver steel products and on sale of metallurgical coal. Revenues are recognized when the Group's performance obligations are satisfied. Generally, the Group's performance obligations are satisfied, control of the products is transferred and revenue is recognized at a single point in time, when title transfers to the customer for product shipped. Revenues are recorded net of any sales incentives. Shipping and other transportation costs charged to customers are treated as fulfilment activities and are recorded in both revenue and cost of sales at the time control is transferred to the customer. Revenue is generated primarily from contracts to produce, ship and deliver steel product.

In case of "Bill and Hold" arrangements in which delivery is delayed at the buyers request but the buyer takes the title and accepts billing, control is transferred and revenue is recognized when all of the following criteria are met;

- a) It is probable that the delivery will be made
- b) The item is on hand, identified and ready for physical delivery to the buyer.
- c) The buyer specifically acknowledges the deferred delivery instructions.
- d) The usual payment terms apply and
- e) the entity does not have the ability to use the product or direct it to another customer.

In the course of doing business, the Group collects taxes from customers, including but not limited to sales taxes on behalf of the state. Accordingly, it is excluded from revenue.



d) Cash and Cash Equivalents

Cash and cash equivalents comprises cash at bank, time deposits, certificates of deposits, sweep account and all highly-liquid debt instruments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

e) Restricted Cash

Restricted cash balances comprises of fixed deposit placed with banks as a security for issuance of bank guarantees to capital vendors and for obtaining non fund based facilities from banks. Restricted cash is classified into current and non current portions based on the term of deposits and the expiration of the underlying restriction.

f) Account Receivables

Accounts receivable are stated net of an allowance for doubtful accounts. The Group maintains an allowance for doubtful accounts based upon estimated losses that could result from a customer's inability to pay for services provided. This allowance is based on a combination of historical losses, aging of receivables and the financial condition of a particular customer. The allowance for doubtful accounts provision is recorded as an element of selling, general and administrative expenses in the period when the collection of such accounts is determined to be doubtful. If, in a subsequent year, the write-off is recovered, the recovery is recognized in the Statement of Comprehensive Income / (Loss).

g) Inventories

The Group's inventories are comprised primarily of raw materials and finished goods. Inventories are stated at lower of cost or market value and are valued using the weighted average cost method. Inventory manufactured by group includes the cost of materials, labor and manufacturing overheads. The cost of inventory includes cost of purchase and other directs incurred in bringing the inventories to their present location and condition.

Mine or Raw coal is exported as inventory at the point in time the coal is extracted from the mine enters the plant premises. Clean coal represents coal stockpiles which require no further processing prior to shipment to a customer.

h) Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the assets and interest on borrowings during the construction period.

Depreciation expense is computed using the straight-line method over the estimated useful value of the assets. The estimated lives for computing depreciation on plant, property and equipment are as follows:

Buildings and improvements	8-25 years
Machinery and equipment	3-25 years
Furniture and fixtures	5 years
Office equipment	3-5 years
Vehicles	5 years
Computer equipment	3-5 years

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and are recognized net within 'Selling, General and Administrative Expenses' in the Statement of Comprehensive Income / (loss). Advances paid towards the acquisition of property, plant and equipment, outstanding at each reporting date and the cost of property, plant and equipment not ready for use before such date, are disclosed under property, plant and equipment as 'Capital work-in-progress'.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and cost of the item can be reliably determined. The carrying amount of replaced parts is derecognized. The cost of day-to servicing of property, plant and equipment are recognized in the Statement of Comprehensive Income / (Loss) as incurred.

Owned & Leased Mineral Rights

Cost to obtain owned and leased mineral rights are capitalized and amortised to operations as depletion expense using the units of production method. Only proven and probable reserves which would be extracted are included in the depletion base.

Leased coal interests are evaluated periodically, or at a minimum once a year, for impairment issues or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any revisions are accounted for prospectively as changes in accounting estimated.



i) Asset Retirement Obligations

The Group's asset retirement obligation ("ARO") liabilities primarily consist of estimated costs to reclaim surface land and support facilities at its mines in accordance with federal and state reclamation laws as established by each mining permit.

For mines where the Group has a possible asset retirement obligation, the Group estimates its ARO liabilities for final reclamation and mine closure based upon the amount and timing of the future costs for third party to perform the required work or based on the laws applicable. Cost estimates are escalated for inflation, and then discounted at a credit adjusted risk free rate. The liability is restricted to the extent of financial bonds provided by the Group to the regulatory authorities.

