

**INDEPENDENT AUDITOR'S REPORT**

To the Members of JSW Utkal Steel Limited

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

We have audited the accompanying financial statements of JSW Utkal Steel Limited ("the Company"), which comprise the Balance sheet as at March 31 2025, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us , the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Other Information**

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

**Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 , as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets



of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

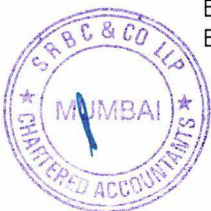
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph (i)(vi) below on reporting under rule 11(g);
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under rule 11(g);
  - (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
    - iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 34 (v) to the financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 34 (vi) to the financial statement, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data in the underlying database of SAP HR - Payroll application for certain users as described in note 37 to the financial statements.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of accounting software where the audit trail has been enabled. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective year.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Anant Acharya**

Partner

Membership Number: 124790

UDIN: 25124790BMLDYS3988

Place of Signature: Mumbai

Date: May 21, 2025



Annexure "1" referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: JSW Utkal Steel Limited ("the Company")

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is in the process of setting up an integrated steel plant and does not have inventory as on date and, accordingly the requirements under clause 3(ii)(a) of the Order are not applicable to the Company at this stage.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies as follows:

Particulars	Guarantees/S ecurity	Loans	(Rs. In "000)	
			Advances	in nature of loans
Aggregate amount granted/ provided during the year				
-Others (fellow subsidiary)	-	1,08,30,000	-	
Balance outstanding as at balance sheet date in respect of above cases				
- Others (fellow subsidiary)	-	1,08,30,000	-	

During the year the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to Limited Liability Partnerships or any other parties.

- (b) During the year, the terms and conditions of grant of all loans to companies are not prejudicial to the Company's interest. Further, the Company has not made any investment, provided guarantees, given security or granted advances in nature of loans during the year.



- (c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and no repayments were due during the year.
- (d) There are no amounts of loans granted to companies which are overdue for more than ninety days.
- (e) There were no loans granted to companies which had fallen due during the year.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans in respect of which provisions of sections 186 of the Companies Act, 2013 ("the Act") are applicable have been complied with by the Company. There is no loan, investment, guarantees, and Security given in respect of which provisions of section 185 of the Act are applicable.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is in the process of setting up an integrated steel plant and has not commenced commercial production. Hence the requirements relating to report on clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it. The provisions relating to duty of custom, duty of excise, sales tax, service tax and value added tax are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, cess and other statutory dues which have not been deposited on account of any dispute. The provisions relating to sales-tax, service tax, duty of customs, duty of excise, value added tax are not applicable to the Company.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause 3ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year, hence the reporting requirement to report on clause 3(ix)(c) of the order is not applicable to the Company.



- (d) The Company did not raise any funds during the year hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.



- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) We have been informed by the management that as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is registered and four CICs which are not required to be registered with the Reserve Bank of India, forming part of the promoter group.
- (xvii) The Company has not incurred any cash losses in the current financial year. The Company has incurred cash losses amounting to INR 1,31,556 (Thousand) in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 30 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of section 135 of the Act are not applicable to the Company. Accordingly, the requirement to report on clause (xx) of the Order is not applicable to the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

  
per **Anant Acharya**  
Partner

Membership Number: 124790

UDIN: 25124790BMLDYS3988

Place of Signature: Mumbai

Date: May 21, 2025



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

We have audited the internal financial controls with reference to financial statements of JSW Utkal Steel Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

**Meaning of Internal Financial Controls with reference to these Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Anant Acharya  
Partner

Membership Number: 124790  
UDIN: 25124790BMLDYS3988  
Place of Signature: Mumbai  
Date: May 21, 2025



(Rupees In '000)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	1,30,108	1,60,151
(b) Capital work-in-progress	4	19,73,852	1,30,77,742
(c) Right-of-use assets	5	36,49,938	36,47,962
(d) Other Intangible assets	6	1,098	2,198
(e) Financial assets			
(i) Other Financial Assets	7	33,987	26,700
(f) Tax assets (net)	17	12,277	-
(g) Other non-current assets	9	12,66,064	7,45,152
<b>Total non-current assets</b>		<b>70,67,324</b>	<b>1,76,59,905</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	10	69,631	8,411
(ii) Loans	8	1,08,30,000	-
(iii) Other financial assets	7	37,44,935	465
(b) Other current assets	9	222	1,607
<b>Total current assets</b>		<b>1,46,44,788</b>	<b>10,483</b>
<b>Total Assets</b>		<b>2,17,12,112</b>	<b>1,76,70,388</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	1,87,20,269	1,47,18,469
(b) Other Equity	12	8,47,947	(4,73,350)
<b>Total equity</b>		<b>1,95,68,216</b>	<b>1,42,45,119</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease Liability	13	2,71,099	2,71,156
(ii) Other financial liabilities	14	15,754	38,994
(b) Provisions	18	21,380	11,976
<b>Total Non-current liabilities</b>		<b>3,08,233</b>	<b>3,22,126</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	9,74,600	-
(ii) Trade payables	15		
- Total outstanding due to micro enterprise and small enterprise		12,100	11,840
- Total outstanding due to other than micro enterprise and small enterprise		11,382	22,348
(iii) Lease Liability	13	25,613	25,616
(iv) Other financial liabilities	14	7,24,013	30,23,341
(b) Provisions	18	4,391	4,209
(c) Other current liabilities	16	83,564	15,789
<b>Total current liabilities</b>		<b>18,35,663</b>	<b>31,03,143</b>
<b>Total liabilities</b>		<b>21,43,896</b>	<b>34,25,269</b>
<b>Total Equity and liabilities</b>		<b>2,17,12,112</b>	<b>1,76,70,388</b>

Material Accounting Policies  
The accompanying notes are an integral part of the financial statements

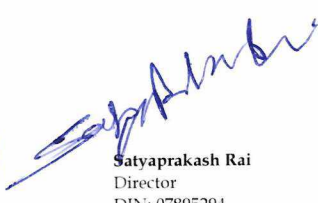
As per our Report of even date  
For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration No. 324982E/E300003

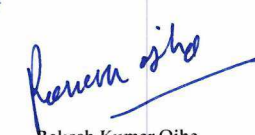
For and on behalf of the Board of Directors  
of JSW Utkal Steel Limited




per Anant Acharya  
Partner  
Membership No.: 124790  
Place of Signature: Mumbai  
Date: May 21, 2025



  
Satyaprakash Rai  
Director  
DIN: 07895294

  
Rakesh Kumar Ojha  
Whole time Director  
DIN: 10997937

  
Amarnath Tiwari  
Company Secretary  
Membership No.: A22501  
Place of Signature: Mumbai  
Date: May 21, 2025

  
Nitin Kale  
Chief Financial Officer



JSW Utkal Steel Limited  
Statement of Profit and Loss for the period ending March 31, 2025  
CIN No.U27209MH2017PLC301887

		(Rupees In '000)	
Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
I Revenue from operations		-	-
II Other Income	20	13,056	47
III Total income (I + II)		<u>13,056</u>	<u>47</u>
IV Expenses			
(a) Employee benefits expense	21	35,911	36,268
(b) Finance Cost	22	46,722	3,273
(c) Depreciation and amortization expense	23	79,599	27,806
(d) Other expenses	24	37,620	92,463
Total expenses		<u>1,99,852</u>	<u>1,59,810</u>
V Loss before exceptional items and tax (III-IV)		<u>(1,86,796)</u>	<u>(1,59,763)</u>
VI Exceptional Item	35	24,03,800	-
VII Profit/(Loss) before tax (V-VI)		<u>22,17,004</u>	<u>(1,59,763)</u>
VIII Tax expense	17	3,45,707	-
IX Profit/(Loss) for the year (VII- VIII)		<u>18,71,297</u>	<u>(1,59,763)</u>
X Other Comprehensive Income		@	-
XI Total Comprehensive Income for the year (IX-X)		<u>18,71,297</u>	<u>(1,59,763)</u>
XII Earnings per equity share (of ₹ 10/- each):			
(a) Basic & Diluted (in ₹)	25	1.05	(0.15)
@ represents less than ₹ 1 ('000)			

