

Independent Auditor's Report on the Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2020 of JSW Steel Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To

The Board of Directors of
JSW Steel Limited,

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying Statement of Audited Standalone Financial Results of JSW Steel Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 Statement, including the disclosures, and whether the Statement represents 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.

Other Matter

As described in note 2 of the Statement, effect of the merger of Dolvi Minerals and Metals Private Limited (DMMPL), Dolvi Coke Projects Limited (DCPL), JSW Steel Processing Centre Limited (SPCL) and JSW Steel (Salav) Limited (Salav) with the Company has been accounted retrospectively for all periods presented being a common control transaction. Financial information of DMMPL, DCPL and Salav included in the accompanying Statement for the year ended March 31, 2019 is audited by the respective companies' predecessor auditors who have expressed an unmodified opinion on those financial statements.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

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VIKRAM MEHTA
MEHTA Date: 2020.05.22
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per Vikram Mehta

Partner

Membership No.: 105938

UDIN: 20105938AAAAABY7288

Place: Mumbai

Date: May 22, 2020



Registered Office : JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai- 400051
CIN: L27102MH1994PLC152925

Statement of Audited Standalone Financial Results for the quarter and year ended 31 March 2020

(Rs. in Crores)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited (Refer Note 16)	Unaudited	Audited (Refer Note 16)*	Audited	Audited*
I	Revenue from operations					
	a) Gross Sales	15,020	15,199	19,418	62,315	75,210
	b) Other operating Income	257	318	442	1,231	1,977
	c) Fees for assignment of procurement contract (refer Note 3)	-	250	-	250	-
	d) Government grant Income -VAT/ GST Incentive relating to earlier years (refer Note 6)	-	-	-	466	-
	Total Revenue from operations	15,277	15,767	19,860	64,262	77,187
II	Other Income	146	135	82	628	405
III	Total income (I + II)	15,423	15,902	19,942	64,890	77,592
IV	Expenses					
	a) Cost of materials consumed	7,358	7,626	9,149	33,073	39,179
	b) Purchases of stock-in-trade	70	91	95	420	499
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(153)	943	1,463	(27)	(180)
	d) Employee benefits expense	394	374	357	1,496	1,435
	e) Finance costs	954	988	1,000	4,022	3,789
	f) Depreciation and amortisation expense	929	893	884	3,522	3,421
	g) Power and fuel	1,337	1,307	1,470	5,533	6,437
	h) Other Expenses	3,051	2,759	2,934	11,250	11,305
	Total Expenses (IV)	13,940	14,981	17,352	59,289	65,885
V	Profit before exceptional Items and Tax (III - IV)	1,483	921	2,590	5,601	11,707
VI	Exceptional Items (refer Note 9)	1,309	-	-	1,309	-
VII	Profit before Tax (V - VI)	174	921	2,590	4,292	11,707
VIII	Tax Expense/ (Credit)					
	a) Current tax	246	16	419	789	2,356
	b) Deferred tax (refer Note 7)	(314)	214	444	(1,788)	1,230
	Total Tax Expense/ (Credit)	(68)	230	863	(999)	3,586
IX	Net Profit after Tax for the period / year (VII-VIII)	242	691	1,727	5,291	8,121
X	Other Comprehensive Income (OCI)					
	A. i) Items that will not be reclassified to profit or loss	(237)	33	33	(274)	(11)
	ii) Income tax relating to items that will not be reclassified to profit or loss	3	1	-	6	5
	B. i) Items that will be reclassified to profit or loss	(499)	17	20	(632)	(19)
	ii) Income tax relating to items that will be reclassified to profit or loss	175	(6)	(7)	221	7
	Total Other Comprehensive Income/(Loss)	(558)	45	46	(679)	(18)
XI	Total Comprehensive Income for the period/year (Comprising Profit and Other Comprehensive Income for the period/year) (IX+X)	(316)	736	1,773	4,612	8,103
XII	Paid up Equity Share Capital (face value of Re.1 per share)	240	240	240	240	240
XIII	Other Equity excluding Revaluation Reserves				38,061	34,592
XIV	Earnings per equity share (not annualised)					
	Basic (Rs.)	1.01	2.88	7.19	22.03	33.77
	Diluted (Rs.)	1.00	2.86	7.14	21.89	33.60
XV	Capital Redemption Reserve /Debenture Redemption Reserve				774	817
XVI	Network				34,315	30,170
XVII	Debt Service Coverage Ratio (refer (i) below)				1.12	2.28
XVIII	Interest Service Coverage Ratio (refer (ii) below)				3.61	5.26
XIX	Debt-Equity Ratio (refer (iii) below)				1.33	1.25

*Restated pursuant to merger (refer Note 2)

- Debt Service Coverage Ratio : Profit before Tax, Exceptional Items, Depreciation , Net Finance Charges and including Government grant Income -VAT/ GST Incentive accrued in relation to earlier years disclosed separately above. / (Net Finance Charges + Long Term Borrowings scheduled 'principal repayments (excluding prepayments/ refinancing) 'during the period) (Net Finance Charges : Finance Costs - Interest Income - Net Gain /(Loss) on sale of current investments)
- Interest Service Coverage Ratio : Profit before Tax, Exceptional Items, Depreciation, Net Finance Charges and including Government grant Income -VAT/ GST Incentive accrued in relation to earlier years disclosed separately above/ Net Finance Charges.
- Debt Equity : Total Borrowings / Total Equity .Total borrowings as at 31 March 2020 exclude lease liabilities disclosed separately (refer note 5) whereas finance lease obligations under the erstwhile standard was included in total borrowings as at 31 March 2019.

