

## 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 subsidiary (collectively referred to as 'the Group'), which comprise the consolidated balance sheet as at March 31, 2025, and the related consolidated statement of comprehensive (loss)/income, consolidated statement of changes in Shareholder'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, 2025 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 specified in note 2(a) of the 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 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 the basis of preparation paragraph as specified in note 2(a) of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

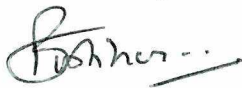


- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we 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.

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.

For SRBC & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003



per Pushkar Sakhalkar  
Partner  
Membership Number: 160411  
UDIN: 25160411BMLZMI1844



Place of Signature: Mumbai  
Date: July 05, 2025

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

		As at	As at
	Note	March 31, 2025	March 31, 2024
<b>ASSETS</b>			
<b>Current Asset</b>			
Cash and cash equivalents		3,563,009	1,062,175
Accounts receivables, net of provision	5	77,259,489	72,274,378
Inventories	6	153,558,830	189,986,841
Advances to Related Party		33,152,053	28,241,944
Loans to related party		3,102,924	-
Prepaid expenses and other current assets		14,317,940	7,134,945
<b>Total current assets</b>		<b>284,954,245</b>	<b>298,700,283</b>
Property, plant and equipment, net of accumulated depreciation	7.1	515,414,561	539,098,734
Loans to related party		-	3,102,924
<b>Total assets</b>		<b>800,368,806</b>	<b>840,901,941</b>
<b>Liabilities and Stockholders' Equity</b>			
<b>Current liabilities</b>			
Accounts payable		13,398,197	20,034,560
Accrued liabilities		16,559,145	22,163,925
Short-term debt	8(a)	105,198,170	108,853,870
Current maturities of long-term debt	8(b)	10,000,000	-
Current maturities of long-term debt- Related Parties	8(b)	118,372,500	-
Accrued interest on debt		10,472,929	27,218,857
Advance from customers		583,065	31,242
<b>Total current liabilities</b>		<b>274,584,006</b>	<b>178,302,454</b>
Long-term debt	8(b)	752,213,924	762,215,031
Long-term debt- Related Parties	8(b)	306,674,118	374,424,105
Accrued interest on debt		52,714,858	14,794,760
<b>Total long-term debt</b>		<b>1,111,602,900</b>	<b>1,151,433,896</b>
<b>Total liabilities</b>		<b>1,386,186,906</b>	<b>1,329,736,350</b>
<b>Members' Interest</b>			
Members' Capital		28,100,100	28,100,100
Accumulated deficit		(613,918,200)	(516,934,509)
<b>Total stockholders' equity</b>		<b>(585,818,100)</b>	<b>(488,834,409)</b>
<b>Total liabilities and stockholders' equity/(deficit)</b>		<b>800,368,806</b>	<b>840,901,941</b>

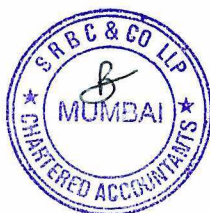
See accompanying notes to the special purpose consolidated financial statements



Samir Kalra  
President



Sanjay Pipalia  
Chief Financial Officer



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

	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Revenue	4	547,783,547	687,073,501
<b>Operating expenses:</b>			
Cost of sales (other than depreciation)		512,236,543	551,250,710
Freight outward expenses		20,107,686	20,016,079
Selling, general and administrative expenses:		39,297,849	42,951,499
<b>Total</b>		<b>571,642,078</b>	<b>614,218,288</b>
<b>Income / (loss) from operations</b>		<b>(23,858,531)</b>	<b>72,855,213</b>
<b>Other income (expenses):</b>			
Interest income		3,864,114	3,150,432
Facility fees and financing charges	8(b)	(78,114,298)	(88,381,124)
Other income		1,185,770	479,579
Gain on Sale of Mining operations		-	23,912,777
<b>Net interest and other finance costs</b>		<b>(73,064,414)</b>	<b>(60,838,336)</b>
<b>Net Income/ (Loss) before income taxes</b>		<b>(96,922,945)</b>	<b>12,016,876</b>
<b>Income taxes</b>			
Current income tax expense/(benefit)	9	60,745	788,545
<b>Total income taxes</b>		<b>60,745</b>	<b>788,545</b>
<b>Net Income/(Loss)</b>		<b>(96,983,690)</b>	<b>11,228,331</b>
<b>Other comprehensive Income/(Loss)</b>		-	-
<b>Net comprehensive Income/(Loss)</b>		<b>(96,983,690)</b>	<b>11,228,331</b>
<b>Net loss / total comprehensive loss attributable to:</b>			
Owners of the Company		(96,983,690)	9,099,756
Non-controlling interest		-	2,128,575
<b>Net comprehensive Income/(Loss)</b>		<b>(96,983,690)</b>	<b>11,228,331</b>