Material Accounting Policies 2  
The accompanying notes are an integral part of the financial statements


As per our Report of even date  
For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration No. 324982E/E300003

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

  
per Anant Acharya  
Partner  
Membership No.: 124790  
Place of Signature: Mumbai  
Date: May 21, 2025



  
Satyaprakash Rai  
Director  
DIN: 07895294

  
Amarnath Tiwari  
Company Secretary  
Membership No.: A22501  
Place of Signature: Mumbai  
Date: May 21, 2025

  
Rakesh Kumar Ojha  
Whole time Director  
DIN: 10997937

  
Nitin Kale  
Chief Financial Officer



JSW Utkal Steel Limited.  
Statement of Cash flows for the year ended 31 March 2025  
CIN No.U27209MH2017PLC301887

Particulars	(Rupees In '000)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. Cash flow from operating activities</b>		
Net profit/(loss) before tax	22,17,004	(1,59,763)
Adjustment for:		
Interest Income	(13,056)	(6)
Finance Cost	46,574	3,273
Depreciation & amortization expenses	79,599	27,806
Gain on sale of slurry business (Refer Note 35)	(24,03,800)	-
Interest on Income tax	136	-
Exchange Differences (Loss)	440	-
<b>Operating loss before working capital changes</b>	<b>(73,103)</b>	<b>(1,28,690)</b>
<b>Adjustments for increase/decrease in Operating Assets/ Liabilities:</b>		
(Increase)/Decrease in Other Financial Assets	(18,572)	-
Decrease in Other assets	(24,40,061)	57
Increase/(Decrease) in trade payable	(11,105)	7,086
(Decrease) in Other financial liabilities	(5,47,272)	-
Increase in Other liabilities	67,775	-
Increase in Provision	14,147	-
Cash outflow from operations	<b>(30,08,191)</b>	<b>(1,21,547)</b>
Tax Paid (Net)	(3,52,911)	-
<b>Net cash used in operating activities (A)</b>	<b>(33,61,102)</b>	<b>(1,21,547)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment, Capital Work in progress, Right of use assets and intangible assets (including capital advance)	(30,29,956)	(69,34,282)
Consideration received from sale of slurry business on slump sale basis (Refer Note 35)	1,28,60,000	-
Loan to related party (Refer Note 29)	(1,08,30,000)	-
Interest Income on bank deposit	-	(6)
Bank deposits not considered as cash and cash equivalent	-	6
<b>Net cash generate/(used) in investing activities (B)</b>	<b>(9,99,956)</b>	<b>(69,34,282)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from Issue of Equity Share Capital (inclusive share application money)	40,01,800	70,67,000
Proceeds from current borrowing	21,04,800	-
Repayment of borrowings	(11,30,200)	-
Interest paid	(4,122)	-
Increase in Repayment of lease Liability	-	(3,268)
Dividend Paid	(5,50,000)	-
<b>Net cash generated from financing activities (C)</b>	<b>44,22,278</b>	<b>70,63,732</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>61,220</b>	<b>7,903</b>
Cash and cash equivalents at the beginning of the period	8,411	508
<b>Cash and cash equivalents at the end of the period (Refer Note 10)</b>	<b>69,631</b>	<b>8,411</b>

The accompanying notes are an integral part of the financial statements

**Notes:**


1. The cash flow statement is prepared using the "indirect method" set out in IND AS 7 - Statement of Cash Flows.


As per our Report of even date  
For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration No. 324982E/E300003

  
per Anant Acharya  
Partner

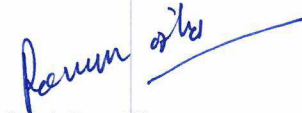
Membership No.: 124790  
Place of Signature: Mumbai  
Date: May 21, 2025



  
Satyaprakash Rai  
Director  
DIN: 07895294

  
Amarnath Tiwari  
Company Secretary  
Place of Signature: Mumbai  
Date: May 21, 2025

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

  
Rakesh Kumar Ojha  
Whole time Director  
DIN: 10997937

  
Nitin Kafe  
Chief Financial Officer



JSW Utkal Steel Limited  
Statement of Change in Equity for the year ended March 31, 2025  
CIN No.U27209MH2017PLC301887

A. Equity Share and Capital

Particulars	(Rupees In '000)			
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Share Capital	Number of Shares		Amount	
(a) Authorized				
Equity shares of the per value ₹ 10 each	3,00,00,00,000	3,00,00,00,000	3,00,00,000	3,00,00,000
(b) Issues and Subscribed				
Outstanding at the beginning of the year	1,47,18,46,900	76,51,46,900	1,47,18,469	76,51,469
Issued during the year (Refer Note 11)	40,01,80,000	70,67,00,000	40,01,800	70,67,000
Outstanding at the end of the year, Fully paid up	1,87,20,26,900	1,47,18,46,900	1,87,20,269	1,47,18,469

B. Other Equity

	(Rupees In '000)	
	Retained Earnings	Total
Opening Balance April 01, 2023	(3,13,587)	(3,13,587)
Loss for the year ended March 31, 2024	(1,59,763)	(1,59,763)
Closing Balance as on March 31, 2024	(4,73,350)	(4,73,350)
Profit for the year ended March 31, 2025	18,71,297	18,71,297
Other comprehensive income for the year, net of income tax	@	@
Dividend declared and paid (Refer Note 11)	(5,50,000)	(5,50,000)
Closing Balance as on March 31, 2025	8,47,947	8,47,947

@ represents less than ₹ 1 ('000)

The accompanying notes are an integral part of the financial statements

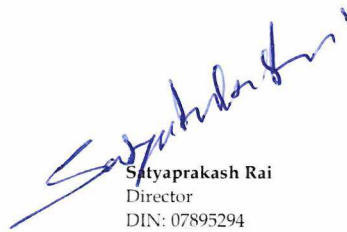
As per our Report of even date  
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For and on behalf of the Board of Directors  
of JSW Utkal Steel Limited

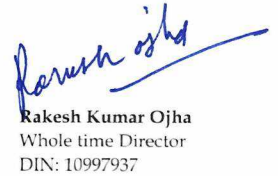
  
per Anant Acharya  
Partner

Membership No.: 124790  
Place of Signature: Mumbai  
Date: May 21, 2025



  
Satyaprakash Rai  
Director  
DIN: 07895294

  
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Place of Signature: Mumbai  
Date: May 21, 2025

  
Rakesh Kumar Ojha  
Whole time Director  
DIN: 10997937

  
Nithin Kale  
Chief Financial Officer



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

CIN U27209MH2017PLC301887

#### 1. General Information

JSW Utkal Steel Limited (the 'Company') (CIN U27209MH2017PLC301887) has been incorporated for setting up an integrated steel plant in the state of Odisha. The project is under implementation stage and the Company has not commenced commercial operations. The Company is a 100% subsidiary of JSW Steel Limited, a public limited company. The registered office of the Company is JSW Centre, Bandra Kurla Complex, Bandra (East) Mumbai – 400051.

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

#### 2. (I) Material Accounting Policies

##### a. Statement of Compliance

The Financial Statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

Accordingly, the Company has prepared these Financial Statements which comprise of the Balance Sheets as at 31 March, 2025, the Statement of Profit and Loss, the Statements of Cash Flows and the Statements of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

The Financial statements of JSW Utkal Steel Limited as at and for the year ended March 31, 2025 were approved and authorized for issue by the Board of Directors on May 21, 2025.

##### b. Basis of Preparation & Presentation

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The Financial Statements are presented in the company's functional currency i.e., Indian National Rupees ('INR'). The Financial statement are rounded off to the nearest thousands (INR '000), except otherwise indicated.

The Company has prepared the financial statements on accrual and going concern basis.