STANDALONE STATEMENT OF ASSETS AND LIABILITIES :
(Rs. in Crores)

Particulars		As at	As at
		31.03.2020	31.03.2019
		Audited	Audited*
A	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	46,117	51,600
	(b) Capital work-in-progress	23,810	10,099
	(c) Right-of- Use Assets (refer Note 5)	4,102	-
	(d) Intangible assets	323	172
	(e) Intangible assets under development	331	344
	(f) Investments in subsidiaries, associates and joint ventures	4,757	3,980
	(g) Financial Assets		
	(i) Investments	1,242	1,417
	(ii) Loans	8,705	7,675
	(iii) Others financial assets	562	48
	(h) Current tax assets (net)	340	217
	(i) Other non-current assets	2,378	3,475
	Total Non-current assets	92,667	79,027
2	Current assets		
	(a) Inventories	9,623	10,815
	(b) Financial Assets		
	(i) Trade receivables	3,166	6,770
	(ii) Cash and cash equivalents	3,438	5,366
	(iii) Bank balances other than (ii) above	7,963	447
	(iv) Loans	321	136
	(v) Derivative Assets	275	229
	(vi) Others financial assets	2,794	2,644
	(c) Other current assets	1,795	1,991
	Total Current assets	29,375	28,398
	TOTAL ASSETS	122,042	107,425
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	301	301
	(b) Other equity	38,061	34,592
	Total Equity	38,362	34,893
2	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	39,247	27,666
	(ii) Lease Liabilities (refer Note 5)	2,716	-
	(iii) Derivative liabilities	130	-
	(iv) Other financial liabilities	1,308	1,030
	(b) Provisions	322	235
	(c) Deferred tax liabilities (Net) (refer Note 7)	1,315	3,331
	(d) Other non-current liabilities	3,048	4,083
	Total Non-current liabilities	48,086	36,345
3	Current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	6,813	5,371
	(ii) Trade payables		
	(a) Total outstanding, dues of micro and small enterprises	56	31
	(b) Total outstanding, dues of creditors other than micro and small enterprises	13,298	13,097
	(iii) Derivative liabilities	189	332
	(iv) Lease Liabilities (refer Note 5)	773	-
	(v) Other financial liabilities	11,980	15,471
	(b) Other current liabilities	2,302	1,639
	(c) Provisions	64	53
	(d) Current tax liabilities (Net)	119	193
	Total Current liabilities	35,594	36,187
	TOTAL EQUITY AND LIABILITIES	122,042	107,425

*Restated pursuant to merger (refer Note 2)

STANDALONE CASH FLOW STATEMENT :

(Rs in crores)

Particulars	Year Ended	
	31.03.2020	31.03.2019
	Audited	Audited*
Cash flow from operating activities		
Profit before tax	4,292	11,707
Adjustments for :		
Depreciation and amortization expenses	3,522	3,421
Loss on sale of property, plant & equipment (net)	29	7
Gain on sale of financial investments designated as FVTPL	(4)	(12)
Interest income	(528)	(225)
Gain arising of financial instruments designated as FVTPL	(16)	(8)
Unwinding of interest on financial assets carried at amortised cost	(45)	(30)
Dividend income	(31)	(124)
Interest expense	3,831	3,515
Share based payment expense	37	50
Export obligation deferred income amortization	(140)	(160)
Unrealised exchange loss	566	201
Allowance for doubtful debts, loans & advances	96	132
Loss arising of financial instruments designated as FVTPL	17	18
Non - Cash Expenditure	14	6
Exceptional items	1,309	-
	8,657	6,791
Operating profit before working capital changes	12,949	18,498
Adjustments for :		
Decrease/ (Increase) in inventories	1,192	(488)
Decrease/ (Increase) in trade receivables	3,514	(2,061)
(Increase) in other assets	(1,393)	(778)
(Decrease) in trade payable	(373)	(744)
(Decrease)/ Increase and other liabilities	(873)	3,577
Increase in provisions	80	39
	2,147	(455)
Cash flow from operations	15,096	18,043
Income tax paid (net of refund received)	(986)	(2,465)
Net cash generated from operating activities (A)	14,110	15,578
Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets (including under development and capital advances)	(10,740)	(8,333)
Proceeds from sale of Property ,Plant & Equipment	41	31
Investment in subsidiaries and joint ventures including advances and preference shares	(939)	(981)
Sale of other non current investments	-	50
Purchase of current investments	(762)	(8,340)
Sale of current investments	765	8,453
Bank deposits not considered as cash and cash equivalents (net)	(7,524)	(185)
Loans to related parties	(1,623)	(3,317)
Loans repaid by related parties	1,236	877
Interest received	423	189
Dividend received	31	124
Net cash used in investing activities (B)	(19,092)	(11,432)
Cash flow from financing activities		
Proceeds from sale of treasury shares	107	-
Payment for Purchase of treasury shares	(101)	(153)
Proceeds from non current borrowings	18,561	6,827
Repayment of non current borrowings	(10,320)	(4,333)
Proceeds from/ (Repayment) of Current borrowings (net)	1,443	3,195
Repayment of lease liability / Finance lease obligation	(503)	(306)
Interest paid	(4,371)	(3,598)
Dividend paid (including corporate dividend tax)	(1,190)	(907)
Premium paid on redemption of debentures	(572)	-
Net cash generated from financing activities (C)	3,054	725
Net increase in cash and cash equivalents(A+B+C)	(1,928)	4,871
Cash and cash equivalents - opening balances	5,366	495
Cash and cash equivalents - closing balances	3,438	5,366