See accompanying notes to the special purpose consolidated financial statements



Samir Kalra  
President



Sanjay Pipalla  
Chief Financial Officer



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

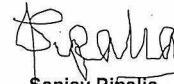
Particulars	Member's Interest	Accumulated Deficit	Non-Controlling Interest	Total Equity
Balance as at April 1, 2024	28,100,100	(516,934,508)	-	(488,834,408)
Loss for the year	-	(96,983,690)	-	(96,983,690)
Balance as at March 31, 2025	28,100,100	(613,918,198)	-	(585,818,098)

Particulars	Member's Interest	Accumulated Deficit	Non-Controlling Interest	Total Equity
Balance as at April 1, 2023	28,100,100	(453,091,467)	(75,071,374)	(500,062,740)
Income for the year	-	9,099,756	2,128,575	11,228,331
Less: Acquisition of NCI	-	(72,942,798)	72,942,798	-
Balance as at March 31, 2024	28,100,100	(516,934,509)	-	(488,834,409)

See accompanying notes to the special purpose consolidated financial statements



Samir Kalra  
 President



Sanjay Pipalia  
 Chief Financial Officer




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

	March 31, 2025	March 31, 2024
<b>a) Cash flow from operating activities:</b>		
Net Income / (Loss)	(96,983,690)	11,228,331
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	43,886,815	42,510,082
Allowance for doubtful accounts	-	201,861
Income tax benefit / (expense)	-	788,545
Amortisation of facility fees	35,000	8,097,559
Interest income on advances to related party	(3,674,683)	-
Gain on sale of mining operations	-	(23,912,777)
Amortisation of bond expense and bond premium	-	(2,123,493)
<b>Changes in operating assets and liabilities:</b>		
<b>(Increase)/Decrease in</b>		
Trade receivables	(4,986,218)	(436,061)
Inventories	36,428,012	(3,682,926)
Advances to related party	(4,910,110)	(28,241,944)
Prepaid expenses and other current assets	(7,182,995)	(14,198,910)
<b>Increase/(Decrease) in</b>		
Accounts payable	(11,581,521)	(3,912,757)
Accrued liabilities	(5,604,780)	(359,070)
Accrued interest on debt	21,174,170	7,569,709
Advance from customers	551,823	-
<b>Net cash provided/(used in) after working capital changes</b>	<b>(32,848,177)</b>	<b>(6,471,850)</b>
Less: Taxes Paid during the year	(60,747)	(502,625)
<b>Net cash provided/(used) in operating activities (A)</b>	<b>(32,908,924)</b>	<b>(5,969,225)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(15,257,483)	(36,591,895)
Proceeds from sale of mining operations	-	24,000,000
<b>Net cash used in investing activities (B)</b>	<b>(15,257,483)</b>	<b>(12,591,895)</b>
<b>Cash flows from financing activities:</b>		
Proceeds/(Repayment) of working capital facilities	(3,655,700)	15,174,609
Facility Fees Paid during the year	(35,000)	-
Long term borrowings	-	(93,134,974)
Loans repaid to related parties	(67,749,989)	(11,792,936)
Proceeds of loan from related parties	118,372,500	103,733,500
Interest income on advances	3,674,683	-
Other payables	-	-
<b>Net cash from financing activities (C)</b>	<b>50,606,494</b>	<b>13,980,199</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>2,500,834</b>	<b>(4,580,921)</b>
Cash and cash equivalents at beginning of the year	1,062,175	5,643,096
Cash and cash equivalents at end of the year	3,563,009	1,062,175
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid	53,041,692	69,562,745
<b>Non cash investing activity</b>		
Payables relating to purchase of PPE	5,013,905	9,959,062

