

Acero Junction Holdings, Inc
SPECIAL PURPOSE
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2026
With report of Independent Auditor

ACERO JUNCTION HOLDINGS, INC.
SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2026

Contents	Page Number
Report of the Independent Auditor	3
<u>Special Purpose Consolidated Financial Statements</u>	
Consolidated Balance Sheet	6
Consolidated Statement of Comprehensive Loss	7
Consolidated Statement of Changes in Stockholders' Equity / (Deficit)	8
Consolidated Statement of Cashflows	9
Notes to Special Purpose Consolidated Financial Statements	10

Independent Auditor's Report

To the Board of Directors of
JSW Steel Limited

Report on the audit of the Special Purpose Consolidated Financial Statements

Opinion

We have audited the special purpose consolidated financial statements of Acero Junction Holdings, Inc. (the Company) and its subsidiary (collectively referred to as 'the Group'), which comprise the consolidated balance sheet as at March 31, 2026, and the related consolidated statement of comprehensive loss, consolidated statement of changes in stockholder's equity / (deficit) and consolidated statement of cash flows for the year then ended, and the related notes to the special purpose consolidated financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying special purpose consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026 and the consolidated results of its operations and its consolidated cash flows for the year then ended in conformity with the basis of preparation paragraph specified in note 2(a) of the Special Purpose Consolidated Financial Statements.

Basis for opinion

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

Basis of Preparation and Restriction on Distribution

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



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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

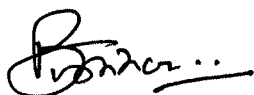


- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose consolidated financial statements, including the disclosures, and whether the special purpose consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Pushkar Sakhalkar
Partner
Membership Number: 160411
UDIN: 26160411SAKGOX9544



Place of Signature: Mumbai
Date: July 14, 2026

ACERO JUNCTION HOLDINGS, INC.
Consolidated Balance Sheet
(Currency: US Dollars)

	Note	As at March 31, 2026	As at March 31, 2025
Assets			
Current assets			
Cash and cash equivalents	9	1,355,680	217,469
Restricted cash	9	2,088,782	82,316,434
Accounts receivables, net of provision	5	28,452,917	28,926,870
Inventories	6	133,476,855	157,804,105
Advances to vendors	18	3,390,993	5,965,082
Prepaid expenses and other current assets		11,536,494	1,122,645
Total current assets		180,301,721	276,352,605
Property, plant and equipment, net of accumulated depreciation	7	271,506,406	201,367,188
Intangible assets, net of accumulated amortization	8	341,291	689,930
Advances to vendors		1,292,000	1,292,000
Total assets		453,441,418	479,701,723
Liabilities and stockholders' equity			
Current liabilities			
Accounts payables	11	91,829,212	108,725,521
Accrued liabilities		27,105,196	26,166,525
Short term debt and current maturities of long term debt	12 (a)	168,212,214	106,279,828
Current maturities of long term debt from related parties	12 (c)	108,455,000	3,102,924
Employee compensation and benefits		2,483,108	1,928,836
Accrued interest on debt		36,911,266	4,371,676
Other current liabilities	14	780,836	33,946,029
Total current liabilities		435,776,832	284,521,339
Long term debt, net unamortized issuance cost	12 (b)	180,723,193	180,564,669
Long term debt from related parties	12 (c)	451,533,269	544,488,269
Accrued interest on debt		91,164,713	86,861,039
Other non-current liabilities	19	2,204,435	800,006
Total liabilities		1,161,402,442	1,097,235,322
Stockholders' equity			
Class A Common Stock, \$ 0.01 par value [500 shares authorized; 53 shares issued and outstanding as at March 31, 2026 and 2025]		1	1
Class B Common Stock, \$ 0.01 par value [500 shares authorized; 47 shares issued and outstanding as at March 31, 2026 and 2025]		-	-
Additional paid-in capital		32,735,899	32,735,899
Accumulated deficit		(740,696,924)	(650,269,499)
Total stockholders' equity		(707,961,024)	(617,533,599)
Total liabilities and stockholder's equity		453,441,418	479,701,723

See accompanying notes to the special purpose consolidated financial statements.


Samir Kalra
Chief Financial Officer




Rahul Singh
Vice President - Finance

ACERO JUNCTION HOLDINGS, INC.
Consolidated Statement of Comprehensive Loss
(Currency: US dollars)

	Note	Year ended March 31, 2026	Year ended March 31, 2025
Revenue	4	721,137,696	584,213,755
Total revenues (A)		721,137,696	584,213,755
Operating expenses:			
Cost of sales (excludes items shown below)		709,564,263	624,116,616
Freight outward expenses		29,237,701	31,080,190
Selling, general and administrative expenses		26,412,254	22,721,975
Total expenses (B)		765,214,217	677,918,781
Loss from operations (C=A-B)		(44,076,522)	(93,705,026)
Other income (expenses):			
Facility fees and financing charges	13	(48,291,304)	(47,508,039)
Guarantee (charges) / reversal of excess charges to related party		54,905	(1,587,508)
Other income / (expenses) (Net)		1,885,496	(700,438)
Total other expenses (D)		(46,350,903)	(49,795,985)
Loss before income taxes (E = C-D)		(90,427,425)	(143,501,011)
Income taxes			
Deferred tax expense / (benefit)	10	-	-
Current income tax	10	-	-
Total income tax (F)		-	-
Net loss (G = E-F)		(90,427,425)	(143,501,011)
Other comprehensive income / (loss) (H)		-	-
Net comprehensive loss (I = G-H)		(90,427,425)	(143,501,011)

See accompanying notes to the special purpose consolidated financial statements.



Samir Kalra
Chief Financial Officer




Rahul Singh
Vice President - Finance

ACERO JUNCTION HOLDINGS, INC.