*Restated pursuant to merger (refer Note 2)

Notes

1. The Board of Directors has recommended a dividend of Rs. 2.00 (rupees two only) per equity share of Re. 1 each for the year ended 31 March 2020 subject to approval of the members at the ensuing Annual General Meeting.
2. The Mumbai Bench of the National Company Law Tribunal (NCLT), through its order dated 6 June 2019 and the Ahmedabad Bench of the NCLT, through its order dated 14 August 2019, had approved the scheme of Amalgamation of its wholly owned subsidiaries, Dolvi Minerals and Metals Private Limited, Dolvi Coke Projects Limited, JSW Steel Processing Centre Limited, and JSW Steel (Salav) Limited with the Company. Accordingly, the Company had accounted for the merger under the pooling of interest method retrospectively for all periods presented as prescribed in IND AS 103 – Business Combinations of entities under common control. The previous period / year numbers have been accordingly restated. The Impact of the merger on these results is as under:

(Rs in crores)

Particulars	As at 31.03.2019	
	Reported	Restated
Property Plant and Equipment	49,245	51,600
Borrowings including current maturities of long term borrowings and short term borrowings	41,937	43,703
Total Equity	35,162	34,893

(Rs in crores)

Particulars	Quarter Ended		Year Ended	
	31.03.2019		31.03.2019	
	Reported	Restated	Reported	Restated
Revenue from operations	19,701	19,860	76,727	77,187
Profit before tax	2,603	2,590	11,817	11,707
Profit after tax	1,745	1,727	8,259	8,121

3. During the year, the Company received an amount of Rs. 250 crores as consideration from a vendor for assignment of its long term supply contract in favor of a third party with same terms and conditions over the remaining term of the contract and have accordingly recognised one-time income in relation to the same.
4. Pursuant to the Corporate insolvency resolution process under the Insolvency Bankruptcy Code, the resolution plan submitted by the Company for Vardhman Industries Limited (VIL) was approved, by the Hon'ble National Company Law Tribunal (NCLT), New Delhi, by its order dated 19 December 2018 and as clarified by its order dated 16 April 2019 and by the Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated 4 December 2019 and as clarified by its order dated 11 December 2019.
The Company completed the acquisition of VIL on 31 December 2019 by infusing Rs. 63.50 crores in VIL and has been issued equity shares and compulsorily convertible debentures (CCDs) by VIL in lieu thereof. Accordingly, VIL has become a wholly owned subsidiary of the Company.
VIL is mainly engaged in the manufacturing and marketing of Colour Coated Coils & Sheets and has a production capacity of 3,000 tonnes per month with manufacturing facility located at Rajpura, Patiala (Punjab).

5. Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on the date of initial application i.e. 1 April 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted.

The above approach has resulted in recognition of right-of-use asset of Rs. 4,102 crores and a lease liability (separately disclosed in balance sheet) of Rs. 3,489 crores as at 31 March 2020. Hitherto, an amount was recognized as finance lease asset of Rs. 4,122 crores and finance lease obligation of Rs. 3,990 crores under erstwhile lease standard as at 31 March 2019.

6. The Company units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible for incentives under the respective State Industrial Policy and have been availing incentives in the form of VAT deferral / CST refunds historically. The Company currently recognises income for such government grants based on the State Goods & Service Tax rates instead of VAT rates, in accordance with the relevant notifications issued by the State of Maharashtra and the State of Karnataka post implementation of Goods & Services Tax (GST).

In October 2019, the Company received an in-principle approval for eligibility from the Government of Maharashtra in response to the application filed by the Company for incentive under PSI Scheme 2007 on its investment for expansion from 3.3 MTPA to 5 MTPA at Dolvi unit for the period beginning May 2016 onwards. Accordingly, the Company had recognized grant income in the earlier quarter including Rs. 466 crores in relation to earlier years, which has been disclosed separately as "Government grant Income –VAT/ GST Incentive relating to earlier years" in the above results.

7. Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions.

In the quarter ended 30 September 2019, Company had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. However, in accordance with the accounting standards, the Company had also evaluated the outstanding deferred tax liability, and written back an amount to the extent of Rs. 2,150 crores to the Statement of Profit and Loss. This is arising from the re-measurement of deferred tax liability that is expected to reverse in future when the Company would migrate to the new tax regime.

8. The Company submitted the Resolution Plan in respect of Bhushan Power and Steel Limited (BPSL), a company currently undergoing insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code. The Committee of Creditors (CoC) approved the Resolution Plan and the Resolution Professional issued the Letter of Intent to the Company on 11 February 2019, which was duly accepted by the Company. The Resolution Plan was approved by the National Company Law Tribunal (NCLT) with certain modifications. Subsequently an appeal preferred by the Company has been allowed by the National Company Law Appellate Tribunal (NCLAT) vide its order 17 February 2020. The erstwhile promoters and few operational creditors preferred an Appeal before the Hon'ble Supreme Court against the NCLAT order. The said Appeals along with the Petition of CoC are pending before the Hon'ble Supreme Court for adjudication.