See accompanying notes to the special purpose consolidated financial statements

  
**Samir Kalra**  
President

  
**Sanjay Pipalia**  
Chief Financial Officer



**Periama Holdings, LLC**  
**Notes to Special Purpose Consolidated Financial Statements**  
**(Currency: US dollars)**

**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 company is JSW Steel Limited ( India).

The Company owned 90 percent of common stock of JSW Steel (USA), Inc. and purchased the balance 10 percent owned by Green Suppliers and Services Pte. Ltd on 18 December, 2023 which resulted in JSW Steel (USA), Inc becoming a 100 percent subsidiary. JSW Steel USA, Inc consists of a steel plate manufacturing facility, a pipe manufacturing facility, 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'). On December 18, 2024, Purest Energy, LLC was merged into Periama Holdings, LLC pursuant to a merger agreement. The merger was completed through the transfer of all of Purest Energy's net assets to Periama Holdings, and Purest Energy ceased to exist as a legal entity following the transaction.

On 20th September, 2023, Caretta Minerals ,LLC, (wholly owned subsidiary of Planck Holdings LLCs), property, plant and equipment and mineral rights were sold to West Virginia Properties, Inc a Delaware corporation ("WVP") and Alawest Inc, a Delaware corporation ("Alawest").

**2. Summary of significant accounting policies**

**a) Basis of preparation**

The special purpose 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 United States Dollars (USD). All significant inter-company transactions have been eliminated upon consolidation. These special purpose consolidated financial instruments are prepared for JSW Steel Limited to comply with the requirement of Regulation 46(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the 'LODR') in India. Accordingly, these special 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 special purpose 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 and intangible assets, allowance for doubtful accounts, realizability of deferred tax assets, valuation of inventories, income tax uncertainties and other contingencies and commitments.



**Periama Holdings, LLC**  
**Notes to Special Purpose Consolidated Financial Statements**  
**(Currency: US dollars)**

**c) Revenue Recognition**

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 and cash discounts. Shipping and other transportation costs charged to customers are treated as fulfillment activities and are recorded in both revenue and cost of sales (disclosed separately) at the time control is transferred to the customer. Revenue is generated primarily from contracts to produce, ship and deliver steel products.

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

- a. It is probable 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 customers.

In the course of doing business, the Group collects taxes from customers, including but not limited to sales taxes. It is the Group's policy to record these taxes on a net basis in the statement of comprehensive income/(Loss); therefore, the Group does not include the taxes collected as a component of revenues.

Customers are invoiced at the time title transfers and the right to consideration is unconditional, accordingly the Group does not maintain contract asset balances. Additionally, the Group recognises contract liability balances as performance obligations are satisfied after receipt of advance payment for select customers.

**(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) Accounts Receivables**

Accounts receivable are stated net of an allowance for doubtful accounts. The Group measures the allowance for doubtful accounts using an expected credit loss model which is based upon estimated losses that could result from a customer's inability to pay for services provided. This model is based on a combination of historical losses, ageing 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).



**Periama Holdings, LLC**  
**Notes to Special Purpose Consolidated Financial Statements**  
**(Currency: US dollars)**

**(f) 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 the 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. Adjustments, if required, to reduce the cost of inventory to market (net realisable value) are made, for, estimated excess, obsolete or impaired balances.

Stores and Spares are stated at cost i.e. purchase price and direct attributable cost. Items which are aged for more than 10 years are provisioned at 95%. Stores and Spares which are in nature of consumables are classified as inventory and which are of critical spare or capital spare nature forms part of Property Plant Equipment and is capitalised.

**(g) 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. 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-day servicing of property, plant and equipment are recognized in the Statement of Comprehensive Income / (Loss) as incurred.



**Periama Holdings, LLC**  
**Notes to Special Purpose Consolidated Financial Statements**  
**(Currency: US dollars)**

**(h) 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 estimates.

**(i) Asset Retirement Obligation**

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 and accordingly these financial bonds have been full provided in the books of the Group. 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.