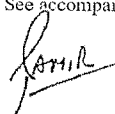
Consolidated Statement of Changes in Stockholders' Equity / (Deficit)

(Currency: US dollars)

	Common Stock		Additional paid-in	Accumulated Deficit	Total stockholders' equity
	Number of shares	Par value	capital		
Balance as at April 1, 2025	100	1	32,735,899	(650,269,499)	(617,533,599)
Loss for the year	-	-	-	(90,427,425)	(90,427,425)
Balance as at March 31, 2026	100	1	32,735,899	(740,696,924)	(707,961,024)

	Common Stock		Additional paid-in	Accumulated Deficit	Total stockholders' equity
	Number of shares	Par value	capital		
Balance as at April 1, 2024	100	1	32,735,899	(506,768,488)	(474,032,588)
Loss for the year	-	-	-	(143,501,011)	(143,501,011)
Balance as at March 31, 2025	100	1	32,735,899	(650,269,499)	(617,533,599)

See accompanying notes to the special purpose consolidated financial statements.



Samir Kalra
Chief Financial Officer




Rahul Singh
Vice President - Finance

ACERO JUNCTION HOLDINGS, INC.
Consolidated Cash flow Statements
(Currency: US dollars)

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flows from operating activities:		
Net Loss	(90,427,425)	(143,501,011)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	35,325,597	38,211,378
Guarantee charges / (reversal) of excess charges to related party	(54,905)	1,587,508
Amortized debt issuance cost	523,538	134,324
Loss on disposal of property, plant and equipment	986	-
Changes in operating assets and liabilities:		
(Increase)/ Decrease in:		
Accounts receivables	429,040	(7,920,566)
Inventories	24,327,251	(13,450,024)
Advances to vendors	2,574,094	(266,152)
Prepaid expenses and other current assets	(10,368,936)	(211,377)
Increase/ (Decrease) in:		
Accounts payables	(1,084,867)	44,777,364
Accrued liabilities	938,671	11,593,854
Employee compensation and benefits	554,271	(15,608)
Accrued interest on debt	36,843,262	30,930,941
Other current liabilities	(32,553,621)	4,809,951
Net cash used in operating activities (A)	(32,973,043)	(33,319,421)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(120,782,766)	(50,475,384)
Proceeds from government grant	1,404,429	800,006
Purchases of intangibles	(147,921)	(151,948)
Net cash used in investing activities (B)	(119,526,258)	(49,827,326)
Cash Flows From Financing Activities:		
Proceeds of debt from related parties	15,500,000	59,340,000
Repayment of debt from related parties	(3,102,924)	-
Proceeds from / (repayment) of short term debt (net)	62,538,340	8,363,332
Repayment of long term debt	-	(33,333,333)
Payment of upfront borrowing cost	(968,888)	-
Payment of guarantee charges	(556,668)	(1,208,487)
Net cash flows from financing activities (C)	73,409,861	33,161,512
Net decrease in cash and cash equivalents and restricted cash (A+B+C)	(79,089,441)	(49,985,235)
Cash and cash equivalents and restricted cash at beginning of year	82,533,903	132,519,138
Cash and cash equivalents and restricted cash at end of year	3,444,462	82,533,903
Supplemental disclosure of cash flow information		
Net cash (used in) provided by operating activities included:		
Interest and other financial costs paid (net of amount capitalized)	11,237,621	16,577,097
Income taxes paid	-	-
Non-cash investing activities		
Liabilities related to additions of property, plant and equipment	22,907,623	7,094,099
Note: The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the Balance Sheet that sum to the total of the same such amounts shown in the Statements of Cash Flows.		
Cash and cash equivalents	1,355,680	217,469
Restricted cash	2,088,782	82,316,434
	3,444,462	82,533,903

See accompanying notes to the special purpose consolidated financial statements.


Samir Kalra
Chief Financial Officer




Rahul Singh
Vice President - Finance

ACERO JUNCTION HOLDINGS, INC.
Notes to Special Purpose Consolidated Financial Statements
(Currency: US Dollars)

1 Organization and nature of business

Acero Junction Holdings, Inc. (the "Company") has been incorporated in the State of Delaware. The Company owns 100 percent of the Common Stock of JSW Steel USA Ohio, Inc ("JSW Ohio") which is a corporate incorporated in the State of Ohio. JSW Ohio operates a steel melting, slab casting and hot strip mill facility. The Company and its subsidiary are hereinafter referred to as "the Group". The Company is a wholly owned subsidiary of JSW Steel Limited, incorporated in India ("JSW India" or "Parent Company").

2 Summary of significant accounting policies

(a) Basis of preparation

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

(b) Use of estimates

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

Significant items subject to such estimates and assumptions include the useful lives of property, plant and equipment, impairment testing of property, plant and equipment and intangible assets, allowance for doubtful accounts, recoverability of advances, recoverability of tariff refunds, realizability of deferred tax assets, valuation of inventories, including estimates used for going concern, income tax uncertainties and other contingencies and commitments.

(c) Revenue recognition

Revenues are recognized when the Group's performance obligations are satisfied. Generally, the Group's performance obligations are satisfied, control of the products is transferred, and revenue is recognized at a single point in time, when title transfers to the customer for product shipped. Revenues are recorded net of any sales incentives and cash discounts. Shipping and other transportation costs charged to customers are treated as fulfillment activities and are recorded in both revenue and operating expense (disclosed separately) at the time control is transferred to the customer. Revenue is generated primarily from contracts to produce, ship and deliver steel products.

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

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

(d) Cash and cash equivalents

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

(e) Restricted cash

Restricted cash comprises of the following for financial year ending on March 31, 2026: 1. \$1,894,108 deposits with Bank of New York Mellon primarily for capital projects and 2. \$179,674 deposits with Fifth Third bank for employee medical claims 3. \$15,000 in the operating account with Citizens Bank of Pennsylvania N.A. over which the bank has the lien in for issuing two secured credit cards as purchase card to the Group.

Restricted cash comprises of the following for financial year ending on March 31, 2025: 1. \$82,301,434 deposits with Bank of New York Mellon primarily for capital projects and 2. \$15,000 in the operating account with Citizens Bank of Pennsylvania N.A. over which the bank has the lien in for issuing two secured credit cards as purchase card to the Group.