##### Current and non-current Classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- It is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or

it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

#### Operating Cycle

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

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

#### c. Revenue Recognition

##### Sale of products

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

##### Interest Income recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### d. Functional Currency

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

#### e. Employee Benefits

A liability is recognized for benefit accruing to employees in respect of wages and salaries in the year in which, the related services are rendered at the undiscounted amount of the benefit expected to be paid in exchange of that service. The amount is recognized as expense unless it is eligible for capitalization in accordance with the other applicable IND AS.

##### Defined benefit plan

In accordance with applicable laws in India, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") for every employee who has completed 5 years or more of service on departure at 15 days salary (last drawn salary) for each completed year of service. The Gratuity Plan provides for a lump sum payment to eligible employees at retirement, resignation, death, incapacitation or termination of employment based on last drawn salary and tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date using projected unit credit method. The gratuity scheme is unfunded.

Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of profit or loss. Past service cost is recognised in Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

#### Defined contribution plan

The Company makes contributions to the Provident Fund scheme, a defined contribution benefit scheme. These contributions are deposited with Government administered fund and recognised as an expense in the period in which the related service is performed. There is no further obligation on the Company on this defined contribution plan.

#### Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

#### f. Income Tax Expenses

Tax expenses represents the sum of current and deferred tax.

The company is in initial set up phase and has not begin commercial operations. Hence, deferred tax is not material.

##### Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

##### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

Further, deferred tax is not recognised on the items that does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

#### g. Property Plant & Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment comprises of the following:

- i. Purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities),
- ii. Any directly attributable expenditure on making the asset ready for its intended use, and
- iii. Any expected costs of decommissioning arising due to acquisition /construction of the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels, revenue (net of cost) generated from production during the trial period is capitalised.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.

The Company has used the following life for the purpose:

- Building – 2 to 5 years
- Plant and Machinery – 3 to 10 years
- Vehicle – 8 years
- Furniture and Fixtures – 2 to 10 years
- Office equipment – 5 years

The Company reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Company considers climate-related matters, including physical and transition risks. Specifically, the Company determines whether climate-related legislation and regulations might impact either the useful life or residual values

#### h. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

#### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term is as follows.

Class of assets	Years
Leasehold land	79 to 90 Years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

#### ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

#### i. Depreciation

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The company reviews the residual value, useful lives and depreciation method annually and if expectations differ from previous estimates the change is accounted for as a change in accounting estimates on prospective basis.

#### j. Intangible Assets

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

Intangible Assets having finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses if any. Intangible assets having finite lives are depreciated over their useful lives. Amortization is recognized on a straight-line basis over their estimated useful lives. The management has estimated the useful life of Intangible Asset to be five years. The estimated useful lives and amortization method are reviewed at the end of each reporting year, with the effect of any changes in estimates being accounted for on a prospective basis.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

#### k. Impairment of Non-Financial Assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual

cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

#### l. Financial Instrument

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions to the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in Statement of Profit and Loss.

#### Financial Assets – Recognition and subsequent measurement

The Company initially recognizes loans and advances, deposits, on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

For the purpose of subsequent measurement, financial assets are classified in below categories:

#### Debt instruments at amortized cost

A 'Debt Instrument' is measured at the amortized cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables. The company does not have financial assets classified as FVTOCI or FVTPL

#### Financial Assets – De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

#### Financial assets – Impairment

The Company recognizes a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortized cost in accordance with IND AS 109 the company applies 12 months or life ECL as appropriate measure. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

#### Financial Liabilities – Recognition and subsequent measurement

Financial liabilities are classified at initial recognition as either financial liabilities 'at Fair Value through Profit or Loss' ('FVTPL') or 'other financial liabilities'.

The Company's Financial Liabilities includes trade and other payables classified as other financial liabilities.

The subsequent measurement of financial liabilities depends on their classification, as described below;



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

#### Financial liabilities at amortized cost (Loans and Borrowings)

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss.

#### Financial Liabilities – De-recognition

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in statement of profit and loss and is included in the 'Other income' line item.

#### m. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

#### n. Cash & Cash Equivalent

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

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

#### o. Earnings per Share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted EPS is calculated by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

#### p. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.



## **JSW Utkal Steel Limited**

### **Notes to Financial Statements for the year ended March 31, 2025**

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation.

#### **i) Use of Estimates and Judgments**

The preparation of the Financial Statements is in conformity with Ind AS which requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosure of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on ongoing basis. Revision to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

#### **ii) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. The cases which have been determined as remote by the Company are not disclosed.

Contingent assets are neither recognised nor disclosed in the financial statements unless when an inflow of economic benefits is probable.

#### **iii) Climate – Related Matters**

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation.



**JSW Utkal Steel Limited**

**Notes to Financial Statements for the year ended March 31, 2025**

**3. Property Plant & Equipment**

(Rupees in '000)

Particulars	Furniture & Fixtures	Freehold Land	Vehicles	Office Equipment's	Buildings	Plant & Machinery	Totals
<b>As at 31st March 2023</b>	9,971	69,396	6,003	7,590	-	-	92,960
Additions	7,498	-	5,623	17,502	49,655	151	80,429
<b>As at 31st March 2024</b>	<b>17,469</b>	<b>69,396</b>	<b>11,626</b>	<b>25,092</b>	<b>49,655</b>	<b>151</b>	<b>1,73,389</b>
Additions	1,636	-	4,248	6,249	34,357	22,975	69,465
Disposal on account of transfer of Slurry Pipeline Business – (Refer note 35)	(1,968)	(61,372)	-	(1,330)	-	-	(64,670)
<b>As at 31<sup>st</sup> March 2025</b>	<b>17,137</b>	<b>8,024</b>	<b>15,874</b>	<b>30,011</b>	<b>84,012</b>	<b>23,126</b>	<b>1,78,184</b>
<b>Accumulated Depreciation</b>							
<b>As at 31<sup>st</sup> March 2023</b>	2,374	-	293	3,798	-	-	6,465
Depreciation	1,384	-	689	2,708	1,990	2	6,773
<b>As at 31<sup>st</sup> March 2024</b>	<b>3,758</b>	<b>-</b>	<b>982</b>	<b>6,506</b>	<b>1,990</b>	<b>2</b>	<b>13,238</b>
Depreciation	1,860	-	1,684	5,966	27,109	262	36,881
Disposal on account of transfer of Slurry Pipeline Business – (Refer note 35)	(1,184)	-	-	(858)	-	-	(2,042)
<b>As at 31<sup>st</sup> March 2025</b>	<b>4,434</b>	<b>-</b>	<b>2,666</b>	<b>11,614</b>	<b>29,099</b>	<b>263</b>	<b>48,076</b>
<b>Net Block as on 31<sup>st</sup> March 2025</b>	<b>12,703</b>	<b>8,024</b>	<b>13,208</b>	<b>18,397</b>	<b>54,913</b>	<b>22,863</b>	<b>1,30,108</b>
<b>Net Block as on 31<sup>st</sup> March 2024</b>	<b>13,711</b>	<b>69,396</b>	<b>10,644</b>	<b>18,586</b>	<b>47,665</b>	<b>150</b>	<b>1,60,151</b>

**4. Capital Work in Progress**

(Rupees in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening CWIP	1,30,77,742	72,10,237
Add: Addition to CWIP during the year	24,45,931	88,06,080
Less: Considered as lease during the year	(43,961)	(28,58,146)
Less: Capitalised during the year (Refer Note 3)	(69,465)	(80,429)
Less: Disposal on account of transfer of Slurry Pipeline Business – (Refer note 35)	(1,34,36,395)	-
<b>Closing CWIP</b>	<b>19,73,852</b>	<b>1,30,77,742</b>

**CWIP Ageing Schedule as on March 31, 2025**

(Rupees in '000)

Particulars	Amount in CWIP for a Period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	12,20,521	2,22,431	1,35,908	3,94,992	19,73,852
<b>TOTAL</b>	<b>12,20,521</b>	<b>2,22,431</b>	<b>1,35,908</b>	<b>3,94,992</b>	<b>19,73,852</b>

**CWIP Ageing Schedule as on March 31, 2024**

(Rupees in '000)