**Periama Holdings, LLC**  
**Notes to Special Purpose Consolidated Financial Statements**  
**(Currency: US dollars)**

**(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.

**(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, 2025. 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.



**Periama Holdings, LLC**  
**Notes to Special Purpose Consolidated Financial Statements**  
**(Currency: US dollars)**

**(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) 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.

**(q) 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.

**(r) Leasing arrangements**

The Group follows ASC 840, "Leases", which requires companies to assess the classification of the leases they enter into as either a capital lease or an operating lease. The Group accounts for its operating leases in accordance with the authoritative accounting standard on leases, which requires, among other things, accounting for the straight-line effect of escalating rents during the lease term.



**Periama Holdings, LLC**  
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**3.1 Recently adopted accounting standards**

(a) During the year ended March 31, 2025, there were no new accounting standards and interpretations issued which are expected to have a material impact on the Group's financial position, operations or cash flows.

**3.2 Recently issued accounting pronouncements**

(a) In December 2023, the FASB issued Accounting Standards Update 2023-09, Improvements to Income Tax Disclosures (ASU 2023-09). ASU 2023-09 includes requirements that an entity disclose specific categories in the rate reconciliation and provide additional information for reconciling items that are greater than five percent of the amount computed by multiplying pretax income (or loss) by the applicable statutory income tax rate. The standard also requires that entities disclose income (or loss) from continuing operations before income tax expense (or benefit) and income tax expense (or benefit) each disaggregated between domestic and foreign. In addition, the standard also requires disclosure of payment amounts disaggregated by federal, state, and foreign, as well as by major jurisdiction. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 for public business entities and for entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2025.



Periama Holdings, LLC  
Notes to Special Purpose Consolidated Financial Statements  
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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 Group generates revenue from sale of plates and pipes to customers within North America. 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 and cash discounts. Revenues are recorded net of any sales incentives. Further, the Group has determined that the storage cost in relation to Bill and Hold arrangements are not material and hence, have not been considered as a separate performance obligation.

The following table disaggregates the revenue by product:

	Year ended March 31, 2025	Year ended March 31, 2024
Plates	431,051,305	559,130,442
Pipes	77,970,577	72,309,391
Metallurgical Coal	-	8,660,263
Others	38,761,665	46,973,405
	<u>547,783,547</u>	<u>687,073,501</u>

**Note 5**

**Accounts receivables, net of provision**

	As at March 31, 2025	As at March 31, 2024
Trade receivables	66,462,341	66,288,745
Receivables from related parties	13,076,172	8,264,657
Less: Allowance for doubtful debts	(2,279,024)	(2,279,024)
<b>Total Accounts Receivables</b>	<u>77,259,489</u>	<u>72,274,378</u>

**Movement in allowance for expected credit losses**

Description	Amount
Balance at beginning of period	2,279,024
Additions	-
Deductions	-
<b>Balance at end of period</b>	<u>2,279,024</u>

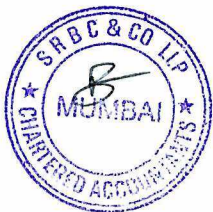
**Note 6**

**Inventories**

	As at March 31, 2025	As at March 31, 2024
Raw materials [including goods in transit of \$49,813,922 (March 31, 2024: \$57,592,056)]	92,853,353	132,997,495
Work in Progress	20,435,506	9,904,490
Finished Goods	20,551,749	27,742,229
Scrap	812,680	142,375
Production Consumables & Stores & Spares	18,905,542	19,200,252
<b>Total Inventories</b>	<u>153,558,830</u>	<u>189,986,841</u>

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

During the year the Group recognised an expense of \$557,101 (March 31, 2024: \$2,465,374) in cost of sales on account of write down of certain inventories.



Periama Holdings, LLC  
Notes to Special Purpose Consolidated Financial Statements  
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Note 7.1  
Property, Plant and Equipment

	As at March 31, 2025	As at March 31, 2024
Land	4,045,113	4,045,113
Mine Development cost	14,113,533	14,023,533
Buildings	167,654,674	167,654,674
Machinery and equipment	932,164,462	918,750,272
Computer equipment	1,888,619	1,888,619
Furnitures and fixtures	642,050	642,050
Vehicles	2,835,734	2,835,734
	<u>1,123,344,185</u>	<u>1,109,839,994</u>
Less: Accumulated Depreciation	(707,186,619)	(665,275,132)
Less: Provision for Impairment	(14,100,386)	(12,202,192)
Capital Work-in-Progress	113,357,381	106,736,064
<b>Total Property, Plant and Equipment</b>	<u><u>515,414,561</u></u>	<u><u>539,098,734</u></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 \$ 43,886,815 and \$ 42,510,081 for the years ended March 31, 2025 and March 31, 2024 respectively.