ACERO JUNCTION HOLDINGS, INC.
Notes to Special Purpose Consolidated Financial Statements
(Currency: US Dollars)

(f) Accounts receivables

Accounts receivable are stated net of an allowance for doubtful accounts. The Group measures an allowance for doubtful accounts using an expected credit loss model which is based upon estimated losses that could result from a customer's inability to pay for services provided. This model is based on a combination of historical losses, aging of receivables and the financial condition of a particular customer. The allowance for doubtful accounts provision is recorded as an element of selling, general and administrative expenses in the period when the collection of such accounts is determined to be doubtful. If, in a subsequent year, the write-off is recovered, the recovery is recognized in the Statement of Comprehensive Loss. The Company has elected to early adopt the use of practical expedient under ASU 326, Measurement of Credit Losses for Accounts Receivable and Contract Assets. Pursuant to the same, the Company has considered the collection activity upto the date of issue of financial statements in developing its estimate for expected credit losses.

(g) Inventories

The Group's inventories are comprised primarily of raw materials, finished goods and stores and spares. Inventories are stated at lower of cost or market value and are valued using the weighted average cost method. The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion of inventories include labor costs and manufacturing overheads.

(h) Property, plant and equipment

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

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

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

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

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

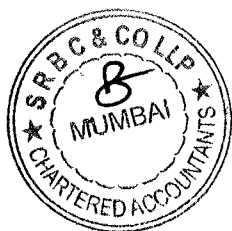
(i) Intangible assets

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

(j) Impairment of long-lived tangible and definite-lived intangible assets

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

The carrying value of property, plant and equipment is assessed for recoverability by management based on analysis of future expected cash flows from the underlying operations of the Group. Management believes there has been no impairment as at March 31, 2026.



(k) Income Taxes

The Group files a consolidated tax return that includes the Company and JSW Steel USA Ohio, Inc. (jointly referred to as "Group") which are not disregarded entities under income tax regulations. Income taxes, including deferred taxes and net operating loss benefits are calculated at a consolidated level, and then allocated to the Company and JSW Ohio based on their relative contributions to the consolidated current and deferred income taxes i.e. the pro rata method, except for distribution of net operating loss which is allocated to JSW Ohio. The use of the pro rata method results in the sum of amounts allocated to individual members to be equal to the consolidated amount. Valuation allowances recorded at a consolidated level are allocated amongst the subsidiaries on a systematic basis.

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

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

Tax positions are evaluated in a two-step process. The Group first determines whether it is more likely than not that a tax position will be sustained upon examination. If a tax position meets the more likely than not threshold, it is then measured to determine the amount of expense to record in the financial statements. The tax position is measured as the largest amount of expense that is greater than 50 percent likely to be realized upon settlement. The Group classifies any potential accrued interest recognized on an underpayment of income taxes as interest expense and classifies any statutory penalties recognized on a tax position taken as operating expense. Management of the Group has not taken a tax position that, if challenged, would be expected to have a material effect on the consolidated financial statements or the effective tax rate for the years ended March 31, 2026. The Group's consolidated federal income tax returns are subject to examination by the Internal Revenue Service with a normal statutory limitation of three years from the date of filing the tax return or the due date whichever is later.

(l) Fair value measurement

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

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

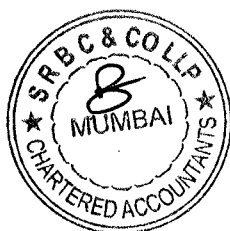
- Level I Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level II Inputs: Other than quoted prices included in Level I Inputs that are observable for the asset or liability, either directly or indirectly,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

(m) Concentration of credit risk

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

(n) Commitments and contingencies

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



ACERO JUNCTION HOLDINGS, INC.
Notes to Special Purpose Consolidated Financial Statements
(Currency: US Dollars)

(o) Capitalized loan costs

The Group incurred costs to obtain certain loans. These costs have been deferred and are being amortized to financing costs over the life of the related loan arrangement. The deferred financing costs included in the Balance Sheet as at March 31, 2026 are \$4,957,761 (March 31, 2025: \$4,510,331). The unamortized cost has been shown as a reduction from the borrowings outstanding as at March 31, 2026.

(p) Leasing arrangements

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

(q) Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. A deferred income liability is recognized upon receipt of the forgivable loan, if it is determined that there is reasonable assurance that the Group will meet the conditions for forgiveness of the full loan amount. The deferred income liability would be recognized in income on a systematic and rational basis over the periods in which the entity recognizes as expenses the costs the grant is intended to defray.

(r) Borrowing costs:

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 Comprehensive Loss in the year in which they are incurred. The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Group borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

3 Recently adopted accounting standards

During the year ended March 31, 2026, there were no new accounting standards and interpretations issued which are expected to have a material impact on the Group's financial position, operations or cash flows.

3.1 Recently issued accounting pronouncements

- (a) In December 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2025-10, Accounting for Government Grants Received by Business Entities (ASU 2025-10). Prior to ASU 2025-10, there was no specific U.S. GAAP guidance regarding government grants. Under ASU 2025-10, a government grant should not be recognized until

1) it is probable that-

(a) the business entity will comply with the grant and (b) the grant will be received; and

2) recognition guidance for grants related to an asset and grants related to income under ASU 2025-10 are met.

Grants related to assets are conditioned on the purchase, construction, or acquisition of an asset (for example, a longlived asset or inventory) and government grants related to income include all other government grants (for example, reimbursements of operating expenses). ASU 2025-10 requires that a grant related to an asset be recognized on the balance sheet as a business entity incurs the related costs for which the grant is intended to compensate, either as: 1) deferred income; or, 2) an adjustment to the cost basis in determining the carrying amount of the asset (the cost accumulation approach).

A grant related to income and a grant related to an asset for which the deferred income approach is elected should be recognized in earnings on a systematic and rational basis over the periods in which the costs are incurred for which the grant is intended to compensate. ASU 2025-10 is effective for annual reporting periods beginning after December 15, 2029 with early adoption permitted. ASU 2025-10 can be adopted under a modified prospective, modified retrospective or retrospective basis. The Group is currently assessing the impact of ASU 2025-10 on its disclosures.