The group records an ARO asset associated with the initial recorded liability. The ARO asset is amortized based on the units of production method over the estimated recoverable, proven and probable reserves at the related mine and the ARO liability is accreted to the projected settlement date. Changes in the estimates could occur due to revisions of mine plans, changes in estimated costs, and the changes in timing of the performance of reclamation activities. There were no additional liabilities recognized during the year.

j) Prepaid Royalties

Prepaid royalties consist of recoupable minimum royalty payments due under various lease agreement entered into by the Group. Prepaid royalties expected to be recouped within one year, are classified as current assets in the Group's balance sheet. The Group continually evaluates its ability to recoup prepaid royalty balances, which includes, among other factors, assessing mine production plans, sales commitments, future coal market conditions and remaining years available for recoupment. Allowances are created in cases where recoverability of prepaid royalties is considered doubtful. The contractual recoupment periods on the prepaid royalty balances is generally five years from the date the minimum royalty was paid.

k) Exploration Drilling and Evacuation Costs

Exploration Drilling and Evacuation expenditures are charged to cost of sales as incurred, including costs related to drilling and study costs incurred, including costs related to drilling and study costs incurred to convert or upgrade mineral resources to reserves. One commercially viable reserves are determined to be productive, development costs of the coal reserves are capitalised and amortized over the unit of production basis over the total estimated remaining commercial reserves.

l) Intangible Assets

Intangible assets are stated at cost, net of accumulated amortization. Cost includes expenditure that is directly attributable to the acquisition of the asset. Amortization expense is computed using the straight line method over the estimated useful life of the asset. The Group's intangible asset consists of software with a useful life of three years.

m) Impairment of Long-Lived Tangible and Definite-Lived Intangible Assets

The Group reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of such assets may not be fully recoverable. Impairment losses are recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. The impairment loss is measured by comparing the fair value of the assets to its carrying amount. The Group considers various factors and determines whether an impairment test is necessary, including by way of examples, a significant and prolonged deterioration in operating results and/or projected cash flows, significant changes in the extent or manner in which an asset is used, technological advances with respect to assets which would potentially render them obsolete, outcome of litigation, if any; our strategy and capital planning, and the economic climate in markets to be served.

The carrying value of property, plant and equipment is assessed for recoverability by management based on analysis of future expected cash flows from the underlying operations of the Group. Refer note 9 for details of impairment during the year.

n) Income Taxes

The Group files a consolidated tax return with its subsidiaries. Income taxes, including deferred taxes and net operating loss benefits are calculated at a consolidated level, and then allocated to its subsidiaries that are included in the consolidated return based on their relative contributions to the consolidated current and deferred income taxes i.e. pro rata method. The use of the pro rata method results in the sum of amounts allocated to individual members to be equal to the consolidated amount. Valuation allowances recorded at a consolidated level are allocated amongst the subsidiaries on a systematic basis.

Income taxes are accounted for under the liability method at the consolidated level. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be reversed. The effect of deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowance is established when necessary to reduce deferred tax assets to the amounts more-likely-than-not to be realized.

The determination of provision for income taxes requires significant judgement, the use of estimates, and the interpretation and application of complex tax laws. Significant judgement is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions.



Tax positions are evaluated in a two-step process. The Group first determines whether it is more likely than not that a tax position will be sustained upon examination at the Consolidated level. If a tax position meets the more likely than not threshold, it is then measured to determine the amount of expense to record in the financial statements. The tax position is measured as the largest amount of expense that is greater than 50 percent likely to be realized upon settlement. The Group classifies any potential accrued interest recognized on an underpayment of income taxes as interest expense and classifies any statutory penalties recognized on a tax position taken as operating expense. Management of the Group has not taken a tax position that, if challenged, would be expected to have a material effect on the standalone financial statements or the effective tax rate for the years ended March 31, 2023. The Group's federal income tax returns are subject to examination by the Internal Revenue Service with a normal statutory limitation of three years from the date of filing the tax return or the due date whichever is later.

o) Fair Value Measurement

The fair value of financial instruments classified as current assets or liabilities, including cash and cash equivalents, accounts receivable, advance to vendors, accounts payable, and accrued liabilities approximate carrying value, principally because of the short maturity of those items.