Particulars	Amount in CWIP for a Period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	86,15,962	36,61,013	4,67,270	3,33,497	1,30,77,742
<b>TOTAL</b>	<b>86,15,962</b>	<b>36,61,013</b>	<b>4,67,270</b>	<b>3,33,497</b>	<b>1,30,77,742</b>



**JSW Utkal Steel Limited**

**Notes to Financial Statements for the year ended March 31, 2025**

**5.Right of Use (Leasehold Land)**

(Rupees in '000)

Particulars	Leasehold Land *
<b>As at 31<sup>st</sup> March 2023</b>	<b>8,43,094</b>
Additions	28,58,146
<b>As at 31<sup>st</sup> March 2024</b>	<b>37,01,240</b>
Additions	43,961
Disposal on account of transfer of Slurry Pipeline Business – (Refer note 35)	(191)
<b>As at 31<sup>st</sup> March 2025</b>	<b>37,45,010</b>
<b>Accumulated Depreciation</b>	
<b>As at 31<sup>st</sup> March 2023</b>	<b>32,377</b>
Depreciation	20,901
<b>As at 31<sup>st</sup> March 2024</b>	<b>53,278</b>
Depreciation	41,796
Disposal on account of transfer of Slurry Pipeline Business – (Refer note 35)	(2)
<b>As at 31<sup>st</sup> March 2025</b>	<b>95,072</b>
<b>Net Block as on 31<sup>st</sup> March 2025</b>	<b>36,49,938</b>
<b>Net Block as on 31<sup>st</sup> March 2024</b>	<b>36,47,962</b>

\* The Company has leasehold land having useful life for 79 to 90 years. ROU asset is amortized over the remaining lease period. Lease Liability for the entire period provided for Rs. 2,96,712 thousand (Refer Note 13).

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

**6. Intangible Assets**

(Rupees in '000)

Particulars	Amount
<b>Cost/Deemed Cost</b>	
<b>As at 31<sup>st</sup> March 2023</b>	<b>360</b>
Additions	2,110
<b>As at 31<sup>st</sup> March 2024</b>	<b>2,470</b>
Additions	-
Disposal on account of transfer of Slurry Pipeline Business – (Refer note 35)	(308)
<b>As at 31<sup>st</sup> March 2025</b>	<b>2,162</b>
<b>Accumulated Depreciation</b>	
<b>As at 31<sup>st</sup> March 2023</b>	<b>140</b>
Amortisation	132
<b>As at 31<sup>st</sup> March 2024</b>	<b>272</b>
Amortisation	922
Disposal on account of transfer of Slurry Pipeline Business – (Refer note 35)	(134)
<b>As at 31<sup>st</sup> March 2025</b>	<b>1,064</b>
<b>Net Block as on 31<sup>st</sup> March 2025</b>	<b>1,098</b>
<b>Net Block as on 31<sup>st</sup> March 2024</b>	<b>2,198</b>



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

#### 7. Other financial Assets

(Rupees in '000)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Non-Current	Current	Non-Current	Current
Security Deposit*	33,987	-	26,592	465
Balance with Bank - In term deposits accounts (with original maturity more than 12 months)	-	-	108	-
Interest Receivable - from Loan to related party (Refer Note 8 and 29)	-	11,750	-	-
Others Receivable from related party** (Note 35)	-	37,33,185	-	-
<b>Total</b>	<b>33,987</b>	<b>37,44,935</b>	<b>26,700</b>	<b>465</b>

\* The Security deposit of Rs. 3,446 thousand has been transferred on account of slurry pipeline business sale (Refer Note 35).

\*\* Other receivable of Rs. 37,33,185 thousand pertains to balance amount of sale consideration from JSW Infrastructure Ltd and pertains to Conditions Subsequent (CS) as defined in the Business Transfer Agreement dated 25 March, 2025 between the Company and JSW Infra, which are yet to be fulfilled. Further, these CS relate solely to procedural and administrative activities and do not constitute a significant portion of the overall work.

#### 8. Loans (Unsecured)

(Rupees in '000)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Non-Current	Current	Non-Current	Current
Loans to related parties (Refer below note)	-	1,08,30,000	-	-
<b>Total</b>	-	1,08,30,000	-	-

#### Details of loans to related parties: (Refer Note 29)\*

(Rupees in '000)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding
JSW Vijayanagar Metalics Limited	78,50,000	78,50,000	-	-
Piombino Steel Limited	29,80,000	29,80,000	-	-

\*The Company has given loan to fellow subsidiaries (Group companies) for business purpose. The Loan is unsecured and carries interest at SBI MCLR + 200 bps % per annum and repayable at the end of year from the date of first disbursement for the year ended. Interest shall accrue on the outstanding amount and shall be payable at the end of one year. The Company has not recorded any impairment on loans due from such parties.



**JSW Utkal Steel Limited**

Notes to Financial Statements for the year ended March 31, 2025

**9. Other Assets**

(Rupees in '000)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Non-Current	Current	Non-Current	Current
Capital Advances*	9,98,396	-	4,14,374	-
Other Advance	-	15	-	721
Indirect Tax Balances/recoverable**	2,67,678	-	3,30,778	-
Prepayments and others	-	207	-	886
<b>Total</b>	<b>12,66,074</b>	<b>222</b>	<b>7,45,152</b>	<b>1,607</b>

\* The Capital advance of Rs. 3,49,974 thousand has been transferred on account of slurry pipeline business sale (Refer Note 35).

\*\* The Indirect tax balances of Rs. 21,33,016 has been transferred on account of slurry pipeline business sale (Refer Note 35).

**10. Cash & Cash Equivalents**

(Rupees in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with Banks (On current account)	69,631	8,411
<b>Total</b>	<b>69,631</b>	<b>8,411</b>



**JSW Utkal Steel Limited**

Notes to Financial Statements for the year ended March 31, 2025

**11. Equity Share Capital**

(Rupees in '000)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of Shares	Amount	Number of Shares	Amount
<b>a. Authorized:</b>				
Equity shares of the par value of Rs.10 Each	3,00,00,00,000	3,00,00,000	3,00,00,00,000	3,00,00,000
<b>b. Issued, Subscribed &amp; Paid up :</b>				
Equity shares of Rs.10 each fully paid Up	1,87,20,26,900	1,87,20,269	1,47,18,46,900	1,47,18,469

During the current year, the company issued INR 40,01,800 thousands Equity shares of INR Rs. 10 each.

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

(Rupees in '000)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of Shares	Amount	Number of Shares	Amount
Opening Balance	1,47,18,46,900	1,47,18,469	76,51,46,900	76,51,469
Addition during the year	40,01,80,000	40,01,800	70,67,00,000	70,67,000
Closing Equity shares of Rs.10 each fully paid up	1,87,20,26,900	1,87,20,269	1,47,18,46,900	1,47,18,469

**d. Rights and Restriction attached to Equity Shares**

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. Any dividend proposed by the board of the Company on equity shares is subject to approval by the shareholders at the General Meeting.

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of Shares	%	Number of Shares	%
JSW Steel Limited, the holding Company	1,87,20,26,900	100	1,47,18,46,900	100

**f. Changes in Promoter's Shareholding Pattern**

Particulars	As at March 31, 2025		As at March 31, 2024		% Change during the period
	Number of Shares	%	Number of Shares	%	
JSW Steel Limited, the holding Company	1,87,20,26,900	100	1,47,18,46,900	100	-



**JSW Utkal Steel Limited**

**Notes to Financial Statements for the year ended March 31, 2025**

**12. Other Equity (Retained Earnings)**

(Rupees in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	(4,73,350)	(3,13,587)
Profit/(Loss) During the year	18,71,297	(1,59,763)
Dividend paid (Refer below note)	(5,50,000)	-
Closing Retained Earnings	<b>8,47,947</b>	<b>(4,73,350)</b>
<b>Total</b>	<b>8,47,947</b>	<b>(4,73,350)</b>

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

**Distribution made**

(Rupees in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
Dividends on equity shares declared and paid: - Interim dividend for the year ended on 31 March 2025	5,50,000	-
<b>Total</b>	<b>5,50,000</b>	<b>-</b>

**13. Lease Liabilities**

(Rupees in '000)