During the previous year, the Group conducted a detailed technical analysis of its existing Stores & Spares inventory to identify items which are capital spares or critical spares and hence should have been capitalised as Property, Plant and Equipment. As a result of this analysis, Stores & Spares amounting to \$ 7,148,103 were capitalized as Property, Plant and Equipment. The cumulative depreciation recognized on these capitalized Stores and Spares amounted to \$ 2,733,886.

Note 7.2  
Owned and leased mineral rights

The Group owns certain mineral rights which have been impaired in earlier years due to cessation of operations owing to lack of commercial viability.



Periama Holdings, LLC  
Notes to Special Purpose Consolidated Financial Statements  
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Note 8

Debt

(a) Short term debt

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 facilities. The arrangements have varying interests when the banker's acceptance occurs. These facilities are summarised below:

As at March 31, 2025

Bank	Limits	Availed	Banker's Acceptance Utilized	Total short-term debt	Letters of Credit Utilized	Available
<b>Working Capital Loans</b>						
BMO Harris - Base Rate Loan		148,321	-	148,321	-	
BMO Harris - Libor Rate Loan	185,000,000	84,851,679	-	84,851,679	-	63,108,519
BMO Harris - Letter of credit		-	20,198,170	20,198,170	16,693,311	
<b>TOTAL</b>	<b>185,000,000</b>	<b>85,000,000</b>	<b>20,198,170</b>	<b>105,198,170</b>	<b>16,693,311</b>	<b>63,108,519</b>

As at March 31, 2024:

Bank	Limits	Availed	Banker's Acceptance Utilized	Total short-term debt	Letters of Credit Utilized	Available
<b>Working Capital Loans</b>						
BMO Harris - Base Rate Loan		3,730,377	-	3,730,377		
BMO Harris - Libor Rate Loan	185,000,000	103,000,000	-	103,000,000		74,658,446
BMO Harris - Letter of credit			-		3,611,157	
Unamortized premium on Bonds		2,123,492	-	2,123,492		
<b>TOTAL</b>	<b>185,000,000</b>	<b>108,853,869</b>	<b>-</b>	<b>108,853,869</b>	<b>3,611,157</b>	<b>74,658,446</b>

\*These facilities carry an interest rate of 6% to 9%. They are secured against current assets and certain property, plant & equipment and are repayable on demand.



Periama Holdings, LLC  
Notes to Special Purpose Consolidated Financial Statements  
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(b) Long term debt

Details of long term debt as at March 31, 2025 are as follows:

External debt

Particulars	Maturity dates by fiscal year	Carrying value
<b>A) Secured loan</b>		
i) Fixed rate 5.95 % Notes, guaranteed by JSW Steel Limited	2027	750,000,000
Add / (less): unamortized premium & debt issuance costs		2,213,924
		<b>752,213,924</b>
<b>B) Unsecured loans</b>		
Notes Payable- PPP Loan		
Payment Protection Program Loan (refer note below)	2026	10,000,000
<b>Total debt (A+B)</b>		<b>762,213,924</b>
Less: Current maturities of long-term debt		(10,000,000)
<b>Long term debt</b>		<b>752,213,924</b>

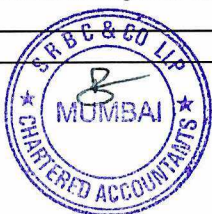
Loans from related parties

Particulars	Maturity dates by fiscal year	Carrying value
<b>Unsecured loans</b>		
i) JSW Steel Limited	2026	118,372,500
	2027	64,742,500
	2028	22,312,500
	2029	156,439,009
	2030	50,622,513
ii) JSW Steel Netherlands	2029	12,557,596
<b>Total debt (i+ii)</b>		<b>425,046,618</b>
Less: Current maturities of long-term debt		(118,372,500)
<b>Long term debt</b>		<b>306,674,118</b>