The Group determines fair values based on valuation techniques that maximize the use of observable inputs and minimize assumptions (i.e. unobservable inputs) that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level I Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level II Inputs: Other than quoted prices included in Level I Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level III Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

p) Advertising and Promotion costs

The group expenses cost of advertising and promotion as incurred. Advertising expense totalled \$127,486 and \$8,361 during the years ended March 31, 2023 and March 31, 2022 respectively.

q) Concentration of Credit Risk

Financial instruments that potentially subject the Group to a concentration of credit risk consist principally of cash and accounts receivable. The Group maintains cash balances at financial institutions, which may at times be in excess of federally-insured levels. The Group has not incurred losses related to these balances to date.

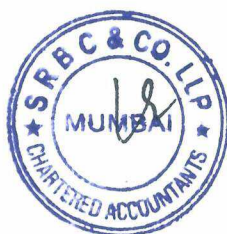
As at March 31, 2022, the Group had one unrelated customer with a recoverable exposure on the total revenue of 12.54%. As at March 31, 2023, there is no such concentrated recoverable exposure.

r) Commitment and Contingencies

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

s) Capitalized Loan Costs

The Group incurred costs to obtain certain loans. These costs have been deferred and are being amortized to financing costs over the life of the related loan arrangement per the SEC Staff Guidance. The deferred financing costs included in the Balance Sheet as at March 31, 2023 is Nil (As at March 31, 2022 - \$14,422,762). The unamortized cost has been shown as a reduction from the borrowings outstanding as at March 31, 2023.



3(a)

Recently adopted accounting standards

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) ("ASU 2016-02"), which modifies lease accounting for lessees to increase transparency and comparability by recording lease assets and liabilities for operating leases and disclosing key information about leasing arrangements. The Group has adopted ASU 2016-02 utilizing the modified retrospective transition method through a cumulative-effect adjustment.

Under topic 842, the Group determines if an arrangement is a lease at inception, ROU assets and liabilities are recognised at commencement date based on the present value of remaining, over the lease term. For this purpose, the Group considers only payments that are fixed and determinable at the time of commencement. As most of the leases do not provide an implicit rate, the Group use its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The incremental borrowing rate is a hypothetical rate based on understanding of what credit rating would be. The ROU asset also includes any lease payments made prior to commencement and is recorded net of any lease incentives received. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Group will exercise such option. When determining the probability of exercising such options, the Group consider contract-based, asset-based, and market-based factors. Lease agreements may contain variable costs such as common area maintenance, insurance, real estate taxes or other costs. Variable lease costs are expenses as incurred on the statement of income. Lease agreement generally do not contain any residual value guarantees or restrictive covenants.

Operating leases are included in operating lease ROU assets, operating lease liabilities, current and operating lease liabilities, non-current on the consolidated balance sheets. Finance leases are included in property, plant and equipment, accrued expenses and other current liabilities, and other liabilities on the consolidated balance sheet.

The Group elected to keep leases with an initial term of 12 months or less off the balance sheet and recognize the associated lease payment in the statement of income on a straight-line basis over the lease term as permitted by the practical expedients. The adoption did not impact the beginning retained earnings, or prior year consolidated statement of income and statement of cash flows.

3(b) **Recently issued accounting pronouncements**

- (i) In October 2021, the FASB issued Accounting Standards Update 2021-08, Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (ASU 2021-08). ASU 2021-08 requires that an entity recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606, Revenue from Contracts with Customers. ASU 2021-08 is effective to public companies for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years, with early adoption of all amendments in the same period permitted. The Group will apply the guidance prescribed by ASU 2021-08 to business combinations, if any, that take place subsequent to the effective date.

- (ii) In September 2022, the FASB issued Accounting Standards Update 2022-04, Disclosure of Supplier Finance Program Obligations (ASU 2022-04). ASU 2022-04 requires that an entity disclose certain information about supplier finance programs used in connection with the purchase of goods and services. ASU 2022-04 is effective for all entities with fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, except for the amendment on roll forward information, which is effective for fiscal years beginning after December 15, 2023. Early adoption of all amendments is permitted.