- (b) In November 2025, the FASB issued Accounting Standards Update 2025-09, Hedge Accounting Improvements (ASU 2025-09).

The objective of ASU 2025-09 is to more closely align hedge accounting with the economics of an entity's risk management activities. ASU 2025-09 includes provisions that:

1) expand the hedged risks permitted to be aggregated in a group of individually forecasted transactions, thereby enabling application of cash flow hedge accounting to a broader portfolio of transactions;

2) establish an operable model that enables broader application of hedge accounting to debt instruments that permit the borrower to change the interest rate index and interest rate tenor;

3) enable application of hedge accounting to price components of forecasted purchases of non-financial assets when the price component is clearly and closely related to the nonfinancial asset being purchased or sold;

4) eliminate the requirement to apply the net written option test to a compound derivative comprising a swap and a written option designated as the hedging instrument in a cash flow hedge or a fair value hedge of interest rate risk; and,

5) eliminate the recognition and presentation mismatch related to a dual hedge strategy by allowing entities to reflect the economic offset of changes attributable to both interest rate risk and foreign exchange risk. ASU 2025-09 is effective for annual reporting periods beginning after December 15, 2027 with early adoption permitted.

The Group is currently assessing the impact of ASU 2025-09 on its disclosures.

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

The Group is currently assessing the impact of ASU 2023-09 on its disclosures.



ACERO JUNCTION HOLDINGS, INC.
Notes to Special Purpose Consolidated Financial Statements
(Currency: US dollars)

Note 4

Revenue

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

The Group generates revenue from sale of flat rolled steel products viz. Hot Rolled Coil (HRC) and Slab to North American customers. HRC is sold primarily to steel processing centers and slabs are sold to its fellow subsidiary JSW Steel (USA), Inc. and certain steel processing centers. Generally, the Group's performance obligations are satisfied, when control of products is transferred, and revenue is recognized at a single point in time, when title transfers to our customer for product shipped or when services are provided. The gain/(loss) on account of hedging pertaining to HRC has been classified under revenue.

Revenues are recorded net of any sales incentives. The following table disaggregates the revenue by product:

Customer sales by product	Year ended March 31, 2026	Year ended March 31, 2025
HRC	200,317,845	172,230,354
Slabs	520,688,093	411,636,410
Others	131,758	346,991
Total	721,137,696	584,213,755

Note 5

Accounts receivables, net of provision

	As At March 31, 2026	As At March 31, 2025
Accounts receivables (Refer note below)	28,452,917	22,438,537
Receivables from related parties	-	6,488,333
Total	28,452,917	28,926,870

Note

No receivables are outstanding for more than 1 year.

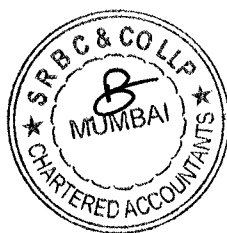
Note 6

Inventories

	As At March 31, 2026	As At March 31, 2025
Raw material (including goods in transit of \$6,945,930 (March 31, 2025: \$4,829,247)	48,717,497	35,338,081
Semi Finished/Finished Goods	80,865,867	113,081,132
Stores, spares and consumables	3,893,491	9,384,892
Total	133,476,855	157,804,105

Semi finished goods consist of slabs which are used in the production of hot rolled coils. Finished goods consist of hot rolled coils and slabs sold to customers. Raw materials consist of iron & steel scrap, ferro alloy & steel making fluxes.

During the year, the Group recognised an expense of \$ 1,434,241 (March 31, 2025: \$ 9,831,659) in cost of sales on account of write down of certain inventories.



ACERO JUNCTION HOLDINGS, INC.
Notes to Special Purpose Consolidated Financial Statements
(Currency: US dollars)

Note 7

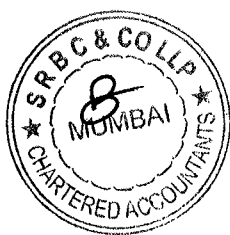
Property, plant and equipment, net of accumulated depreciation

	As at <u>March 31, 2026</u>	As at <u>March 31, 2025</u>
Land	9,043,604	9,043,604
Buildings and improvements	11,947,766	11,250,863
Machinery and equipment	322,611,894	239,422,122
Computer equipment	930,699	799,899
Furniture and fixtures	350,388	350,388
Vehicles	157,817	122,817
	345,042,168	260,989,693
Less: Accumulated depreciation	(159,338,097)	(125,941,667)
	185,704,071	135,048,026
Capital work-in-progress	85,802,335	66,319,162
Total	271,506,406	201,367,188

Depreciation on property, plant and equipment amounted to \$34,829,037 and \$37,838,105 for the year ended March 31, 2026 and March 31, 2025 respectively.

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

Capital work-in-progress includes advances paid towards the acquisition of property, plant and equipment, outstanding at each reporting date and the cost of property, plant and equipment not ready for use before such date. The amount also includes interest cost which has been capitalized during the year as part of the Vacuum Tank Degasser (VTD) and other caster upgrades. The total interest expenditure pertaining to this was \$6,963,329 (March 31, 2025: \$7,270,139) against which an income of \$3,519,913 (March 31, 2025: \$4,968,754) was earned thereby, a net interest cost amounting to \$3,444,016 (March 31, 2025: \$2,301,385) which has been capitalised during the year.



ACERO JUNCTION HOLDINGS, INC.
Notes to Special Purpose Consolidated Financial Statements
(Currency: US dollars)

Note 8

Intangible assets, net of accumulated amortization

	As at <u>March 31, 2026</u>	As at <u>March 31, 2025</u>
Software	2,912,462	2,545,548
Less: Accumulated amortization	(2,571,171)	(2,074,611)
	<u>341,291</u>	<u>470,937</u>
Intangible assets under development	-	218,993
Total	<u><u>341,291</u></u>	<u><u>689,930</u></u>

Amortization on intangible assets amounting to \$496,560 and \$373,272 for the year ended March 31, 2026 and for the year ended March 31, 2025 respectively.