Details of long term debt as at March 31, 2024 are as follows:

External debt

Particulars	Maturity dates by fiscal year	Carrying value as at March 31, 2024
<b>A) Secured loan</b>		
i) Fixed rate 5.95 % Notes, guaranteed by JSW Steel Limited	2027	750,000,000
Add / (less): unamortized premium & debt issuance costs		2,215,031
		<b>752,215,031</b>
<b>B) Unsecured loans</b>		
i) Payment Protection program Loan (Refer note below)	2026	10,000,000
<b>Long-term debt (A+B)</b>		<b>762,215,031</b>
Less: Current maturities of long-term debt		-
<b>Long term debt</b>		<b>762,215,031</b>



Periama Holdings, LLC  
Notes to Special Purpose Consolidated Financial Statements  
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Loans from related parties

Particulars	Maturity dates by fiscal year	Carrying value as at March 31, 2024
<b>Unsecured loans</b>		
i) JSW Steel Limited	2026	118,372,500
	2027	64,742,500
	2028	22,312,500
	2029	156,439,009
	2030	-
		<b>361,866,509</b>
ii) JSW Steel Netherlands	2029	<b>12,557,596</b>
<b>Long-term debt (A+B)</b>		<b>1,136,639,136</b>
Less: Current maturities of long-term debt		-
<b>Long term debt</b>		<b>1,136,639,136</b>



Periama Holdings, LLC  
Notes to Special Purpose Consolidated Financial Statements  
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Notes:

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. along with its subsidiaries (the Group) filed a joint application on behalf of the eligible subsidiaries of JSW Steel Limited and availed a loan of \$10 Million under the PPP program. Accordingly, the Group has recorded its share of the PPP loan of \$10 Million under the PPP program and receivable from fellow subsidiary of \$3.10 million.

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

Fiscal Year	Annual maturity
2026	128,372,500
2027	814,742,500
2028	22,312,500
2029	168,996,605
2030	50,622,513
Thereafter	-
<b>Total</b>	<b>1,185,046,618</b>

Facility Fees and Financing charges

	March-25	March-24
<b>Interest expenses:</b>		
Long-term debt from bank	-	4,372,747
Bonds & other long-term debt	45,152,905	49,997,260
Working capital demand loans	7,668,130	6,003,884
Debt from related parties	26,911,001	20,897,437
Others	33,434	745,243
	<b>79,765,470</b>	<b>82,016,572</b>
Bank Charges	438,428	397,415
Amortisation of facility fees*	35,000	8,097,559
Amortisation of Bond Expenses	1,042,174	1,045,028
Bond Premium - Amortized	(3,166,774)	(3,175,450)
<b>Total facility fees and financing charges</b>	<b>78,114,298</b>	<b>88,381,124</b>

\*Includes amortized fee which is expensed in the previous year on account of prepayment of loan taken from Banco BMO S.P.A and Intesa Sanapaola S.P.A. New York branch



Periama Holdings, LLC  
Notes to Special Purpose Consolidated Financial Statements  
(Currency: US dollars)

**Note 9**

**Income Taxes**

The major components of income tax expense for the years ended March 31, 2025 and March 31, 2024 are as follows:

**a) Income Taxes**

	Mar-25	Mar-24
Current income tax	60,745	779,245
Deferred tax expense / (benefit)	-	-
<b>Income tax expense reported in the Statement of comprehensive loss</b>	<b>60,745</b>	<b>779,245</b>

The tax years ending March 31, 2021 onwards are open to audit by the Internal Revenue Service as per the normal 3 year limitation. The Group is open to various state taxing jurisdictions 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, 2025 and March 31, 2024:

	Mar-25	Mar-24
<b>Accounting profit/ (loss) before income tax</b>	<b>(96,922,945)</b>	<b>12,016,876</b>
At United States' income tax rate of 21% (March 31, 2024: 21%)	(20,354,143)	2,523,544
<b>Reconciliation items</b>		
Incremental valuation allowance created	14,347,285	(14,542,789)
Permanent Difference	6,809,284	9,435,059
Expiry NOLs during the year	(85,073)	931,024
Others	(656,608)	2,432,408
<b>Total deferred tax expense</b>	<b>60,745</b>	<b>779,245</b>