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Note 4

Revenue from operations

ASC 606-10-50-5 requires that entities disclose disaggregated revenue information in categories (such as type of good or service, geography, market, type of contract, etc.) that depict how the nature, amount, timing, and uncertainty of revenue and cash flow are affected by economic factors. ASC 606-10-55-89 explains that the extent to which an entity's revenue is disaggregated depends on the facts and circumstances that pertain to the entity's contracts with customers and that some entities may need to use more than one type of category to meet the objective for disaggregating revenue.

The durations of the Group's contracts with customers are generally one year or less. All of the Group's sales are to customers located in the North American region.

Revenue by type of product sold has been presented below:

	Mar-23	Mar-22
Plates	554,986,746	406,464,298
Pipes	47,944,786	22,993,391
Metallurgical Coal	18,933,284	20,200,068
Others	30,174,883	27,812,639
	<u>652,039,699</u>	<u>477,470,397</u>

Note 5

Accounts receivables, net of provision

	Mar-23	Mar-22
Trade receivables	73,402,984	61,572,430
Receivables from related parties	282,756	593,386
Less: Allowance for doubtful debts	(1,177,163)	(1,017,305)
Total Accounts Receivables	<u>72,508,577</u>	<u>61,148,511</u>

Note 6

Inventories

	Mar-23	Mar-22
Raw materials [including goods in transit of \$37,437,963 (March 31, 2022 \$58,151,238)]	116,443,079	148,113,997
Work in Progress	20,494,176	12,349,897
Finished Goods	24,235,967	25,477,697
Scrap	1,646,163	1,343,151
Production Consumables & Stores & Spares	23,484,529	21,627,162
Total Inventories	<u>186,303,914</u>	<u>208,911,904</u>

Finished goods mainly consist of Pipes and Plates that are produced as a result of conversion of Slabs which is our primary Raw material used in production process.

Note 7

Property, Plant and Equipment

	Mar-23	Mar-22
Land	5,071,106	5,071,106
Mine Development cost	11,664,169	11,664,169
Buildings	164,984,781	165,123,790
Machinery and equipment	940,654,650	930,112,645
Computer equipment	1,345,305	555,836
Furnitures and fixtures	642,050	642,050
Vehicles	1,761,339	1,594,702
	<u>1,126,123,400</u>	<u>1,114,764,298</u>
Less: Accumulated Depreciation	(641,135,396)	(599,745,573)
Less: Provision for Impairment	(39,105,116)	(39,105,116)
Capital Work-in-Progress	98,619,257	79,437,466
Total Property, Plant and Equipment	<u>544,502,145</u>	<u>555,351,076</u>

Land and building consists of the freehold factory land and building. Land has been carried at historical cost and building have been carried at historical cost less accumulated depreciation and impairment.

Capital work-in-progress includes advances paid towards the acquisition of property, plant and equipment, outstanding at each reporting date and the cost of property, plant and equipment not ready for use before such date.

Depreciation on property, plant and equipment amounting to \$ 41,402,823 and \$ 40,689,047 for the years ended March 31, 2023 and 2022 respectively.

During the year, due to upgradation and planned replacement of certain existing property plant and Equipment, the Group has revisited the useful life of such assets to be replaced and charged accelerated depreciation amounting \$ 2,918,441 to the statement of profit and Loss.



Note 8

Owned and leased mineral rights

	Mar-23	Mar-22
Owned and leased mineral rights	100,551,342	100,551,342
Less: Accumulated depreciation	(4,532,026)	(4,532,026)
Less: Accumulated impairment	(96,019,316)	(96,019,316)
Total owned and leased mineral rights	-	-

1) Depletion on owned and leased mineral rights amounting to Nil and \$ 561,997 for the years ended March 31, 2023 and 2022 respectively.

2) During the previous year, the Group has transferred the Coal mining permits owned by one of its subsidiaries to a third party. The subsidiary was not carrying on any mining operations and had recorded full impairment provision for related mining assets in earlier years. Pursuant to such transfer of permit the Group has written off the related balances and reversed the corresponding impairment provision:

Particulars	Gross Block	Impairment Provision	Net Impact
Mine development cost	3,957,994	3,957,994	-
Owned and leased mineral rights	4,940,000	4,940,000	-
Total	8,897,994	8,897,994	-

Note 9

Accounts payable

	Mar-23	Mar-22
Accounts payables	21,539,450	44,320,282
Payable to related parties	1,530,193	22,977,342
Total Accounts payables	23,069,643	67,297,624

Note 10

Asset impairment charge

The following table summarizes the amounts reflected on the line "Asset impairment charge";

	Mar-23	Mar-22
Owned and leased mineral rights	-	56,542,675
Property, Plant and Equipment	-	-
Mine development costs	-	4,879,074
Plant and machinery	-	27,811,016
Total	-	89,232,765

A subsidiary of the Group had an on-going arbitration with the lessors of coal mines wherein the plaintiff alleged that the subsidiary had breached the terms of lease agreements with respect to minimum quantity of coal to be extracted and processed and had claimed damages and claimed that the subsidiary was liable to surrender the leased coal mines. The subsidiary had denied the allegations and had initiated the arbitration.