Particulars	Leasehold Land
<b>As at 31 March 2023</b>	<b>48,581</b>
Additions during the year	2,48,205
Interest accrued	3,254
Less: Lease Payments	(3,268)
<b>At 31 March 2024</b>	<b>2,96,772</b>
Additions during the year	(9)
Less: Disposal on account of transfer of Slurry Pipeline Business – (Refer note 35)	(27)
Unwinding Interest	25,592
Less: Lease Payments	(25,616)
<b>At 31 March 2025</b>	<b>2,96,712</b>

**Break up of Lease Liabilities**

(Rupees in '000)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
Lease Rent on ROU Assets	2,71,099	25,613	2,71,156	25,616
<b>Total</b>	<b>2,71,099</b>	<b>25,613</b>	<b>2,71,156</b>	<b>25,616</b>



**JSW Utkal Steel Limited**

**Notes to Financial Statements for the year ended March 31, 2025**

**Ageing of Lease Liabilities:**

Particulars	(Rupees in '000)	
	As at March 31, 2025	As at March 31, 2024
Less than 1 year	25,613	25,616
1 to 5 years	1,02,453	1,02,464
More than 5 years	1,68,646	1,68,692

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**14. Other Financial Liabilities**

Particulars	(Rupees in '000)			
	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
Retention money for capital projects*	15,754	-	38,994	-
Payable for capital projects**	-	6,89,956	-	30,00,357
Employee Payable and Others	-	19,295	-	22,984
Interest accrued but not due on borrowing (Refer Note 19)	-	14,762	-	-
<b>Total</b>	<b>15,754</b>	<b>7,24,013</b>	<b>38,994</b>	<b>30,23,341</b>

\*The Retention money for capital projects of Rs. 77,587 thousand has been transferred on account of slurry pipeline business sale (Refer Note 35).

\*\* The Payable for Capital Projects of Rs. 16,93,124 thousand has been transferred on account of slurry pipeline business sale (Refer Note 35).

Particulars	(Rupees in '000)			
	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
(i) Payable to Related Party (Refer Note. 29)				
(a) Retention money for Capital Projects	-	-	592	-
(b) Payable for Capital Projects	-	64,389	-	24,95,593
(c) Interest accrued but not due on borrowing*	-	14,762	-	-
(ii) Payable for Others	15,754	6,44,862	38,402	5,27,748
<b>Total</b>	<b>15,754</b>	<b>7,24,013</b>	<b>38,994</b>	<b>30,23,341</b>

\*Interest accrued pertain to loan taken from related party Amba River Coke Limited (ARCL) @ 8 % per annum.

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



**JSW Utkal Steel Limited**

**Notes to Financial Statements for the year ended March 31, 2025**

**15. Trade Payables**

(Rupees in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
- Total outstanding dues of micro enterprises and small enterprises	12,100	11,840
- Total outstanding dues of creditors other than micro and small enterprises	11,382	22,348
<b>Total</b>	<b>23,482</b>	<b>34,188</b>

Trade Payable ageing as on March 31, 2025							(Rupees in '000)
Outstanding for following periods from due date of payment							
Particulars	Unbilled Dues	Not yet Dues	Less than 1 year	1-2 Years	2-3 Years	More than 3 Year	Total
MSME	11,427	673	-	-	-	-	12,100
Others	9,227	20	463	1,672	-	-	11,382
Disputed dues-MSME	-	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-	-

Trade Payable ageing as on March 31, 2024							(Rupees in '000)
Outstanding for following periods from due date of payment							
Particulars	Unbilled Dues	Not yet Dues	Less than 1 year	1-2 Years	2-3 Years	More than 3 Year	Total
MSME	70	11,770	-	-	-	-	11,840
Others	8,764	8	13,576	-	-	-	22,348
Disputed dues-MSME	-	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-	-

Trade Payables are normally settled within 45 days.

Trade payables from related parties' details has been described in note 29

**Disclosure under Micro and Small enterprises as defined under the MSMED Act, 2006**

(Rupees in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	12,100	11,840
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-



**JSW Utkal Steel Limited**

**Notes to Financial Statements for the year ended March 31, 2025**

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-
<b>Total</b>	<b>12,100</b>	<b>11,840</b>

**16. Other current liabilities**

(Rupees in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory liabilities	83,564	15,789
<b>Total</b>	<b>83,564</b>	<b>15,789</b>

**17. Tax assets (net)**

(Rupees in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance tax and TDS	3,57,984	-
Less: Provision for tax	(3,45,707)	-
<b>Total</b>	<b>12,277</b>	<b>-</b>

**18. Provisions**

(Rupees in '000)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
Provision for Leave Encashment	5,776	3,357	2,553	1,615
Provision for Gratuity (Refer Note 21)	15,604	1,034	9,423	2,594
<b>Total</b>	<b>21,380</b>	<b>4,391</b>	<b>11,976</b>	<b>4,209</b>

**19. Borrowings (Unsecured)**

(Rupees in '000)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
Term loans (unsecured) - Related party* (Refer Note 29)	-	9,74,600	-	-
<b>Total</b>	<b>-</b>	<b>9,74,600</b>	<b>-</b>	<b>-</b>

\*The loan was availed from Amba River Coke Limited (ARCL) which carries interest rate at 8% and due for repayment at the end of six months from date of first disbursement. Interest shall accrue on the outstanding amount and shall be payable at the end of six months.



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

#### 20. Other Income

(Rupees in '000)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income earned on financial assets -Related party*	13,056	-
- Bank Deposits	-	6
Other Income	-	41
<b>Total</b>	<b>13,056</b>	<b>47</b>

\*Interest income on loan given to JSW Vijayanagar Metallics Limited (JVML) and Piombino Steel Ltd. (Refer Note 29)

#### 21. Employee benefit expense

(Rupees in '000)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries & wages*	26,727	21,667
Contribution to Provident and other funds^	1,699	1,181
Gratuity Provision	4,621	12,017
Expenses on employees stock ownership plan^^	2,444	175
Staff welfare expenses	420	1,228
<b>Total</b>	<b>35,911</b>	<b>36,268</b>

\* Employee Benefit Expenses amounting to INR 1,07,421 thousand have been capitalized under CWIP during the year (31 March 2024 – INR 1,72,521 thousands) (Refer Note 4).

^ Provident fund and other funds amounting to INR 4,270 thousand have been capitalized under CWIP during the year (31 March 2024 INR 4,842 thousands) (Refer Note 4).

^^ ESOP Expenses amounting to INR 5,182 thousand have been capitalized under CWIP during the year (31 March 2024 INR 13,936 thousand) (Refer Note 4).

\*Leave encashment amounting to INR 1,616 thousands have been capitalized under CWIP during the year (31 March 2024 INR 3,613 thousands) (Refer Note 4).

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the Code came into effect on 3 May 2023. However, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

#### **Brief description of the Plans:**

##### **1) Defined contribution plans :**

##### **a) Provident Fund**

The eligible employees of the company are entitled to receive post-employment benefits in respect of provident fund, in which both employees and the company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). Provident Fund is classified as Defined Contribution Plans as the company has no further obligations beyond making the contribution.



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

(Rupees in '000)

Benefit (Contribution to)	For the year ended March 31, 2025	For the year ended March 31, 2024
Provident Fund*	6,508	5,597
<b>Total</b>	<b>6,508</b>	<b>5,597</b>

\* Employee Benefit Expenses amounting to INR 1,838 thousand related to slurry and INR 3,540 thousand related to Integrated steel plant have been capitalized under CWIP during the year (31 March 2024 INR 4,044 thousand).