Amortization by fiscal year as on March 31, 2026

Fiscal Year	Amount
2026-27	136,444
2027-28	112,857
2028-29	9,258
2029-30	8,253
2030-31	8,253

Note 9

Cash, cash equivalents and restricted cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within Consolidated Balance Sheets that sum to the total of the same amounts shown in the Consolidated Statement of Cash Flows:

Particulars

	As at <u>March 31, 2026</u>	As at <u>March 31, 2025</u>
Cash and cash equivalents	1,355,680	217,469
Restricted cash in other current assets	2,088,782	82,316,434
Total Cash, cash equivalents and restricted cash	<u><u>3,444,462</u></u>	<u><u>82,533,903</u></u>

Amounts included in restricted cash represent balances which are legally or contractually restricted, primarily for capital projects.



ACERO JUNCTION HOLDINGS, INC.
Notes to Special Purpose Consolidated Financial Statements
(Currency: US dollars)

Note 10
Income taxes

The major components of income tax expense for the years ended March 31, 2026 and March 31, 2025 are as follows:

	Year ended March 31, 2026	Year ended March 31, 2025
a) Income taxes		
Current income tax	-	-
Deferred tax expense / (benefit)	-	-
Income tax expense reported in the Statement of Comprehensive Income / (Loss)	-	-

The tax years ending March 31, 2023 onwards are open to audit by the Internal Revenue Service as per the normal 3 year limitation. The Group is open to various state taxing jurisdictions ranging from 3 to 5 years depending on the state.

b) Tax rate reconciliation

Reconciliation of tax expense and the accounting profit multiplied by United States' statutory tax rate for March 31, 2026 and March 31, 2025:

	Year ended March 31, 2026	Year ended March 31, 2025
Accounting profit/ (loss) before income tax	(90,427,425)	(143,501,011)
At United States' income tax rate of 21% (March 31, 2025: 21%)	(18,989,759)	(30,135,212)

Reconciliation items

Change in valuation allowances- Federal	18,739,502	27,245,138
Change in valuation allowances- State	(983,023)	2,160,305
Others	1,233,280	729,769
Total deferred tax (Income) / expense	-	-

c) Deferred tax assets / (liabilities)

	March 31, 2026	March 31, 2025
Deferred tax assets	167,687,295	152,786,627
Deferred tax liability	(5,356,245)	(8,212,058)
Net deferred tax asset	162,331,051	144,574,569
Less: Valuation allowance	(162,331,051)	(144,574,569)
Net non-current deferred tax assets	-	-

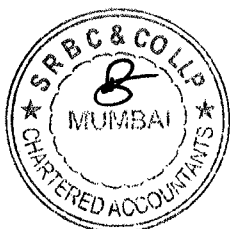
d) Significant components of current and deferred taxes

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at March 31, 2026 and March 31, 2025 are presented below:

	March 31, 2026	March 31, 2025
Deferred tax assets		
Net operating losses	120,628,480	115,474,534
Interest accrual for payment to related parties	26,090,245	18,240,818
Provision for doubtful debts	11,387	11,387
Interest not allowed per provisions of 163(j)	20,234,249	18,131,846
Others	722,934	928,042
Total deferred tax assets (a)	167,687,295	152,786,627
Deferred tax liabilities		
Difference between tax base and book base of assets	(5,356,245)	(8,212,058)
Total deferred tax liabilities (b)	(5,356,245)	(8,212,058)
Net deferred tax assets / (liabilities) (a - b)	162,331,051	144,574,569
Less: Valuation allowance	(162,331,051)	(144,574,569)
Net deferred tax assets / (liabilities)	-	-

Note

As of March 31, 2026, the Group has \$550,313,072 of Gross U.S. Federal NOL Carryforwards (March 31, 2025: \$521,089,411) and \$253,136,735 of Gross State NOL Carryforwards (March 31, 2025: \$302,287,884), resulting in DTA of \$120,628,480 (March 31, 2025: \$115,474,534). These NOLs can be carry forwarded indefinitely.



ACERO JUNCTION HOLDINGS, INC.
Notes to Special Purpose Consolidated Financial Statements
(Currency: US dollars)

Note 11

Accounts payables
Accounts payables
Payable to related parties
Total

As at	As at
March 31, 2026	March 31, 2025
87,271,998	87,096,762
4,557,214	21,628,759
91,829,212	108,725,521

Note 12

Debt
(a) Short term debt and current maturities of long term debt
Working capital facilities [Refer note (i)]
Notes payable [Refer note (ii)]
Total

As at	As at
March 31, 2026	March 31, 2025
158,815,988	106,277,286
9,396,226	2,542
168,212,214	106,279,828

(i) Working capital facilities

Bank	Rate of Interest	Year of maturity	Limits	Avaliable March 31, 2026	Avaliable March 31, 2025
BMO Harris - Base rate Loan *	SOFR Rate + 3.70%	Mar-26	CY - 350,000,000	159,496,942	106,352,286
	SOFR Rate + 3.00%		PY - 125,000,000		
Less: Unamortized debt issuance cost				(680,954)	(75,000)
Total				158,815,988	106,277,286

* Fund based credit facilities with banks, which are available for working capital requirements, are in the form of lines of credit and revolving loans. JSW Steel USA Ohio, Inc. is a co-borrower along with JSW Steel (USA) Inc., a related party, under a combined credit facility. The facility is available on a joint basis, and each co borrower is jointly and severally liable for all borrowings and related obligations outstanding under the facility. The borrowings are secured by a first priority pari passu charge on substantially all eligible movable assets of the co-borrowers, subject to applicable intercreditor arrangements. As at March 31, 2026, the outstanding borrowings under the facility amounted to \$159,496,942 in respect of JSW Steel USA Ohio, Inc., and \$3,003,058 in respect of JSW Steel (USA) Inc.