However, in the previous year, the final arbitration order was received and it was held that the Group was in default and had breached the terms of lease agreements. The Group was liable to pay \$12.09 million as penalty after adjusting the advance royalties already paid of \$6.35 million. Subsequent to such order, the Lessors also sent a notice to the subsidiary for termination the leases. Considering the underlying uncertainty, the Group provided for all the penalties and also impaired, in full, the entire carrying value of Property, Plant and Equipment and mineral rights pertaining to the subsidiary. Accordingly, the Group had recorded a full impairment towards the corresponding assets of such subsidiary.



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Note 11
Borrowings

(a) Long term debt

Details of long term debt as at March 31, 2023 are as follows:

Particulars	Maturity dates by fiscal year	Maturity	Carrying value
A) Secured loan*			
i) Against hypothecation of bulldozer	2025	12-Oct-24	74,463
	2026	12-Oct-25	43,436
			117,899
ii) Fixed rate 5.95 % Notes, guaranteed by JSW Steel Limited	2027	19-Apr-26	750,000,000
i) Details of long term debt as at March 31, 2023			6,468,946
Add/(less): unamortised premium & debt issuance cost			756,468,946
iii) Notes Payable to Bank**			
Banco BPM S.P.A and Intesa Sanpaola S.P.A New York Branch	2025	Jun/Dec 2024	-
	2026	Jun/Dec 2025	13,952,078
	2027	Jun/Dec 2026	13,952,078
	2028	Jun/Dec 2027	13,952,078
			41,856,235
Banco BPM S.P.A and Intesa Sanpaola S.P.A London Branch as Sace Facility	2025	Jun/Dec 2024	6,524,272
	2026	Jun/Dec 2025	6,524,272
	2027	Jun/Dec 2026	6,524,272
	2028	Jun/Dec 2027	6,524,272
	2029	Jun/Dec 2028	6,524,272
	2030	Jun/Dec 2029	6,524,272
	2031	Jun/Dec 2030	6,524,272
	2032	Jun/Dec 2031	6,524,272
	2033	Jun/Dec 2032	3,262,136
			55,456,308
Add / (less): unamortized premium & debt issuance costs			(8,431,484)
			88,881,059
B) Unsecured loans			
iv) Paycheck Protection program Loan (Refer note below)	2026	Oct-25	10,000,000
			10,000,000
Total debt (A+B)			855,467,905



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Details of long term debt as at March 31, 2022 are as follows:

Particulars	Maturity dates by fiscal year	Maturity	Carrying value
A) Secured loan*			
i) Against hypothecation of bulldozer	2025	12-Oct-25	74,463
	2025	12-Oct-25	74,463
	2025	12-Oct-25	43,436
			192,362
ii) Fixed rate 5.95 % Notes, guaranteed by JSW Steel Limited	2027	19-Apr-26	750,000,000
Add / (less): unamortized premium & debt issuance costs			8,599,047
			758,599,047
iii) Notes Payable to Bank**	2025	Jun/Dec 2024	658,824
	2026	Jun/Dec 2025	9,071,479
	2027	Jun/Dec 2026	9,071,479
	2028	Jun/Dec 2027	9,071,479
	2029	Jun/Dec 2028	658,824
	2030	Jun/Dec 2029	658,824
	2031	Jun/Dec 2030	658,824
	2032	Jun/Dec 2031	658,824
	2033	Jun/Dec 2032	329,412
			30,837,969
Add / (less): unamortized premium & debt issuance costs			(10,014,255)
			20,823,714
iv) Paycheck Protection program Loan (Refer note below)	2025	Mar-25	10,000,000
			10,000,000
B) Unsecured loans*			
i) Payable to Alawest Inc	2023	1-Jun-22	240,000
Total debt (A+B)			789,855,123
Less: Amounts due within one year disclosed under Current Liabilities			314,463
Long term debt			789,540,657

* These loans/notes payable carry an interest rate of 1% - 8%

** The Loans has been secured by all the fixed assets of the borrower both present and future, first ranking priority charge over the Project accounts. The loans are backed by Corporate guarantee by JSW Steel India.