9. Exceptional items for the year and quarter ended 31 March 2020 includes impairment provision of
- (i) Rs. 852 crores relating to overseas subsidiaries towards the value of investments made and loans given and interest accrued thereon based on the overall assessment of recoverable value considering increased uncertainty in restarting the Iron ore mining operations at Chile on account of COVID 19 outbreak.
- (ii) Rs. 377 crores on interest receivables from an overseas subsidiary in USA based on the assessment of recoverable value of the US operations. The said assessment includes significant assumptions such as discount rate, increase in operational performance on account of committed capital expenditure, mining production, future margins, and the likely impact of COVID 19 on the said operations; and
- (iii) Rs 80 crores towards identified items of property, plant and equipment of the Company
10. The Company is in the business of manufacturing steel products and hence has only one reportable operating segment as per Ind AS 108 - Operating Segments.
11. The short term debt/ facilities of the Company continues to be rated at the highest level of “A1+” by ICRA Ltd. and CARE Ratings. In March 2020, the domestic credit rating for long term debt facilities/ NCD’s have been revised to “CARE AA-” with Stable Outlook by CARE Ratings and “ICRA AA-“Negative Outlook by ICRA Ltd. India Ratings has assigned long term issuer rating and rating for the outstanding non-convertible debentures of the Company as “IND AA” with Negative Outlook.
12. The listed non-convertible debentures of the Company aggregating Rs. 5,000 crores as on 31 March 2020 are secured by way of mortgage/charge on specific Fixed Assets of the Company with minimum fixed assets cover of 1.25 times.
- i. Details of Secured non- convertible debentures are as follows:

Non-Convertible Debentures	Previous Payment Date		Next payment Date	
	Principal	Interest	Principal	Interest
10.60% NCD	1 February 2020	1 February 2020	N.A.	N.A.
10.34% NCD	N.A.	18 January 2020	18 January 2022	18 April 2020
10.02% NCD	N.A.	20 February 2020	20 May 2023	20 May 2020
10.02% NCD	N.A.	20 January 2020	19 July 2023	20 April 2020
9.72% NCD	23 December 2019	23 December 2019	N.A.	N.A.
8.79% NCD	N.A.	18 January 2020	18 October 2026	18 April 2020
8.90% NCD	N.A.	N.A.	23 January 2027	23 April 2020

In addition to above, unlisted secured zero coupon non-convertible debentures acquired in pursuant to merger was redeemed on 22 October 2019.

- ii. Outstanding Cumulative Redeemable preference shares (CRPS) are as follows:

Preference shares:	Number of Shares	Amount (Rs. in crores)
0.01% Cumulative redeemable preference shares	Nil	Nil

- iii. Repayment details of Outstanding Cumulative Redeemable preference shares (CRPS):

Preference shares:	Previous Payment Date	
	Principal	Dividend
0.01% Cumulative redeemable preference shares (0.01% CRPS)	15 June 2019	29 July 2019
	15 September 2019	13 March 2020
	15 December 2019	
	13 March 2020	

- iv. Pursuant to SEBI Circular no. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, the Company has listed Commercial Paper of Rs. 4,400 Crores till 31 March 2020. Out of the total listed Commercial Papers Rs. 3,950 Crores are outstanding as on 31 March 2020.

13. The Company has complied with the requirements of SEBI circular dated 26 November 2018 applicable to large corporate borrowers with credit rating of AA and above.

14. On 11 March 2020, the World Health Organization characterized the outbreak of a strain of the new coronavirus ("COVID-19") as a pandemic. This outbreak is causing significant disturbances and slow down of economic activity. The Company's operations were impacted in the month of March 2020, due to scaling down / suspending production across all plants following nationwide lockdown announced by the Government of India in view of COVID-19. The Government of India permitted certain additional activities from 20 April 2020 in non-containment zones, subject to requisite approvals as may be required. The Company could secure the requisite approvals and has accordingly commenced operations and is gradually ramping up capacity since then.

In assessing the recoverability of carrying amounts of Company's assets such as Investments in and loans / advances (net of impairment loss / loss allowance) to subsidiaries the Company, trade receivables, inventories etc, the Company has considered various internal and external information up to the date of approval of these financial results and concluded that they are recoverable based on the estimate of values of the businesses and assets by independent external valuers which was based on cash flow projections/implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore and coal, mineable resources, and assumptions relating to operational performance including significant improvement in capacity utilisation and margins based on forecasts of demand in local markets, and capacity expansion/availability of infrastructure facilities for mines.

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

15. Previous period/year figures have been regrouped /reclassified wherever necessary.
16. The figures of the quarter ended 31 March 2020 and 31 March 2019 are the balancing figures between the audited figures in respect of the full financial year and published year to date figures upto third quarter of the relevant financial year
17. The above results have been reviewed by the Audit committee and approved by the Board of Directors at their meetings held on 21 May 2020 and 22 May 2020 respectively.

For JSW Steel Limited

SESHAGIRI RAO Digitally signed by
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Seshagiri Rao M.V.S
Jt. Managing Director & Group CFO
22 May 2020

Independent Auditor's Report on the Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2020 of JSW Steel Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
JSW Steel Limited,

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Statement of Audited Consolidated Financial Results of JSW Steel Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its joint ventures for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements/financial results/financial information of the subsidiaries and joint ventures, the Statement:

- i. includes the results of the entities as mentioned in Annexure I to this audit report;
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group and its joint ventures 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 obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including joint ventures in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the

provisions of the Act for safeguarding of the assets of the Group and its joint ventures 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group and its joint ventures 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 Statement 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 and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its joint ventures of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

The accompanying Statement includes the audited financial results/statements and other financial information, in respect of:

- 25 subsidiaries, whose financial results/statements include total assets of Rs 7,445 crores as at March 31, 2020, total revenues of Rs 1,954 crores and Rs 7,800 crores, total net loss after tax of Rs 48 crores and Rs 154 crores, total comprehensive loss of Rs 140 crores and Rs 292 crores, for the quarter and the year ended on that date respectively, and net cash inflows of Rs 1 crore for the year ended March 31, 2020, as considered in the Statement which have been audited by their respective independent auditors.
- 6 joint ventures, whose financial results/statements include Group's share of net loss of Rs 29 crores and Rs 122 crores and Group's share of total comprehensive loss of Rs 30 crores and Rs 129 crores, for the quarter and for the year ended March 31, 2020 respectively, as considered in the Statement, whose financial results/ financial statements, other financial information have been audited by their respective independent auditors.