(ii) Notes payable

Particulars	Rate of Interest	Year of maturity	As at March 31, 2026	As at March 31, 2025
Acceptances (Refer note below)	4.58% p.a.	July'26	9,310,726	-
Secured against hypothecation of insurance policies	2% - 3% p.a.	June'26	85,500	2,542
Total			9,396,226	2,542

Note -

Acceptances represent Supplier Financing Arrangements (SFA) wherein the Group enters into arrangements with banks for issuance of Letter of Credit ("LC") in favour of suppliers for procurement of imported raw materials. Under the terms of such arrangements, the bank settles the supplier invoices immediately on dispatch of raw materials and acceptance of invoice by the Group. The Group bears the interest for upto 180 days from date of such settlement. The Group gets an extended interest bearing credit period of upto 180 days from such dates to settle the outstanding dues.

(b) Long-term debt, net unamortized issuance cost

Particulars	Repayment Year	Annual Interest Rate	Calendar year of maturity	As at March 31, 2026 Carrying value	As at March 31, 2025 Carrying value
i) Municipal Bond I (refer note b.1 below)	Mar-52	3.50%	Dec-51	40,000,000	40,000,000
ii) Municipal Bond II (refer note b.2 below)	Mar-54	5.00%	Dec-53	145,000,000	145,000,000
Subtotal				185,000,000	185,000,000
Total (i+ii)				185,000,000	185,000,000
Less: Unamortized debt issuance cost				(4,276,807)	(4,435,331)
Total long-term debt				180,723,193	180,564,669

Note:

b.1) During the year ended March 31, 2022, a Subsidiary of the Group had raised long term funds from the municipal bond markets in the USA backed by the guarantee provided by JSW Steel Limited ('the Holding Company'). The Jefferson County Port Authority ("Port Authority") issued special, limited obligations bond (the "Bonds"), the proceeds of which were extended as a loan to the Group. The Bonds will be repaid out of proceeds from repayment of loan received from the Group and the Bondholders will have no recourse to the Port Authority. The proceeds from the Bonds are to be utilized for the purpose of refinancing/ reimbursing, in whole or in part, the cost of (1) the modernization of an Electric Arc Furnace ("EAF"), consisting of automation and upgrade of the existing EAF of the Company and (2) the Caster modernization including the installation of a Level 2 automation system to allow for the production of higher quality steel slabs at the facility.

b.2) A Subsidiary of the Group had raised long term funds from the municipal bond markets in the USA backed by the guarantee provided by JSW Steel Limited ('the Holding Company') in FY 2023-24. The Jefferson County Port Authority ("Port Authority") issued special, limited obligations bonds (the "Bonds"), the proceeds of which were extended as a loan to the Subsidiary. The loan is used for the construction, equipping and installation of a Vacuum Tank Degasser (VTD) and Other Caster Upgrades and Auxiliary Improvements.



ACERO JUNCTION HOLDINGS, INC.

Notes to Special Purpose Consolidated Financial Statements

(Currency: US dollars)

(c) Long term debt from related parties

Particulars	Rate of Interest	Tenure	As at	As at
			March 31, 2026	March 31, 2025
JSW Steel Limited	5.50% - 8.50%	36 months - 60 months	559,988,269	544,488,269
Paycheck Protection Program loan from JSW Steel Limited (USA), Inc. (refer note c.1 below)	1.00%	5 years (June 2025)	-	3,102,924
Less: Current maturities of notes payable			(108,455,000)	(3,102,924)
Total long term debt from related parties			451,533,269	544,488,269

Note:

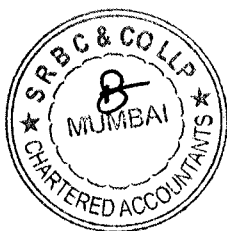
c.1) Under the Paycheck Protection Program (PPP) created by the federal government under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, eligible small businesses could apply to a US Small Business Administration (SBA) approved lender for a loan. Such loans were eligible for forgiveness in part/ full provided amongst other conditions the applicant maintains specified levels of payroll and employment during the specified period.

During the year ended March 31, 2021, JSW Steel (USA) Inc., a related party filed a joint application on behalf of the eligible subsidiaries of JSW Steel Limited (jointly referred to as "Group") and availed a loan of \$10,000,000 under the PPP program. The Group was allocated \$ 3,102,924 as it's share of the PPP loan carrying rate of interest of 1% and term of 5 years. The loan was repaid during FY 25-26.

c.1) Under the Paycheck Protection Program (PPP) created by the federal government under the Coronavirus Aid, Relief, and Economic Security (CARES

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

Fiscal Year	Annual Maturity
2026	108,455,000
2027	81,035,839
2028	118,653,000
2029	181,964,430
2030	69,880,000
Thereafter	185,000,000
Total	744,988,269



ACERO JUNCTION HOLDINGS, INC.

Notes to Special Purpose Consolidated Financial Statements
(Currency: US dollars)

Note 13

Facility fees and financing charges

Interest expenses

	Year Ended <u>March 31, 2026</u>	Year Ended <u>March 31, 2025</u>
Term loan from bank	-	807,370
Working capital facilities	6,864,494	7,368,244
Municipal bonds	8,725,878	8,694,466
Debt from related parties	37,378,224	33,652,537
Interest on advances from related party	914,664	3,676,779
Others	923,943	134,737
	<u>54,807,203</u>	<u>54,334,133</u>
Add: Amortized debt issuance cost	447,430	444,045
	(6,963,329)	(7,270,139)
Total	<u><u>48,291,304</u></u>	<u><u>47,508,039</u></u>

Note 14

Other current liabilities

	As at <u>March 31, 2026</u>	As at <u>March 31, 2025</u>
Advance from customer *	-	33,152,275
Others	780,836	793,754
Total	<u><u>780,836</u></u>	<u><u>33,946,029</u></u>

* Advance from customer represents interest bearing advance given by JSW Steel (USA), Inc. towards the sale of goods (interest rate: based on the working capital facility availed by the related party)



ACERO JUNCTION HOLDINGS, INC.