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Note :

Under the Paycheck Protection Program (PPP) created by the federal government under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, eligible small businesses could apply to a US Small Business Administration (SBA) approved lender for a loan. Such loans were eligible for forgiveness in part/ full provided amongst other conditions the applicant maintains specified levels of payroll and employment during the specified period.

During the FY 2020-21, JSW Steel (USA) Inc. filed a joint application on behalf of the Group and availed a loan of \$10 Million under the PPP program. The Company was allocated \$6.74 Million as it's share of the PPP loan carrying rate of interest of 1% and term of 5 years. As at March 31, 2021, the applicants determined that they have fulfilled the conditions for full forgiveness of the loan and accordingly, the Company had recorded its share of such forgiveness of \$ 6.74 Million as income for the year ended March 31, 2021 i.e. the period in which the expenses relating to the forgiveness of the loan were incurred.

During the previous year, the SBA rejected the Company's application for loan forgiveness since per SBA, the Company did not qualify as a small business after considering the employees of the affiliates. Considering the initial rejection by SBA, the Company has reversed the amount recorded as income in the FY 2020-21 and recorded corresponding debt of \$10 million and receivable from fellow subsidiary of \$3.10 million.

(b) Notes from related parties:

Particulars	Maturity dates by fiscal year	Carrying value as at March 31, 2023	Carrying value as at March 31, 2022
i) JSW Steel Limited	2024	64,498,445	-
	2025	-	-
	2026	118,372,500	291,117,359
	2027	64,742,500	-
	2028	22,312,500	-
		269,925,945	291,117,359
iii) JSW Steel Netherlands	2024	12,557,596	12,557,596
Total debt (A+B)		282,483,541	303,674,955
Less: Amounts due within one year disclosed under Current Liabilities		77,056,041	-
Notes from related parties		205,427,500	303,674,955

Annual maturity of long term debt, including current instalments, during the next five years and thereafter is as follows:

Fiscal Year	Annual maturity
2024	77,056,041
2025	6,598,735
2026	148,892,286
2027	835,218,850
2028	42,788,850
Total	1,110,554,761



(c) Short term borrowings

Fund based credit facilities with banks, which are available for working capital requirements, are in the form of lines of credit, banker's acceptance and working capital loans. The arrangements have varying interests when the banker's acceptance occurs. These facilities are summarised below as at 31st March 2023

March 31, 2023

Bank	Limits*	Avalied	Letters of Credit Utilized	Available
Working Capital Loans				
BMO Harris - Base Rate Loan		1,109,635	-	
BMO Harris - Libor Rate Loan	185,000,000	94,693,119	14,498,562	74,698,684
BMO - Acceptances		-	-	
TOTAL	185,000,000	95,802,754	14,498,562	74,698,684

As at March 31, 2022:

Bank	Limits*	Avalied	Letters of Credit Utilized	Available
Working Capital Loans				
BMO Harris - Base Rate Loan		364,415	-	
BMO Harris - Libor Rate Loan	150,000,000	102,276,564	13,386,741	33,972,280
TOTAL	150,000,000	102,640,979	13,386,741	33,972,280

These Loans carry on interest rate of 0.5% to 4%

*These Loans have been secured against current assets and certain property, plant & equipment. These loans are repayable on demand.

Finance Costs

	Mar-23	Mar-22
Interest expenses:		
Term loans from banks	5,395,043	3,761,581
Bonds and other long-term debt	48,578,990	41,992,860
Working capital demand loans	4,712,692	1,954,271
Related party loans	16,780,721	15,441,807
Others	1,258,632	2,599,902
	76,726,078	65,750,420
Bank Charges	842,597	211,628
Amortisation of facility fees	(137,338)	(823,245)
Total finance costs	77,431,337	65,138,803



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Note 12

Income Taxes

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are as follows:

a) Income Taxes

	Mar-23	Mar-22
Current income tax	-	-
Deferred tax expense / (benefit)	-	-
Income tax expense reported in the Statement of comprehensive loss	-	-