#### 2) Defined Benefit Plans: (Gratuity unfunded)

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days' salary for each year of service until the retirement age of 58 and 60, without any payment ceiling. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

#### Nature of benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2025 by Independent, Qualified Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

#### A. Principal actuarial assumptions used:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount Rate	6.71% p.a.	7.21% p.a.
Salary escalation rate	8.70% p.a.	8.70% p.a.
Attrition rate	8.00 % p.a	8.00 % p.a
Average expected future service	8 years	8 years
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### B. Expenses recognised in Statement of Profit and Loss

(Rupees in '000)

Particulars	For the year ended March 31 2025	For the year ended March 31 2024
Current Service Cost	4,621	12,017
<b>Total Expenses recognised in the Statement of Profit And Loss*</b>	<b>4,621</b>	<b>12,017</b>

\* The current service cost for the year is included in the 'Employee benefits expenses' in the Statement of Profit or Loss. During the year Gratuity of INR 1,826 thousand transferred to JSW Infra as a part of slump sale.



**JSW Utkal Steel Limited**

**Notes to Financial Statements for the year ended March 31, 2025**

**C. Net Asset/(Liability) recognised in the Balance Sheet**

(Rupees in '000)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Present Value of Defined Benefit Obligation as at the end of the year*	16,638	12,017
<b>Net liability recognised in the Balance Sheet</b>	<b>16,638</b>	<b>12,017</b>

\* Rs. 1,826 thousand has been transferred on account of slurry pipeline business sale (Refer Note 35)

**D. Sensitivity Analysis**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Delta Effect of +1.00% Change in Rate of Discounting	(1,046)	(510)
Delta Effect of -1.00% Change in Rate of Discounting	1,166	562
Delta Effect of +1.00% Change in Rate of Salary Increase	1,133	549
Delta Effect of -1.00% Change in Rate of Salary Increase	(1,037)	(508)
Delta Effect of +1.00% Change in Rate of Attrition	(181)	(86)
Delta Effect of -1.00% Change in Rate of Attrition	193	91

**3. Other Employee Benefit**

(Rupees in '000)

Particulars	For the year ended Mar 31,2025	For the year ended Mar 31,2024
Leave Encashment*	9,133	4,168
<b>Leave Encashment on 31st Mar 25</b>	<b>9,133</b>	<b>4,168</b>

\* Rs. 2,736 thousand has been transferred on account of slurry pipeline business sale (Refer Note 35)

**22. Finance Cost**

(Rupees in '000)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on Finance Lease Obligations (Refer Note 13)	25,592	3,254
Bank Charges	12	19
Interest on Income tax	136	-
Interest on short term borrowing*	20,982	-
<b>Total</b>	<b>46,722</b>	<b>3,273</b>

\*Interest expense on loan availed from JSW Steel Limited and Amba River Coke Limited (ARCL) (Refer Note 29).

**23. Depreciation and amortization**

(Rupees in '000)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment and Right of Use Asset (Refer Note 3 and 5)	78,677	27,674
Amortization of intangible assets (Refer Note 6)	922	132
<b>Total</b>	<b>79,599</b>	<b>27,806</b>



**JSW Utkal Steel Limited****Notes to Financial Statements for the year ended March 31, 2025****24. Other expenses**

(Rupees in '000)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rates & Taxes	333	1,348
Legal & professional charges	6,373	17,588
Power & Fuel	260	580
Rent & Guest House Exp	-	2,130
Audit Fee (Refer note below)	1,552	2,952
Repair & Maintenance	2,851	48
Office Expense	6,729	47,790
Travelling & Conveyance	201	467
Other Miscellaneous expenses	15,976	19,560
Cost of materials and services consumed	442	-
Sponsorship Fees	2,463	-
Exchange Differences (Loss/Gain)	440	-
<b>Total</b>	<b>37,620</b>	<b>92,463</b>

**Payment to Auditor**

(Rupees in '000)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Audit Fee	1,500	2,900
Out of Pocket Expenses	52	52
<b>Total</b>	<b>1,552</b>	<b>2,952</b>

**25. Earnings per Share**

(Rupees in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
Profit/(Loss) attributable to Equity Share Holders	18,71,297	(1,59,763)
Weighted average number of Equity shares outstanding during the year	1,78,08,66,818	1,08,15,19,477
Basic & Diluted EPS	<b>1.05</b>	<b>(0.15)</b>

**26. Deferred Tax**

The Company is in the project stage and any loss incurred during project stage is not allowed to be carried forward. considering this and in the absence of future taxable profit, Deferred Tax Assets have not been recognized. Hence, Other disclosures required by IND AS 12 including reconciliation are not considered material at this stage.

**27. Segment Reporting**

The Company is in the process of commissioning a steel plant in the state of Odisha. This is single project and treated as one segment by management for performance evaluation / resource allocation. No revenue has been earned at this stage. Hence other requirements of IND AS 108 are not applicable.



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

#### 28. Financial Risk Management

##### A. Capital Risk Management:

The Company is incorporated to set up an Integrated Steel Plant in the state of Odisha, since the Company is being in a capital-intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximize the return to stakeholders through optimum mix of debt and equity.

At present, the Company is under the project stage and the principal source of fund to meet the initial set up expenses and various fees are paid by its parent company on its behalf. The Company is not subject to any externally imposed capital requirement.

##### B. Category of Financial Instruments:

(Rupees in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial Assets</b>		
Measured at amortised cost		
Cash and cash equivalents	69,631	8,411
Other Financial Assets	1,46,08,922	27,165
<b>Total Financial Assets at amortised cost</b>	<b>1,46,78,553</b>	<b>35,576</b>
<b>Financial Liabilities</b>		
Measured at amortised costs		
Lease Liability	2,96,712	2,96,772
Trade Payables	23,482	34,188
Other Financial Liabilities	17,14,367	30,62,335
<b>Total Financial Liabilities at amortised cost</b>	<b>20,34,561</b>	<b>33,93,295</b>

##### C. Fair Value hierarchy of Financial Instruments:

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

##### D. Financial Risk Management:

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

##### E. Liquidity Risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects.

The Company remains committed to maintain a healthy liquidity, gearing ratio and strengthening the balance sheet. The maturity profile of the Company's financial liability based on the remaining period from the date of balance sheet to the



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

contractual maturity date is given in the table below. The figures reflect contractual undiscounted cash obligation of the company.

#### Liquidity exposure as at March 31, 2025

(Rupees in '000)				
Particulars	<1 year	1-5 years	> 5 years	Total
<b>Current</b>				
- Trade Payable	23,482	-	-	23,482
- Other Financial Liabilities	16,98,613	15,754	-	17,14,367
<b>Total</b>	<b>17,22,095</b>	<b>15,754</b>	-	<b>17,37,849</b>

#### Liquidity exposure as at March 31, 2024

(Rupees in '000)				
Particulars	<1 year	1-5 years	> 5 years	Total
<b>Current</b>				
- Trade Payable	34,188	-	-	34,188
- Other Financial Liabilities	30,23,341	38,994	-	30,62,335
<b>Total</b>	<b>30,57,529</b>	<b>38,994</b>	-	<b>30,96,523</b>

For Lease liabilities - Refer Note 13

Majority of other Financial Liabilities of the Company are related to retention and loan taken from ARCL and interest accrued on loan. The company manages liquidity risk by maintaining adequate reserve and borrowing facilities by continuously monitoring forecast and actual cashflow.