The independent auditor's report on the financial statements/financial results/financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Certain of these subsidiaries and joint ventures are located outside India whose financial results/ financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results/ financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in

their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

The accompanying Statement includes unaudited financial results /statements and other unaudited financial information in respect of:

- 3 subsidiaries, whose financial results/statements and other financial information reflect total assets of Rs 1,197 crores as at March 31, 2020, and total revenues of Rs 107 crores and Rs 107 crores, total net profit after tax of Rs 48 crores and Rs 7 crores, total comprehensive loss of Rs 0.40 crores and Rs 78 crores, for the quarter and the year ended on that date respectively and net cash outflows of Rs 0.19 crores for the year ended March 31, 2020.
- 3 joint ventures, whose financial results/statements includes the Group's share of net profit /(loss) of Rs (0.03) crores and Rs 32 crores and Group's share of total comprehensive profit /(loss) of Rs (0.03) crores and Rs 32 crores, for the quarter and for the year ended March 31, 2020 respectively, as considered in the Statement, whose financial results /statements and other financial information have not been audited by their auditors.

These unaudited financial statements/ financial information/ financial results have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on such unaudited financial statements/ financial information/financial results. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information/financial results are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information/ financial results certified by the Management.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S R B C & C O L L P
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

VIKRAM
MEHTA

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Date: 2020.05.22
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per Vikram Mehta
Partner
Membership No.: 105938
UDIN: 20105938AAAACA9225
Place: Mumbai
Date: May 22, 2020

Annexure I – List of entities included in the Audit Report

Subsidiaries:	Joint ventures:
1. JSW Steel (Netherlands) B.V.	1. Vijayanagar Minerals Private Limited
2. Periana Holdings, LLC	2. Rohne Coal Company Private Limited
3. JSW Steel (USA), Inc	3. Gourangdih Coal Limited
4. Planck Holdings, LLC	4. JSW MI Steel Service Center Limited
5. Prime Coal, LLC	5. JSW Severfield Structures Limited
6. Purest Energy, LLC	6. JSW Structural Metal Decking Limited
7. Caretta Minerals, LLC	7. Creixent Special Steels Limited (Consolidated)
8. Lower Hutchinson Minerals, LLC	8. Geo Steel LLC (ceased w.e.f. January 28, 2020)
9. Periana Handling, LLC	9. JSW Vallabh Tin Plate Private Limited (ceased w.e.f. December 31, 2019)
10. Rolling S Augering, LLC	
11. Hutchinson Minerals, LLC	
12. Keenan Minerals, LLC	
13. Meadow Creek Minerals, LLC	
14. Peace Leasing, LLC	
15. R.C. Minerals, LLC	
16. Santa Fe Mining	
17. Santa Fe Puerto S.A.	
18. JSW Panama Holdings Corporation	
19. JSW ADMS Carvao Limitada	
20. Inversiones Eurosh Limitada	
21. JSW Natural Resources Limited	
22. JSW Natural Resources Mozambique Limitada	
23. Acero Junction Holdings, Inc	
24. JSW Steel (USA) Ohio, Inc.	
25. JSW Steel Italy S.r.L	
26. JSW Steel Italy Piombino S.p.A (formerly known as Acciaierie e Ferriere di Piombino S.p.A.)	
27. GSI Lucchini S.p.A.	
28. Piombino Logistics S.p.A. - A JSW Enterprise (formerly known as Piombino Logistics S.p.A.)	
29. Nippon Ispat Singapore (PTE) Limited	
30. Arima Holdings Limited	
31. Erebus Limited	
32. Lakeland Securities Limited	
33. JSW Steel (UK) Limited	
34. Amba River Coke Limited	
35. JSW Steel Coated Products Limited	
36. JSW Jharkhand Steel Limited	
37. JSW Bengal Steel Limited	
38. JSW Energy (Bengal) Limited	
39. JSW Natural Resources Bengal Limited	
40. JSW Natural Resources India Limited	
41. Peddar Realty Private Limited	
42. JSW Realty & Infrastructure Private Limited	
43. JSW Industrial Gases Private Limited	
44. JSW Utkal Steel Limited	
45. Hasaud Steel Limited	
46. JSW Retail Limited	
47. Makler Private Limited (w.e.f. June 06, 2019)	
48. Piombino Steel Limited (w.e.f. June 06, 2019)	
49. JSW Vallabh Tin Plate Private Limited (w.e.f. December 31, 2019)	
50. Vardhman Industries Limited (w.e.f. December 31, 2019)	
51. JSW Vijayanagar Metallica Limited (w.e.f. December 24, 2019)	

Statement of Audited Consolidated Financial Results for the quarter and year ended 31 March 2020

(Rs. in Crores)