The tax years ending March 31, 2019 onwards are open to audit by the Internal Revenue Service as per the normal 3 year statute of limitations. The returns prior to tax year ending March 31, 2019 are open to audit for the Net Operating Losses carried over to the open tax years for which the returns are open to audit. The Group's tax returns are open in various state taxing jurisdictions for a period ranging from 3 to 5 years depending on the state.

b) Tax rate reconciliation

Reconciliation of tax expense and the accounting profit multiplied by United States' statutory tax rate for March 31, 2023 and March 31, 2022:

	Mar-23	Mar-22
Accounting profit/ (loss) before income tax	(7,393,719)	86,331,650
At United States' income tax rate of 21% (March 31, 2018: 21%)	(1,552,681)	18,129,647
Reconciliation items		
Incremental valuation allowance created/(reversed)	(4,379,212)	23,891,535
Permanent differences	7,050,975	33,757
Expiry of NOLs during the year	(1,919,053)	1,364,508
Interest payable to related party written back	-	(47,040,840)
Others	799,972	3,621,393
Total deferred tax expense	-	-

c) Deferred tax assets/ (liabilities)

	Mar-23	Mar-22
Deferred tax assets	188,234,961	185,750,924
Deferred tax liability	104,882,311	98,019,062
Net deferred tax asset	83,352,650	87,731,862
Less: Valuation allowance	(83,352,650)	(87,731,862)
Net non-current deferred tax assets	-	-

d) Significant components of current and deferred taxes

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at March 31, 2023 and 2022 are presented below:

	Mar-23	Mar-22
Deferred Tax Assets		
Net operating losses	127,480,024	135,159,358
Interest accrual for payment to related parties	1,806,318	1,331,605
Provision for doubtful debts	74,790	3,335,622
Interest not allowed per provisions of 163(j)	26,233,364	22,098,113
Others	32,640,465	23,826,226
Total deferred tax assets (a)	188,234,961	185,750,924
Deferred Tax Liabilities		
Difference between tax base and book base of assets	104,882,311	98,019,062
Gross deferred tax liabilities (b)	104,882,311	98,019,062
Net deferred tax assets (a - b)	83,352,650	87,731,862
Less: Valuation allowance	(83,352,650)	(87,731,862)
Net deferred tax assets	-	-



Note 13

Related party disclosures

For the purpose of the consolidated financial statements, a party is a related to the Group if the party directly or indirectly controls, is controlled by or is under common control with the Group, has an interest in the Group that gives it significant influence over the Group, has joint control over the Group or is an associate or a joint venture of the Group.

Related parties and nature of related party relationships:

Nature of relationship	Name of related parties
Holding Company	JSW Steel Netherlands, B.V
Ultimate Holding Company	JSW Steel Limited
Subsidiaries of Ultimate Holding Company with whom transactions have taken place during the year	i) JSW Steel USA Ohio, Inc.
	ii) JSW Steel (UK) Ltd.

a) Transaction with related parties

Particulars	For the year ended 31-Mar-23	For the year ended 31-Mar-22
Transactions during the year		
Purchases during the year		
JSW Steel USA Ohio, Inc.	223,061,896	174,683,460
JSW Steel Limited	57,926,076	107,180,563
Sales during the year		
JSW Steel USA Ohio, Inc.	11,890,000	13,124,421
Loans borrowed		
JSW Steel Limited	34,612,711	74,755,028
Loan Repaid		
JSW Steel Limited	55,804,125	27,947,636
Interest repaid		
JSW Steel Limited	19,233,591	13,427,825
Interest written back		
JSW Steel Limited	-	224,003,999
Reimbursement of expenses		
JSW Steel USA Ohio, Inc.	3,648,143	2,314,888
Debit notes raised		
JSW Steel USA Ohio, Inc	-	500,000
Interest on loan taken		
JSW Steel Limited	16,104,664	32,055,251
JSW Steel Netherlands B.V	676,057	676,057
Receipt of Other receivables :		
JSW (U.K.) Limited	525,630	-



b) Balances with related parties

Particulars	For the year ended 31-Mar-23	For the year ended 31-Mar-22
Receivables:		
JSW (U.K.) Limited	-	525,630
JSW Steel Limited	282,756	67,756
Interest payable		
JSW Steel Netherlands B.V	4,507,215	3,831,158
JSW Steel Limited	4,094,300	2,062,830
Loans receivable (Related Party)		
JSW Steel USA Ohio, Inc.	3,102,924	3,102,924
Loans payable		
JSW Steel Netherlands B.V	12,557,596	12,557,596
JSW Steel Limited	269,925,945	291,117,359
Accounts Payable		
JSW Steel USA Ohio, Inc.	1,530,193	22,977,342