Notes to Special Purpose Consolidated Financial Statements

(Currency: US dollars)

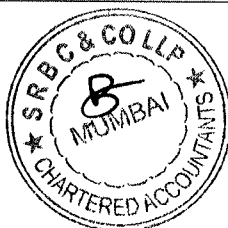
Note 15

Related party disclosures

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

Related parties and nature of related party relationships:

Nature of relationship	Name of related parties	
Holding Company	JSW Steel Limited	
Subsidiaries of Holding Company with whom transactions have taken place during the year	JSW Steel (USA), Inc. Bhushan Power & Steel Limited Planck Holdings, LLC	
Other related parties of the Holding Company with whom transactions have taken place during the year	Jindal Pipe USA Inc Jindal Tubular USA LLC	
a) Transaction with related parties		
Particulars	Year Ended 31-Mar-26	Year Ended 31-Mar-25
Transactions during the period		
Debt taken		
JSW Steel Limited	15,500,000	59,340,000
Guarantee Charges		
JSW Steel Limited	738,849	1,587,508
Reversal of excess provision pertaining to guarantee charges		
JSW Steel Limited	793,754	-
Interest expense on debt taken		
JSW Steel Limited	37,378,224	33,621,078
JSW Steel USA, Inc - PPP Loan	7,844	31,460
JSW Steel USA, Inc - Interest Reimbursement (BMO)	1,805,555	-
Loan Repaid		
JSW Steel USA, Inc - PPP Loan	3,102,924	-
Interest on advances		
JSW Steel USA, Inc	914,664	3,676,779
Expenses incurred on behalf of the Group by the related party		
JSW Steel (USA) Inc. (Expenses)	6,771,741	6,667,007
JSW Steel (USA) Inc. (Material purchase)	30,380,432	-
Commission on material purchased by related party		
JSW Steel (USA) Inc.	75,951	-
Capital expenditure incurred from related party		
JSW Steel Limited	3,031,283	3,559,411
Plank Holdings, LLC	35,000	-



ACERO JUNCTION HOLDINGS, INC.

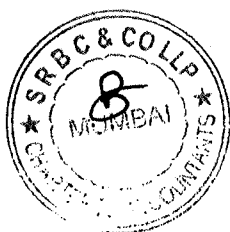
Notes to Special Purpose Consolidated Financial Statements

(Currency: US dollars)

Material sold to related parties under sale contracts		
JSW Steel (USA) Inc.	355,702,940	259,935,301
Jindal Pipe USA Inc	17,243,215	21,846,655
Jindal Tubular USA LLC	193,749	-
Material purchased from related parties under purchase contracts		
JSW Steel (USA), Inc.	30,387,405	25,224,534
JSW Steel Limited	916,480	-
b) Balance with related parties		
Particulars	As at 31-Mar-26	As at 31-Mar-25
Debt payable		
JSW Steel Limited	559,988,269	544,488,269
JSW Steel (USA), Inc. - PPP Loan	-	3,102,924
Advances from customer		
JSW Steel (USA), Inc.	-	33,152,275
Guarantee charges payable		
JSW Steel Limited	182,182	793,754
Interest payable on debt		
JSW Steel Limited	124,239,263	86,861,039
JSW Steel (USA), Inc.	1,365,958	149,458
Interest payable on advances		
JSW Steel (USA), Inc.	-	857,416
Commission payable on purchase/sale of material		
JSW Steel (USA), Inc.	75,951	-
Accounts payables		
JSW Steel Limited	308,186	308,186
JSW Steel (USA), Inc.	4,173,077	21,320,573
Accounts receivables		
Jindal Pipe USA Inc	-	6,488,333

Terms and conditions of transactions with related parties

1. The sale and purchases are made on normal commercial terms and conditions at market rates and having a credit period of 30-60 days.
2. Loans received from related parties are unsecured, bear interest rates ranging from 5.50% to 8.50% and are repayable over a period of 36 to 60 months. Additionally, a loan of \$3,102,924 from JSW Steel (USA), Inc. under the Paycheck Protection Program (PPP) carries an interest rate of 1% was repaid by the end of June 2025.
3. JSW Steel (USA), Inc acts as an agent on behalf of the Group for purchase of scrap done by the Group from certain vendors. Commission is paid to JSW Steel (USA), Inc at a rate of 0.25% of purchase value.
4. JSW Steel USA Ohio, Inc. & JSW Steel (USA), Inc. are co-borrowers under combined credit facility of BMO. Each co-borrower is jointly and severally liable for all borrowings and related obligations outstanding under the facility. Interest payable to JSW Steel (USA), Inc is on account of payment done on the behalf of the related party under common borrowing facility. The combined interest expenditure for the same is charged to JSW Steel (USA), Inc and subsequently reimbursed to them by the Group.



ACERO JUNCTION HOLDINGS, INC.

Notes to Special Purpose Consolidated Financial Statements

(Currency: US dollars)

Note 16

Description of rights and privileges of capital stock

The Group has two classes of common stock - Class A and B with identical rights of voting and dividends. The distinction in classes was significant for the purposes of electing the directors of the corporation with each class having the right to appoint equal number of directors. JSW India Limited is the sole owner of all the issued stocks of both the classes.

Note 17

Commitments and Contingencies

a) Commitments

	As at	As at
	<u>March 31, 2026</u>	<u>March 31, 2025</u>
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	16,985,839	34,352,933
ii) Standby letter of credit	-	1,340,767

b) Contingencies

JSW Steel USA Ohio, Inc. is a co-borrower along with JSW Steel (USA), Inc, a related party, under a combined working capital credit facility. The facility is available on a joint basis, and each co borrower is jointly and severally liable for all borrowings and related obligations outstanding under the facility. As at March 31, 2026, the outstanding borrowings under the facility amounted to \$159,496,942 in respect of JSW Steel USA Ohio, Inc. and \$3,003,058 in respect of JSW Steel (USA), Inc.

Note 18

Advance to vendors (current)

The Group entered into an agreement with a vendor in February 2021 for processing of HRCs from the slabs provided by the Group. As per the terms of the agreement, the Group committed a minimum quantity of slabs to be processed during the term of the agreement and had deposited \$10,000,000 as commitment fee with the vendor which will be allowed as a rebate over the term of the agreement on meeting the committed threshold as per the agreement. As at March 31, 2026, the balance of such deposit amounted to \$1,087,418 which is represented under "Advance to vendors" in the Consolidated Financial Statements for the year. Balance amount of \$2,303,575 pertains to operating advances to other vendors.