Sr. No.	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited (refer note 12)	Unaudited	Audited (refer note 12)	Audited	Audited
I	Revenue from operations					
	a) Gross sales	17,556	17,416	21,837	71,116	82,499
	b) Other operating income	331	389	531	1,494	2,258
	c) Fees for assignment of procurement contract (refer note 2)	-	250	-	250	-
	d) Government grant Income -VAT/ GST Incentive relating to earlier years (refer note 5)	-	-	-	466	-
	Total Revenue from operations	17,887	18,055	22,368	73,326	84,757
II	Other Income	122	127	53	546	204
III	Total Income (I+II)	18,009	18,182	22,421	73,872	84,961
IV	Expenses					
	a) Cost of materials consumed	8,810	9,177	10,306	38,865	43,476
	b) Purchases of stock-in-trade	89	16	76	135	320
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	6	860	1,694	(270)	(590)
	d) Employee benefits expense	718	709	701	2,839	2,489
	e) Finance costs	1,036	1,060	1,046	4,265	3,917
	f) Depreciation and amortisation expense	1,108	1,055	1,084	4,246	4,041
	g) Power and fuel	1,528	1,493	1,644	6,272	7,053
	h) Other expenses	3,761	3,349	3,507	13,612	13,057
	Total expenses (IV)	17,056	17,719	20,058	69,964	73,763
V	Profit before share of profit/(loss) of joint ventures (net) (III-IV)	953	463	2,363	3,908	11,198
VI	Share of profit/(loss) of joint ventures (net)	(29)	(27)	(33)	(90)	(30)
VII	Profit before exceptional items and tax (V+VI)	924	436	2,330	3,818	11,168
VIII	Exceptional items (refer note 8)	805	-	-	805	-
IX	Profit before tax (VII-VIII)	119	436	2,330	3,013	11,168
X	Tax expense / (credit)					
	a) Current tax	285	47	440	943	2,473
	b) Deferred tax (refer note 6)	(354)	202	395	(1,849)	1,171
	Total tax expenses / (credit)	(69)	249	835	(906)	3,644
XI	Net Profit for the period / year (IX-X)	188	187	1,495	3,919	7,524
XII	Other comprehensive income (OCI)					
	(A) (i) Items that will not be reclassified to profit or loss	(284)	41	36	(327)	(21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	4	1	2	7	7
	(B) (i) Items that will be reclassified to profit or loss	(768)	(1)	52	(1,054)	(24)
	(ii) Income tax relating to items that will be reclassified to profit or loss	188	(5)	(9)	253	(12)
	Total other comprehensive income/(loss)	(860)	36	81	(1,121)	(50)
XIII	Total comprehensive income for the period / year (Comprising Profit and Other comprehensive income for the period/year) (XI+XII)	(672)	223	1,576	2,798	7,474
XIV	Net Profit / (loss) for the period/year attributable to:					
	-Owners of the Company	231	211	1,523	4,030	7,639
	-Non-controlling interests	(43)	(24)	(28)	(111)	(115)
		188	187	1,495	3,919	7,524
XV	Other comprehensive income / (loss)					
	-Owners of the Company	(829)	39	79	(1,076)	(24)
	-Non-controlling interests	(31)	(3)	2	(45)	(26)
		(860)	36	81	(1,121)	(50)
XVI	Total comprehensive income / (loss) for the period/year attributable to:					
	-Owners of the Company	(598)	250	1,602	2,954	7,615
	-Non-controlling interests	(74)	(27)	(26)	(156)	(141)
		(672)	223	1,576	2,798	7,474
XVII	Paid up Equity Share Capital (face value of Re. 1 per share)	240	240	240	240	240
XVIII	Other Equity excluding Revaluation Reserves				36,298	34,494
XIX	Earnings per equity share (not annualised)					
	Basic (Rs.)	0.96	0.88	6.35	16.78	31.77
	Diluted (Rs.)	0.95	0.87	6.31	16.67	31.60

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES:
(Rs. in crores)

Particulars		As at	As at
		31.03.2020	31.03.2019
		Audited	Audited
A	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	57,758	61,604
	(b) Capital work-in-progress	26,857	11,540
	(c) Right-of-use assets (refer note 4)	3,471	-
	(d) Goodwill	415	840
	(e) Intangible assets	350	200
	(f) Intangible assets under development	334	349
	(g) Investments in joint ventures	283	628
	(h) Financial assets		
	(i) Investments	974	1,184
	(ii) Loans	772	433
	(iii) Others financial assets	696	299
	(i) Current tax assets (net)	385	240
	(j) Deferred tax assets (net)	-	117
	(K) Other non-current assets	2,956	3,925
	Total Non-current assets	95,251	81,359
2	Current assets		
	(a) Inventories	13,864	14,548
	(b) Financial assets		
	(i) Investments	2	82
	(ii) Trade receivables	4,505	7,160
	(iii) Cash and cash equivalents	3,966	5,581
	(iv) Bank balances other than (iii) above	8,037	606
	(v) Loans	742	561
	(vi) Derivative assets	294	321
	(vii) Other financial assets	2,858	2,217
	(c) Current tax assets	6	6
	(d) Other current assets	2,286	2,461
	(e) Assets held for sale	9	12
	Total Current assets	36,569	33,555
	TOTAL ASSETS	131,820	114,914
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	301	301
	(b) Other equity	36,298	34,494
	Equity attributable to owners of the Company	36,599	34,795
	Non controlling interest	(575)	(450)
	Total Equity	36,024	34,345
2	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	44,673	29,656
	(ii) Lease liabilities (refer note 4)	1,744	-
	(iii) Derivative liabilities	130	-
	(iv) Other financial liabilities	464	532
	(b) Provisions	348	258
	(c) Deferred tax liabilities (net) (refer note 6)	1,677	3,894
	(d) Other non-current liabilities	3,072	4,221
	Total Non-current liabilities	52,108	38,561
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	8,325	6,333
	(ii) Trade payables		
	(a) Total outstanding, dues of micro and small enterprises	142	39
	(b) Total outstanding, dues of creditors other than micro and small enterprises	17,776	16,120
	(iii) Derivative liabilities	251	379
	(iv) Lease liabilities (refer note 4)	306	-
	(v) Other financial liabilities	14,143	16,831
	(b) Other current liabilities	2,455	1,976
	(c) Provisions	161	134
	(d) Current tax liabilities (net)	129	196
	Total Current liabilities	43,688	42,008
	TOTAL EQUITY AND LIABILITIES	131,820	114,914