Note:

During the previous year, JSW Steel Limited (Ultimate Holding Company), waived off the interest payable by the Group on loans given by it, amounting to \$224 million pertaining to the period 2015 to 2020, after getting required regulatory approvals. The same has been recognised as an income in the statement of comprehensive income/loss.



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Note 14

Commitments and Contingencies

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is USD 31,293,455 as at March 31, 2023 (as at March 31, 2022 : \$32,721,019)

Contingencies

The Company has no cases of Occupational Safety and Health Administration as at March 31, 2023. The Company has 4 on-going litigation against it which the group considers remote and hence has not been quantified. The management does not expect any material penalty as at the reporting date and therefore no provision has been made as at March 31, 2023.

Note 15

During the previous financial year, as a part of the overall exercise and to consolidate its operations and holding structure the following wholly owned subsidiaries of the Group have been merged with their immediate parent effective 2 December 2021.

Name of the Company	Merged with
R.C. Minerals, LLC	Purest Energy LLC
Keenan Minerals, LLC	Purest Energy LLC
Peace Leasing, LLC	Purest Energy LLC
Prime Coal LLC	Periama Holdings LLC
Rolling S Augering, LLC	Planck Holdings LLC
Periama Handling, LLC	Planck Holdings LLC

Since the merger is a common control transaction it does not have any impact on the consolidated financial statements of the Company.

Note 16

Segment Information

The Group's reportable segments are its two distinct lines of business namely the Steel Operations and the Coal Operations. The Steel Operations consists of a steel plate manufacturing facility, a pipe manufacturing facility and double jointing and coating facilities in Baytown, Texas and is involved in the production and sale of steel plates and pipes. The Coal Operations of the Group operate out of the State of West Virginia, and are primarily engaged in the production, loading and sale of metallurgical coal from the mines located in West Virginia.

Particulars	Revenue	Profit/(Loss) for the period	Total assets
Steel Operations	633,106,415	26,818,486	807,864,140
Coal Operations	18,933,284	(3,678,779)	24,882,560
Corporate, Others and eliminations	-	(30,533,426)	(19,652,469)
Consolidated	652,039,699	(7,393,719)	813,094,231



Note 17

Retirement plan

The Company has a retirement plan pursuant to Section 401(K) of the Internal Revenue Code, whereby eligible participants, as defined by the plan, may contribute by deferring a percentage of their compensation, but not in excess of the maximum allowed under the code. Participants are 0% vested after one year of service, 20% vested after two years of service, 40% vested after three years of service, 60% vested after four years of service, 80% vested after five years of service and 100% vested after six years' service on the Company's matching portion. The Company's contribution to the retirement plan is \$ 909,029 and \$165,922 for the year ended 31st march 2023 and 31st march 2022 respectively.

Note 18

Healthcare Benefits

The Company provides healthcare benefits to its active full-time workers. The Company uses a third-party commercial insurance carrier to handle the healthcare insurance. The Company payment related to healthcare benefits were \$5,668,878 and \$5,779,119 for the years ending March 31, 2023 and 2022, respectively.

Note 19

As at March 31, 2023 the Group has accumulated losses of \$ 453.09 million (March 31, 2022 : \$ 443.02 million) and a negative networth of \$ 500.06 million (March 31, 2022: \$ 492.67.16 million). During the year ended March 31, 2023, the Group had a net loss of \$ 7.39 million (March 31, 2022: net profit of \$ 86.33 million). For its steel operations, the Group has made a profit in the current year and has started turning around its operations. Further, the Ultimate Holding Company, JSW Steel Limited has committed to provide continuing financial and operational support to the Company, for its continued operations in the foreseeable future. Accordingly, these financial statements have been prepared under the going concern assumption.

Note 20

Subsequent Events

Subsequent events have been evaluated through July 06, 2023 which is the date the financial statements were available to be issued. As of that date, there were no reportable events other than the events already disclosed above where appropriate.