**c) Deferred tax assets/ (liabilities)**

	Mar-25	Mar-24
Deferred tax assets	157,701,125	148,950,616
Deferred tax liability	(74,544,380)	(80,140,755)
Net deferred tax asset	83,156,745	68,809,861
Less: Valuation allowance	(83,156,745)	(68,809,861)
<b>Net deferred tax assets</b>	<b>-</b>	<b>-</b>

**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, 2025 and 2024 are presented below:

	Mar-25	Mar-24
<b>Deferred Tax Assets</b>		
Net operating losses	114,024,217	114,213,774
Interest accrual for payment to related parties	8,673,559	3,106,900
Provision for doubtful debts	496,448	496,448
Interest not allowed per provisions of 163(j)	31,143,608	27,267,035
Charitable Contribution	71,971	-
Others	3,291,722	3,866,459
<b>Total deferred tax assets (a)</b>	<b>157,701,525</b>	<b>148,950,616</b>
<b>Deferred Tax Liabilities</b>		
Difference between tax base and book base of assets	(74,544,380)	(80,140,755)
<b>Gross deferred tax liabilities (b)</b>	<b>(74,544,380)</b>	<b>(80,140,755)</b>
<b>Net deferred tax assets (a - b)</b>	<b>83,157,145</b>	<b>68,809,861</b>
Less: Valuation allowance	(83,157,145)	(68,809,861)
<b>Net deferred tax assets</b>	<b>-</b>	<b>-</b>

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies.

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the history of losses for current and prior years, the management believes it is more likely than not that the deferred tax assets will be realized in foreseeable future.

Accordingly, the Group has created a valuation allowance of \$ 83,157,145 and \$ 68,809,861 as at March 31, 2025 and March 31, 2024 respectively on account of temporary differences arising out for tax purposes.



Periama Holdings, LLC  
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**Note 10**

**Related party disclosures**

For the purpose of the consolidated financial statements, a party is 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

**a) Transaction with related parties**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Transactions during the year</b>		
<b>Purchases during the year</b>		
JSW Steel USA Ohio, Inc	259,935,301	291,594,503
<b>Sales during the year</b>		
JSW Steel USA Ohio, Inc	25,224,534	32,968,770
<b>Loans received</b>		
JSW Steel Limited	50,622,513	103,733,500
<b>Reimbursement of expenses by</b>		
JSW Steel USA Ohio, Inc	6,667,007	1,946,822
<b>Loan Repaid</b>		
JSW Steel Limited	-	11,792,936
<b>Interest Repaid</b>		
JSW Steel Limited	403,000	14,704,192
<b>Interest on loan taken</b>		
JSW Steel Limited	25,981,565	20,071,665
JSW Steel Netherlands, B.V	929,436	825,772
<b>Interest on advance given to</b>		
JSW Steel USA Ohio, Inc	3,676,779	2,917,079
<b>Interest on loan given to</b>		
JSW Steel USA Ohio, Inc	31,460	31,546



Periama Holdings, LLC  
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b) Balances with related parties

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Accounts Receivables</b>		
JSW Steel Limited	369,428	283,490
JSW Steel USA Ohio, Inc	12,706,744	7,981,167
<b>Interest payable</b>		
JSW Steel Netherlands B.V	6,262,423	5,332,987
JSW Steel Limited	35,040,238	9,461,773
<b>Advances to vendor</b>		
JSW Steel USA Ohio, Inc.	33,152,053	28,241,944
<b>Other receivables*</b>		
JSW Steel USA Ohio, Inc.	8,613,829	4,863,902
<b>Interest receivable on loans given*</b>		
JSW Steel USA Ohio, Inc.	149,458	119,997
<b>Interest receivable on advances given*</b>		
JSW Steel USA Ohio, Inc.	857,416	2,917,079
<b>Loan Receivable</b>		
JSW Steel USA Ohio, Inc.	3,102,924	3,102,924
<b>Loans Payable</b>		
JSW Steel Netherlands B.V	12,557,596	12,557,596
JSW Steel Limited	412,489,022	361,866,509