## 29. Related party disclosure.

### I. List of Related Parties

- a. Holding Company - JSW Steel Limited
- b. Other Related Party\* - JSW Infrastructure Ltd
- c. Other Related Party\* - JSW Techno Projects Management Ltd
- d. Other Related Party\* - Jindal Saw Ltd
- e. Other Related Party\* - JSW Cement Ltd.
- f. Fellow Subsidiary\* - Amba River Coke Ltd
- g. Fellow Subsidiary\* - JSW Vijayanagar Metallics Ltd.
- h. Fellow Subsidiary\* - Piombino Steel Ltd.
- i. Fellow Subsidiary - Bhushan Power & Steel Ltd.
- j. Key Management Personnel
  - i. Mr. Ranjan Kumar Nayak – Whole Time Director (upto 08 January 2024)
  - ii. Mr. Nirmalendu Purohit – Whole Time Director (upto 17<sup>th</sup> September 2024)
  - iii. Mr. Rakesh Ojha- Whole Time Director (wef. 12<sup>th</sup> March 2025)
  - iv. Mr. Nitin Kale – Chief Financial Officer
  - v. Mr. Amarnath Tiwari – Company Secretary
  - vi. Mr. Satya Prakash Rai – Director
  - vii. Mr Ajanta Asim Chatterjee – Director
  - viii. Mr Anil Kumar Singh – Additional Director

\* Other Related Party - Includes entities controlled by / under significant influence of Promoter Group / Relatives of Promoter Group



**JSW Utkal Steel Limited**

**Notes to Financial Statements for the year ended March 31, 2025**

**Details of related parties transactions during the year.**

**Transactions with related parties which are in Ordinary course of Business and on Arm's Length Basis**

	Year Ended 31st March 2025	(Rupees '000) Year Ended 31 <sup>st</sup> March 2024
<b><u>Holding Company</u></b>		
Allotment of Equity Shares of Rs.10 each fully paid up	40,01,800	70,67,000
Purchase of Goods/Reimbursement of Expenses*	15,21,468	56,55,164
Inter Company Loan received	11,30,200	-
Interest Expenses	4,579	-
<b><u>Fellow Subsidiary</u></b>		
<b>Reimbursement of Expenses</b>		
Bhushan Power & Steel Limited	4,712	382
<b>Inter Company Loan Given</b>		
JSW Vijayanagar Metallica Limited	78,50,000	-
<b>Inter Company Loan Taken</b>		
Amba River Coke Limited	9,74,600	-
<b>Interest Income</b>		
JSW Vijayanagar Metallica Limited	9,464	-
<b>Interest Expenses</b>		
Amba River Coke Limited	16,403	-
<b>Inter Company Loan Given</b>		
Piombino Steel Limited	29,80,000	-
<b>Interest Income</b>		
Piombino Steel Limited	3,592	-
<b>Other Related Parties</b>		
<b>Purchase Consideration for transfer of slurry business</b>		
JSW Infrastructure Limited	1,66,09,795	-
<b>Purchase of Goods</b>		
JSW Cement Limited	7,441	-
<b>Conversion of Slabs into pipes</b>		
Jindal Saw Limited^	3,34,896	7,34,789

\*Purchase amounting to Rs.14,04,951 thousands pertain to slurry business which is transferred to JSW Infrastructure Limited.

^Pertains to slurry business which is transfer to JSW Infrastructure Limited.

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

**Balances at Year End**

**Holding Company**

Purchase/Reimbursement of Expenses

As at 31st March  
2025  
56,375

(Rupees '000)  
As at 31st March  
2024  
22,47,316

**Fellow Subsidiary**

**Intercompany Loan Receivable**

JSW Vijayanagar Metallica Limited

78,50,000

**Inter Company Loan Payable**



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

Amba River Coke Limited	9,74,600	-
<b>Interest accrued but not due on borrowings</b>		
Amba River Coke Limited	14,762	-
<b>Interest Receivable from related party</b>		
JSW Vijayanagar Metallica Limited	8,517	-
<b>Intercompany Loan Receivable</b>		
Piombino Steel Limited	29,80,000	-
<b>Interest Receivable from related party</b>		
Piombino Steel Limited	3,233	-
<b>Other Related Parties</b>		
<b>Payable against purchase of Goods</b>		
JSW Cement Limited	8,013	-
<b>Receivable against sale of slurry business.</b>		
JSW Infrastructure Limited	37,33,185	-
<b>Payable against Conversion of slabs into pipes</b>		
Jindal Saw Limited	-	2,48,870

#### Compensation to key management personnel:

KMP -

Mr. Nirmalendu Purohit—Whole Time Director (Upto 17<sup>th</sup> September 2024)  
 Mr. Rakesh Ojha— Whole Time Director (w.e.f 12<sup>th</sup> March 2025)  
 Mr. Nitin Kale – Chief Financial Officer  
 Mr. Amarnath Tiwari – Company Secretary

Term and conditions of outstanding balance

(Rupees '000)

Nature of Transaction	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Short-term employee benefits*	20,641	30,016
<b>Total compensation to key management personnel</b>	<b>20,641</b>	<b>30,016</b>

\*Remuneration to Key Management Personnel Rs 20,641 (previous year Rs.30,016) paid during the year includes Rs.6,426 (previous year Rs. 15,126) capitalized as CWIP.

#### Note:

As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

### 30. Ratios

Ratio*	Numerator	Denominator	31-Mar-25	31-Mar-24	% Change	Reason of changes
Debt- Equity Ratio (%)	Total Debt	Shareholder's Equity	5%	0%	100%	Increased due to higher total debt relative to shareholder's equity.
Return on Equity ratio (%)	Net Profits after taxes	Average Shareholder's Equity	10%	-1.12%	-953%	Improved significantly due to higher net profits after taxes.
Return on Capital Employed (%)	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	11.02%	-1.10%	-1103%	Increased due to higher earnings before interest and taxes.

\*Only ratios applicable to the company are disclosed.



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

#### 31. Commitments

(Rupees in '000)

Particulars	As at 31st Mar 2025	As at 31 March 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,63,78,908	1,56,55,800

#### 32. Employee share based payment plans

##### ESOP PLAN 2021

The Board of Directors of the Company at its meeting held on 21 May 2021, formulated the Shri OP Jindal Employees Stock Ownership Plan ("OPJ ESOP Plan"). At the said meeting, the Board authorized the ESOP Committee for the superintendence of the ESOP Plan.

ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and its' subsidiaries in India.

Three grants would be made under OPJ ESOP plan 2021 to eligible present and future employees on the rolls of the Company as at date of the grant.

The maximum value and share options that can be awarded to eligible employees is calculated by reference to certain percentage of individuals fixed salary compensation. 25% of the grant would vest at the end of the first year, 25% of the grant would vest at the end of the second year and 50% of the grant would vest at the end of the third year with a vesting condition that the employee is in continuous employment with the Company till the date of vesting.

The exercise price is determined by the ESOP committee at Re. 1 per share.

##### SAMRUDDHI PLAN 2021

The Board of Directors of the Company at its meeting held on 21 May 2021, formulated the Shri OP Jindal Samruddhi Plan ("OPJ Samruddhi Plan"). At the said meeting, the Board authorized the ESOP Committee for the superintendence of the ESOP Plan.

Samruddhi plan is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and its' subsidiaries in India.

Single grants would be made under OPJ ESOP plan 2021 to eligible employees on the rolls of the Company as at date of the grant.

The maximum value and share options that can be awarded to eligible employees is calculated by reference to certain percentage of individuals fixed salary compensation. 25% of the grant would vest at the end of the second year, 25% of the grant would vest at the end of the third year and 50% of the grant would vest at the end of the fourth year with a vesting condition that the employee is in continuous employment with the Company till the date of vesting.

The exercise price is determined by the ESOP committee at Re. 1 per share.

The outstanding position as at 31 March 2025 is summarized below:

Particulars	OPJ Samruddhi Plan 2021	OPJ ESOP Plan 2021
Date of grant	07-Aug-21	07-Aug-21
Share Price on date of grant	751	751



**JSW Utkal Steel Limited**

**Notes to Financial Statements for the year ended March 31, 2025**

Average fair value on date of grant	716	723
Granted during the year 2024	2,900	14,475
Transfer In 2024	15,350	23,475
Transfer Out 2024	(1,000)	-
Forfeited during the period 2024	(950)	(383)
Exercised During the period 2024	(3,225)	(4,795)
Outstanding as on 31 March 2024	13,075	32,772
Granted during the year	13,234	800
Transfer In	5,275	3,500
Transfer Out	(15,500)	(3,150)
Forfeited during the period	(6,584)	-
Exercised During the period	(6,734)	(2,751)
Outstanding as on 31 March 2025	22,463	11,474
Vesting Period	The vesting schedule is 25% at the end of 2nd year (first tranche), 25% at the end of 3rd year (second tranche) and the remaining 50% at the end of 4th year (third tranche) from the date of grant respectively.	The vesting schedule is 25% at the end of 1 year (first tranche), 25% at the end of 2nd year (second tranche) and the remaining 50% at the end of 3rd year (third tranche) from the date of grant respectively.
Exercise Period	4 years from the date of vesting.	4 years from the date of vesting.
Weighted average remaining contract life	4 years from the date of vesting.	4 years from the date of vesting.
Exercise price	Re.1	Re.1
Weighted average share price for shares exercised during the year	Not Applicable	Not Applicable
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:



**JSW Utkal Steel Limited**

**Notes to Financial Statements for the year ended March 31, 2025**

Expected option life	The expected option life is assumed to be mid-way between the option vesting and expiry. Accordingly, expected option life is calculated as $\text{Year to Vesting} + (\text{Exercise Period}) / 2$ . Based on vesting and exercise schedule, expected option term for first tranche is 4 years, second tranche is 5 years, and third tranche is 6 years.	The expected option life is assumed to be mid-way between the option vesting and expiry. Accordingly, expected option life is calculated as $\text{Year to Vesting} + (\text{Exercise Period}) / 2$ . Based on vesting and exercise schedule, expected option term for first tranche is 3 years, second tranche is 4 years, and third tranche is 5 years
Risk-free interest rate	Zero coupon sovereign bond yields were utilised with maturity equal to expected term of the option	
The method used and the assumptions made to incorporate the effects of expected early exercise	Black-Scholes Options pricing model	
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The following factors have been considered:	
	(a) Share price	
	(b) Exercise prices	
	(c) Historical volatility	
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	(d) Expected option life	
	(e) Dividend Yield	

Particulars	OPJ Samruddhi Plan 2021			OPJ ESOP Plan 2021			
	1st Grant	2nd Grant	3rd Grant	1st Grant	2nd Grant	3rd Grant	4th Grant
<b>Date of grant</b>							
-original grant	07-Aug-21	07-Aug-23	07-Aug-24	07-Aug-21	07-Aug-22	07-Aug-23	07-Aug-24
-supplementary grant 1	07-Aug-22			31-Jan-22	27-Mar-23	01-Oct-2023	1-Jan-25
-supplementary grant 2				31-Mar-22		11-Oct-2023	
-supplementary grant 3						01-Jan-2024	
<b>Share Price on date of grant</b>							
-original grant	747.4	812.85	884.0	747.4	667.2	812.85	884.0
-supplementary grant 1	667.2			629.2	659.1	779.25	901.5
-supplementary grant 2				732.6		776.85	
-supplementary grant 3						877.35	



**JSW Utkal Steel Limited**

**Notes to Financial Statements for the year ended March 31, 2025**

Particulars	OPJ Samruddhi Plan 2021			OPJ ESOP Plan 2021			
	1st Grant	2nd Grant	3 <sup>rd</sup> Grant	1st Grant	2nd Grant	3 <sup>rd</sup> Grant	4 <sup>th</sup> Grant
<b>Average fair value on date of grant</b>							
-original grant	716.46	733.24	863.81	722.67	575.74	739.22	870.79
-supplementary grant 1	575.74			722.67	575.74	739.22	870.79
-supplementary grant 2				722.67		739.22	
-supplementary grant 3						739.22	
Expected volatility	Volatility has been calculated using standard deviation of daily change in stock price for the expected life of the option for each tranche.						

Particulars	OPJ Samruddhi Plan 2021			OPJ ESOP Plan 2021			
	1st Grant	2nd Grant	3 <sup>rd</sup> Grant	1st Grant	2nd Grant	3 <sup>rd</sup> Grant	4 <sup>th</sup> Grant
	The volatility used for vesting year	The volatility used for vesting year	The volatility used for vesting year	The volatility used for year wise	The volatility used for year wise	The volatility used for year wise	The volatility used for year wise
	2nd Year - 39.17%	2nd Year - 39.51%	2nd Year - 32.06%	1st Year - 41.99%	1st Year - 43.34%	1st Year - 33.94%	1st Year - 30.44%
	3rd Year - 37.47%	3rd Year - 39.13%	3rd Year - 36.80%	2nd Year - 39.17%	2nd Year - 41.33%	2nd Year - 39.51%	2nd Year - 32.06%
	4th Year - 36.72%	4th Year - 38.61%	4th Year - 36.50%	3rd Year - 37.47%	3rd Year - 39.21%	3rd Year - 38.61%	3rd Year - 36.84%
Expected dividend	6.50	3.40	7.30	6.50	17.35	3.40	7.30

**33. Events after Reporting Period**

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

**34. Qualitative Disclosure**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- (ii) The Company do not have any transactions with companies struck off by the Registrar of Companies under the Act.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The company has not been declared as a willful defaulter by any bank of financial institution.

#### 35. Exceptional Item:

During the year, the Board of Directors of the Company approved the transfer of slurry pipeline business to JSW Infrastructure Ltd. on July 18, 2024. Further, the JSW Steel Limited (Holding company) has also obtained approval from their shareholder via postal ballot dated January 16, 2025 for the said transaction. Subsequent to which the Company's shareholder (i.e. JSW Steel Limited) approved the transaction on February 10, 2025. The Company has obtained all necessary approvals and complied with the applicable sections of the Companies Act, 2013 w.r.t. the said transaction.

Pursuant to above, the Company had entered into a Business Transfer Agreement (BTA) on March 25, 2025 w.e.f. March 31, 2025 for transfer of Slurry Pipeline business to JSW Infrastructure Ltd. for a lumpsum consideration of Rs.1,66,09,795 thousand, on a going concern basis, by way of Slump Sale.

The Company has complied with all the Conditions Precedent as agreed in BTA. Further, as described in BTA there are some Conditions Subsequent (CS) yet to be fulfilled which relate solely to procedural and administrative activities and do not constitute a significant portion of the overall work. The Company expects CS to be fulfilled by end of June'25.

Below is the detail of Assets and liabilities transferred on account of said transaction:

The carrying amounts of total assets and liabilities transferred as at 31st March, 2025 are as below		(Rupees'000)
Particulars		Year ended 31st March 2025
Total Assets transferred pursuant to BTA	(A)	1,59,85,855
Total Liabilities transferred pursuant to BTA	(B)	(17,79,860)
<b>Net Assets transferred pursuant to BTA</b>	<b>(A-B)</b>	<b>1,42,05,995</b>

The following statement shows profit from slurry business		(Rupees'000)
Particulars		Year ended 31st March 2025
Purchase consideration of transferred of slurry business		1,66,09,795
Less: Net Assets transferred (Refer above)		1,42,05,995
<b>Gain on transfer of Slurry pipeline business (before tax)</b>		<b>24,03,800</b>
Less: Tax expense		(3,43,753)
<b>Gain on transfer of Slurry pipeline business (After tax)</b>		<b>20,60,047</b>

The following statement shows receivables as at 31st March 2025 from JSW Infrastructure Ltd.		(Rupees'000)
Particulars		As at 31st March 2025
Total Purchase consideration for sale of slurry business		1,66,09,795



## JSW Utkal Steel Limited

### Notes to Financial Statements for the year ended March 31, 2025

Less: Consideration received till 31 March 2025	(1,28,60,000)
Less: TDS deducted	(16,610)
<b>Receivables as at 31st March 2025 (refer note 7)</b>	<b>37,33,185</b>

#### 36. (a) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There are no standards that have been issued but not yet effective.

#### (b) Application of new and amended standards

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

Their adoption has not had any significant impact on the amounts reported in the financial statements.

#### 37. Audit Trail:

The Company has been maintaining its books of accounts in the SAP which has feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, throughout the year as required by proviso to sub rule (1) of rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021. However, the audit trail feature is not enabled for direct changes to data in the underlying database in relation to certain users pertaining to SAP HR – Payroll application, which has been enabled subsequently post the year ended March 31, 2025. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective year.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003



per Anant Acharya

Partner

Membership No. 124790

Place of Signature: Mumbai

Date: May 21, 2025



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



Satyaprakash Rai

Director

DIN: 07895294



Rakesh Kumar Ojha

Whole time Director

DIN: 10997937



Amarnath Tiwari

Company Secretary

Membership No.: A22501

Place of Signature: Mumbai

Date: May 21, 2025



Nitin Kale

Chief Financial Officer