CONSOLIDATED STATEMENT OF CASH FLOWS

(Rs. in crores)

Particulars	Year Ended	Year Ended
	31.03.2020	31.03.2019
	Audited	Audited
A. Cash flow from operating activities		
Profit before tax	3,013	11,168
Adjustments for :		
Depreciation and amortization expenses	4,246	4,041
Loss on sale of property, plant & equipment (net)	30	8
Gain on sale of financial investments designated as FVTPL	(5)	(19)
Export obligation deferred income amortization	(144)	(165)
Interest income	(439)	(134)
Dividend income	(10)	-
Interest expense	3,924	3,582
Unrealised exchange loss	687	155
Gain on financial instruments designated as FVTPL	(4)	(6)
Unwinding of interest on financial assets carried at amortised cost	(45)	(25)
Fair value gain on joint venture's previously held stake on acquisition of control	(13)	-
Share based payment expense	37	50
Share of loss from joint ventures (net)	90	30
Fair value loss on financial instruments designated as FVTPL	2	1
Allowance for doubtful receivable and advances	113	152
Non - cash expenditure debit to the consolidated statement of profit and loss	14	6
Exceptional items	805	-
	9,288	7,676
Operating profit before working capital changes	12,301	18,844
Adjustments for :		
Decrease / (Increase) in inventories	744	(1,741)
Decrease / (Increase) in trade receivables	2,458	(2,203)
(Increase) in other assets	(1,837)	(1,084)
Increase in trade payable and other liabilities	183	3,406
Increase in provisions	91	41
	1,639	(1,581)
Cash flow from operations	13,940	17,263
Income Tax paid (net of refund received)	(1,155)	(2,630)
Net cash generated from operating activities (A)	12,785	14,633
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangibles assets (including under development and capital advances)	(12,810)	(10,206)
Proceeds from sale of property, plant and equipment	43	44
Cash outflow on acquisition of a subsidiary	(64)	(1,014)
Investment in joint ventures	-	(413)
Proceeds from sale of stake in joint venture	164	-
Purchase of current investments	(762)	(8,340)
Sale of current investments	847	8,591
Bank deposits not considered as cash and cash equivalents (net)	(7,517)	(268)
Interest received	503	158
Dividend received	10	-
Net cash used in investing activities (B)	(19,586)	(11,448)
C. Cash flow from financing activities		
Proceeds of sale of treasury shares	107	-
Payment for purchase of treasury shares	(101)	(153)
Proceeds from non-current borrowings	20,814	8,999
Repayment of non-current borrowings	(11,107)	(6,273)
Proceeds from / (repayment) of current borrowings (net)	1,940	4,155
Repayment of lease liabilities / finance lease obligations	(177)	(227)
Interest paid	(4,520)	(3,815)
Dividend paid (including corporate dividend tax)	(1,195)	(933)
Premium paid on redemption of debentures	(572)	-
Net cash generated from financing activities (C)	5,189	1,753
Net (decrease) / increase in cash and cash equivalents(A+B+C)	(1,612)	4,938
Cash and cash equivalents at the beginning of the year	5,581	582
Add: Translation adjustment in cash and cash equivalents	(6)	3
Add: Cash and cash equivalents pursuant to business combinations	3	58
Cash and cash equivalents at the end of the year	3,966	5,581

Notes

1. The Board of Directors has recommended dividend of Rs.2.00 (rupees two only) per equity share of Re. 1 each for the year ended 31 March 2020 subject to approval of the members at the ensuing Annual General Meeting.
2. During the year, the Company received an amount of Rs. 250 crores as consideration from a vendor for assignment of its long term supply contract in favor of a third party with same terms and conditions over the remaining term of the contract and have accordingly recognised one-time income in relation to the same.
3. Pursuant to the Corporate insolvency resolution process under the Insolvency Bankruptcy Code, the resolution plan submitted by the Company for Vardhman Industries Limited (VIL) was approved, by the Hon'ble National Company Law Tribunal (NCLT), New Delhi, by its order dated 19 December 2018 and as clarified by its order dated 16 April 2019 and by the Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated 4 December 2019 and as clarified by its order dated 11 December 2019.

The Company completed the acquisition of VIL on 31 December 2019 by infusing Rs. 63.50 crores in VIL and has been issued equity shares and compulsorily convertible debentures (CCDs) by VIL in lieu thereof. Accordingly, VIL has become a wholly owned subsidiary of the Company. Consequently, the shareholding of the Group in the JSW Vallabh Tin Plate Limited (JSW VTPL) has increased from 50% to 73.55% due to which the Group gained control over JSW VTPL and accordingly considered it as a subsidiary w.e.f. 31 December 2019.