Note 19

Other non-current liabilities (Government grants)

1. During the year, a subsidiary received approval for credit of \$ 43,500,000 for a Qualifying Advanced Energy Project Credit Allocation under Internal Revenue Code Section 48C (e) pertaining to multiple capex projects subject to compliance of underlying conditions. Pending which no adjustments has been recorded in the books of account.
2. During the year, a subsidiary received grants subject to fulfilment of few commitments in relation to fixed asset investment, jobs to be created and retained, such commitments are to be fulfilled by the Group with metric evaluation date as December 31, 2033. The government grant is recognized as a deferred income liability upon receipt and would be recognized as income when there is reasonable assurance that JSW Ohio will comply with the conditions attached to the grant.

	<u>Grant Value</u>	<u>March 31, 2026</u>	<u>March 31, 2025</u>
Ohio Job Means (Grantor)	2,000,000	1,704,435	800,006
Ohio Rail Development Commission (Grantor)	500,000	500,000	-
	<u>2,500,000</u>	<u>2,204,435</u>	<u>800,006</u>



ACERO JUNCTION HOLDINGS, INC.

Notes to Special Purpose Consolidated Financial Statements

(Currency: US dollars)

Note 20

Financial Instruments

Financial instruments consist of cash and cash equivalents, restricted cash, accounts receivables, advances to vendors, accounts payables, accrued liabilities and debts.

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

- Concentration of risk;
- Market risk:

I. Concentration of risk

The Group manages its exposures to credit risk associated with accounts receivables using tools such as credit approvals, credit limit and monitoring procedures. The Group sets credit limits based on the insurance limits provided by a third party agent (i.e. Euler Hermes). The Group measures the allowance for doubtful accounts using an expected credit loss model which is based upon estimated losses that could result from a customer's inability to pay for services provided. This model is based on a combination of historical losses, ageing of receivables, collection activity upto the date of issue of financial statements and the financial condition of a particular customer. In management's opinion as of March 31, 2026, the Group did not have significant unreserved risk of credit loss due to the non-performance of customers or other counterparties related to amounts receivable.

II. Market risk

The Group is exposed to certain risks related to its ongoing business operations, including financial, market, political and economic risks. The following provides information regarding the Group's exposure to the risks of changing commodity prices.

In the ordinary course of business, the Group is exposed to market risk and price fluctuations related to the sale of its products which are impacted primarily by market prices for finished goods including other related spot pricing indices. Further, the purchase of raw materials used in its operations, are impacted by market prices for scrap.

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

Note 21

Retirement plan

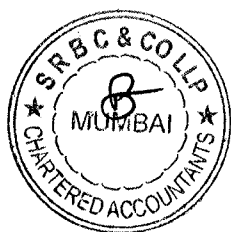
of every employee irrespective of the employees' contribution. The participants, as defined by the plan, may contribute by deferring a percentage of their compensation, but not in excess of the maximum allowed under the code. Participants are 100% vested with immediate effect.

The Group contributed \$997,129 and \$919,928 for the periods ended March 31, 2026 and March 31, 2025 respectively. A third-party administrator administers the plan.

Note 22

Healthcare Benefits

The Group provides healthcare benefits to its active full-time workers. The Group uses a third-party commercial insurance carrier to handle the healthcare insurance. The Group payment related to healthcare benefits were \$5,179,445 and \$3,387,200 for the periods ending March 31, 2026 and March 31, 2025 respectively.



ACERO JUNCTION HOLDINGS, INC.

Notes to Special Purpose Consolidated Financial Statements

(Currency: US dollars)

Note 23

Prepaid and other current assets

(a) During the year, the Group paid tariff for importing raw materials amounting to \$ 2,557,912 and capital assets amounting to \$ 4,038,688 under US International Emergency Economic Powers Act ('IEEPA'). In February 2026, the US Supreme Court ruled that the tariffs imposed under the US International Emergency Economic Powers Act IEEPA are unlawful. Accordingly, US Court of International Trade ('CIT') ordered the US Customs and Border Protection ('CBP') to establish a system and process the refunds. The Group is in process of filing application with CBP w.r.t. to import of raw materials and recovering amounts which have been directly paid by the supplier in relation to capital assets. Accordingly, refund receivables of \$ 6,596,600 have been classified under current assets. Of the total amount paid, \$ 2,628,264 has been received in June 2026 by the Group.

(b) Other current assets include an amount of \$3,600,000 receivable from vendor pursuant to a settlement agreement entered in March 2026. In August 2024, the Group's operations and production processes were disrupted due failure of a critical equipment (crane). Consequentially, the Group filed a suit against the vendor providing maintenance, inspections and repair services. Pursuant to legal proceedings, the Group entered into an out of court settlement agreement in March 2026 amounting to \$3,600,000. The settlement proceedings were agreed to be paid by the vendor to the Group which has been recognised in the Statement of Comprehensive Loss.

Note 24

The Group has incurred a loss of \$90,427,425 for the year ended March 31, 2026 (March 31, 2025: \$143,501,011) and has accumulated losses of \$740,696,924 and a negative net worth of \$707,961,024 as of year ended March 31, 2026 (March 31, 2025 accumulated losses of \$650,269,499 and a negative net worth of \$617,533,599). The Group was acquired in July 2018 by JSW Steel Limited and restarted its steel making facility in 2018-19. The Group is also making further investments in capex to improve its performance. Further, JSW Steel Limited ('Holding Group') has committed to provide continuing financial and operational support to the Group for its continued operation in the foreseeable future. Accordingly, these financial statements are prepared under going concern assumption.

Note 25

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications have no effect on the previously reported special purpose consolidated financial statements.

Note 25

Subsequent events

Subsequent events have been evaluated through July 14, 2026 which is the date the special purpose consolidated financial statements were available to be issued. As of that date, there were no reportable events other than the events already disclosed above where appropriate.