\*The said balances are categorised under Prepaid and other current assets

**Terms and conditions of transactions with related parties**

1. The sale and purchases are made on normal commercial terms and conditions at market rates and having a credit period of 30-60 days.
2. Loans received from related parties are unsecured, bear interest rates ranging from LIBOR plus a margin of 4.10% to 6.10%, and are repayable over a period of 36 to 60 months. Additionally, a loan of \$3.10 million given to JSW Steel USA Ohio, Inc. under the Paycheck Protection Program (PPP) carries an interest rate of 1% and is repayable by the end of June 2025.
3. Interest bearing advance of \$31.15mn given to JSW Steel USA Ohio, Inc, against purchase of slabs from the related party and carries an interest which is based on the working capital facilities availed by the Group.



**Periama Holdings, LLC**  
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**Note 11**

**Commitments and Contingencies**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is USD 1,408,183 as at March 31, 2025 (as at March 31, 2024 : \$18,688,341)

b) The standby letters of credit is USD 16,963,311 as at March 31, 2025 (as at March 31, 2024: USD 3,611,157)

c) The Group has no cases of Occupational Safety and Health Administration as at March 31, 2025. The Group has 4 on-going litigation against it, all of them are identified as remote. The management does not expect any material penalty as at the reporting date and therefore no provision has been made as at March 31, 2025.

**Note 12**

**Financial Instruments**

Financial instruments consists of cash and cash equivalents, accounts receivables, advance to vendors, accounts payables, accrued liabilities and debts.

The Group has exposure to the following risks arising from financial instruments:

- Concentration of risk;
- Market risk

**I. Concentration of risk**

The Group manages its exposures to credit risk associated with accounts receivables using tools such as credit approvals, credit limit and monitoring procedures. The Group sets credit limits based on the insurance limits provided by a third party agent (i.e. Euler Hermes). The Group measures the allowance for doubtful accounts using an expected credit loss model which is based upon estimated losses that could result from a customer's inability to pay for services provided. This model is based on a combination of historical losses, ageing of receivables and the financial condition of a particular customer. In management's opinion as of March 31, 2025, the Group did not have significant unreserved risk of credit loss due to the non-performance of customers or other counterparties related to amounts receivable.

**II. Market risk**

The Group is exposed to certain risks related to its ongoing business operations, including financial, market, political and economic risks. The following provides information regarding the Group's exposure to the risks of changing commodity prices. In the ordinary course of business, the Group is exposed to market risk and price fluctuations related to the sale of its products which are impacted primarily by market prices for finished goods including other related spot pricing indices. Further, the purchase of raw materials used in its operations, are impacted by market prices for slabs.

The Group's financial statements can vary as a result of aforementioned fluctuations in market prices. The Group attempts to mitigate these risks by aligning fixed and variable components in the customer pricing contracts and supplier purchasing agreements. Consequentially, to reduce its exposure, the Group enters into annual pricing agreements for the sale of finished goods for select customers and suppliers.



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**Note 13**

**Retirement plan**

The Group 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 Group's matching portion. The Group's contribution to the retirement plan is \$1,104,399 during the year ended March 31, 2025 (March 31, 2024: \$1,020,143)

**Note 14**

**Healthcare Benefits**

The Group provides healthcare benefits to its active full-time workers. The Group uses a third-party commercial insurance carrier to handle the healthcare insurance. The Group payment related to healthcare benefits were \$4,010,521 and \$5,073,436 for the years ending March 31, 2025 and 2024, respectively.

**Note 15**

As at March 31, 2025 the Group has accumulated losses of \$ 613,918,200 (As at March 31, 2024: \$ 516,934,509) and a negative networth of \$ 585,818,800 (March 31, 2024: \$ 488,834,409). During the year ended March 31, 2025, the Group had a loss of \$ 96,983,690 (March 31, 2024 net profit of \$11,228,331). For its steel operations, the Group continued making profit in the current year. Further, the Ultimate Holding Company, JSW Steel Limited has committed to provide continuing financial and operational support to the Group, for its continued operations in the foreseeable future. Accordingly, these financial statements have been prepared under the going concern assumption.

**Note 16**

**Subsequent Events**

Subsequent events have been evaluated through July 05, 2025 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.

**Note 17**

Previous year numbers have been regrouped wherever required to confirm to current year classification.