As per IND AS 103, the above consideration has been allocated on the basis of the fair value (provisional) of the acquired assets and liabilities and resultant Goodwill / Capital Reserve arising on this acquisition is not material.

VIL is mainly engaged in the manufacturing and marketing of Colour Coated Coils & Sheets and has a production capacity of 3,000 tonnes per month with manufacturing facility located at Rajpura, Patiala (Punjab).

4. Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on the date of initial application i.e. 1 April 2019. The Group has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted.

The above approach has resulted in recognition of right-of-use asset of Rs.3,471 crores and a lease liability (separately disclosed in balance sheet) of Rs.2,050 crores as at 31 March 2020. Hitherto, an amount was recognized as finance lease asset of Rs.2,515 crores and finance lease obligation of Rs.1,957 crores under erstwhile lease standard as at 31 March 2019.

5. The Company units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible for incentives under the respective State Industrial Policy and have been availing incentives in the form of VAT deferral / CST refunds historically. The Company currently recognises income for such government grants based on the State Goods & Service Tax rates instead of VAT rates, in accordance with the relevant notifications issued by the State of Maharashtra and the State of Karnataka post implementation of Goods & Services Tax (GST).

In October 2019, the Company received an in-principle approval for eligibility from the Government of Maharashtra in response to the application filed by the Company for incentive under PSI Scheme 2007 on its investment for expansion from 3.3 MTPA to 5 MTPA at Dolvi unit for the period beginning May 2016 onwards. Accordingly, the Company had recognized grant income in the earlier quarter including Rs.466 crores in relation to earlier years, which has been disclosed separately as "Government grant Income –VAT/ GST Incentive relating to earlier years" in the above results.

6. Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions.

During the year, the Group had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. However, in accordance with the accounting standards, the Group had also evaluated the outstanding deferred tax liability, and written back an amount to the extent of Rs.2,225 crores to the Consolidated Statement of Profit and Loss for the year ended 31 March 2020. This is arising from the re-measurement of deferred tax liability that is expected to reverse in future when the Company and one of its subsidiaries would migrate to the new tax regime.

Further, certain components of the Group have opted for the new tax rate from financial year 2019-20 which has resulted into a reversal of deferred tax liabilities upto 31 March 2019 amounting to Rs.98 crores during the year ended 31 March 2020.

7. The Company submitted the Resolution Plan in respect of Bhushan Power and Steel Limited (BPSL), a company currently undergoing insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code. The Committee of Creditors (CoC) approved the Resolution Plan and the Resolution Professional issued the Letter of Intent to the Company on 11 February 2019, which was duly accepted by the Company. The Resolution Plan was approved by the National Company Law Tribunal (NCLT) with certain modifications. Subsequently an appeal preferred by the Company has been allowed by the National Company Law Appellate Tribunal (NCLAT) vide its order 17 February 2020. The erstwhile promoters and few operational creditors preferred an Appeal before the Hon'ble Supreme Court against the NCLAT order. The said Appeals along with the Petition of CoC are pending before the Hon'ble Supreme Court for adjudication.
8. Exceptional items for the year and quarter ended 31 March 2020 includes impairment provision of:
 - (i) Rs.725 crores relating to overseas subsidiaries towards the value of Property, plant and equipment (including CWIP), Goodwill, Intangibles and other assets based on the overall assessment of recoverable value considering increased uncertainty in restarting the Iron ore mining operations at Chile on account of COVID 19 outbreak.
 - (ii) Rs.80 crores towards identified items of property, plant and equipment of the Company.
9. The Group is majorly in the business of manufacturing steel products and hence has only one reportable operating segment as per IND AS 108 - Operating Segments.

10. On 11 March 2020, the World Health Organization characterized the outbreak of a strain of the new coronavirus ("COVID-19") as a pandemic. This outbreak is causing significant disturbances and slow down of economic activity. The Group's operations were impacted in the month of March 2020, due to scaling down / suspending production across all plants following nationwide lockdown announced by the Government of India in view of COVID-19. The Government of India permitted certain additional activities from April 20, 2020 in non-containment zones, subject to requisite approvals as may be required. The Group could secure the requisite approvals and has accordingly commenced operations and is gradually ramping up capacity since then.

In assessing the recoverability of carrying amounts of Group's assets such as property, plant & equipment, goodwill and other assets etc, the Group has considered various internal and external information up to the date of approval of these financial results and concluded that they are recoverable based on the estimate of values of the businesses and assets by independent external valuer which was based on cash flow projections/implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore and coal, mineable resources, and assumptions relating to operational performance including significant improvement in capacity utilisation and margins based on forecasts of demand in local markets, and capacity expansion/availability of infrastructure facilities for mines.

The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

11. Previous period/year figures have been regrouped /reclassified wherever necessary.
12. The figures of the quarter ended 31 March 2020 and 31 March 2019 are the balancing figures between the audited figures in respect of the full financial year and published year to date figures upto third quarter of the relevant financial year.
13. The above results have been reviewed by the Audit committee and approved by the Board of Directors at their meetings held on 21 May 2020 and 22 May 2020 respectively.

For JSW Steel Limited

SESHAGIRI RAO
METLAPALLI
VENKATA
SATYA

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Date: 2020.05.22
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Seshagiri Rao M.V.S

Jt. Managing Director & Group CFO

22 May 2020