

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 2024, 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 significant 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, 2024, its loss 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.

Information Other than the Financial Statements and Auditor's Report Thereon

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,



Page 2 of 10
JSW Utkal Steel Limited

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.



Page 3 of 10

JSW Utkal Steel Limited

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. A. 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 2B(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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) 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;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 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;
 - (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(vi) below on reporting under Rule 11(g);
- B. 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.



Page 4 of 10
JSW Utkal Steel Limited

- 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, 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, no funds have been received by the Company from any person or entity, 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. No dividend has been declared or paid during the year by the Company.
- vi. As more fully described in note 33 to the financial statements, 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 and in the application when using certain privileged access rights. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

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



per Anant Acharya
Partner

Membership Number: 124790
UDIN: 24124790BKFUGD8518
Place of Signature: Mumbai
Date: May 15, 2024



Page 5 of 10
JSW Utkal Steel Limited

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, 2024.
- (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 not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) to (f) of the Order are not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.



- (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 Companies 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 sales-tax, service tax, duty of customs, duty of excise, 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, sales-tax, service 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 ix(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 requirement to report on clause (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 (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 Companies Act, 2013 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 Companies Act, 2013. 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 Companies Act, 2013 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.



Page 8 of 10
JSW Utkal Steel Limited

- (xvii) The Company has incurred cash losses amounting to INR 1,31,556 ('000) in the current year and amounting to INR 1,77,940 ('000) in the immediately preceding financial year respectively.
- (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 27 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 and considering the Company's current liabilities exceeds the current assets by INR 30,92,660 ('000) the Company has obtained the letter of financial support from the Holding Company, nothing has come to our attention, which causes us to believe 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, further state that this is not an assurance as to the future viability of the Company and 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 Companies Act, 2013 are not applicable to the Company. Accordingly, the requirement to report on clause (xx) of the Order is not applicable to the Company.

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



per Anant Acharya
Partner

Membership Number: 124790
UDIN: 24124790BKFUGD8518
Place of Signature: Mumbai
Date: May 15, 2024



Page 9 of 10

JSW Utkal Steel Limited

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, 2024 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 Companies Act, 2013.

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



Page 10 of 10

JSW Utkal Steel Limited

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, 2024, 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: 24124790BKFUGD8518

Place of Signature: Mumbai

Date: May 15, 2024



JSW Uttal Steel Limited
Balance Sheet as at March 31, 2024
CIN - U72209MH2017PLC301887

Particulars	Notes	(Rupees in 000)	
		As at March 31, 2024	As at March 31, 2023
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	1,60,151	86,495
(b) Capital work-in-progress	4	1,30,77,742	72,10,237
(c) Right-of-use assets	5	36,47,962	8,10,717
(d) Other Intangible assets	6	2,198	220
(e) Financial assets			
(i) Other financial assets	7	26,700	27,436
(f) Other non-current assets	8	7,45,157	3,19,240
Total non-current assets		1,78,59,305	90,54,345
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	9	8,411	508
(ii) Other financial assets	7	465	-
(b) Other current assets	8	1,307	1,864
Total current assets		10,483	2,172
Total Assets		1,76,70,388	90,56,517
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	1,47,18,469	76,51,469
(b) Other Equity	11	4,73,350	3,13,387
Total equity		1,42,45,119	73,37,882
Non-current liabilities			
(a) Financial liabilities			
(i) Lease Liability	12	2,71,156	45,313
(ii) Other financial liabilities	13	38,994	43,815
(b) Provisions	16	11,975	-
Total Non-current liabilities		3,22,125	99,128
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- Total outstanding due to micro enterprise and small enterprise	14	11,840	-
- Total outstanding due to other than micro enterprise and small enterprise	14	22,348	-
(ii) Lease Liability	12	25,616	3,268
(iii) Other financial liabilities	13	30,23,341	16,14,380
(b) Provisions	16	4,209	-
(c) Other current liabilities	15	15,789	11,659
Total current liabilities		31,03,143	16,29,507
Total liabilities		34,25,269	17,18,635
Total Equity and liabilities		1,76,70,388	90,56,517
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 Uttal Steel Limited

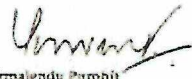

per Anant Acharya
Partner
Membership No.: 124790


Place of Signature: Mumbai
Date: May 15, 2024




Satyaprakash Rai
Director
DIN: 07895294


Amamath Tiwari
Company Secretary
Membership No.: A22501
Place of Signature: Mumbai
Date: May 15, 2024


Nirmalendu Purohit
Whole time Director
DIN: 06764427


Anurag
Financial Officer

JSW Utkal Steel Limited
Statement of Profit and Loss for the period ending March 31, 2024
CIN - U27209MH2017PLC301887

		(Rupees In '000)	
Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations	-	-
II	Other Income	47	685
III	Total income (I + II)	47	685
IV	Expenses		
	(a) Employee benefits expense	36,268	18,767
	(b) Finance Costs	3,273	3,255
	(c) Depreciation and amortization expense	27,806	12,687
	(d) Other expenses	92,463	1,56,897
	Total expenses	1,59,810	1,91,606
V	(Loss) before exceptional items and tax (III-IV)	(1,59,763)	(1,90,921)
VI	Tax expense	-	-
VII	Loss for the year	(1,59,763)	(1,90,921)
VIII	Other Comprehensive Income	-	-
IX	Total Comprehensive Income for the year	(1,59,763)	(1,90,921)
X	Earnings per equity share (of ₹ 10/- each):		
	(a) Basic & Diluted (in ₹)	22	(0.15)
	(in ₹)	2	(0.45)
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 15, 2024




Sahyaprakash Rai
Director
DIN: 07895294


Anamath Tiwari
Company Secretary
Membership No.: A22501
Place of Signature: Mumbai
Date: May 15, 2024


Nirmalendu Patrohit
Whole time Director
DIN: 06764427


Nitin Kule
Chief Financial Officer

JSW Utkal Steel Limited
Statement of Cash flows for the year ended March 31, 2024
CIN - U27209MH2017PLC301887


Particulars	(Rupees in '000)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities		
Net (loss) before tax	(1,59,763)	(1,90,921)
Adjustments for:		
Interest Income on Bank deposits	(6)	(5)
Finance Cost	3,273	3,255
Depreciation & amortization expenses	27,806	12,687
Operating loss before working capital changes	(1,28,690)	(1,74,984)
Adjustments for increase/decrease in Operating Assets/ Liabilities:		
(Increase)/ Decrease in other assets	57	(1,532)
Increase in trade and other payables	7,086	9,950
Net increase/(decrease)	7,143	(1,66,566)
Income Tax paid (Net of Refund)	-	-
Net cash used in operating activities (A)	(1,21,547)	(1,66,566)
B. Cash flow from investing activities		
Purchase of property, plant and equipment, Capital work-in progress, Right of Use Asset and intangible asset (including security deposits and capital advances)	(69,34,282)	(53,38,027)
Bank Deposits not considered as cash and cash equivalents (net)	(6)	(40)
Interest Income on Bank deposits	6	5
Net cash used in investing activities (B)	(69,34,282)	(53,38,062)
C. Cash flow from financing activities		
Proceeds from Issue of Equity Share Capital	70,67,000	55,07,200
Repayment of Lease Liability	(3,268)	(3,268)
Net cash from financing activities (C)	70,63,732	55,03,932
Net increase/(decrease) in cash and cash equivalents (A+B+C)	7,903	(696)
Cash and cash equivalents at the beginning of the period	508	1,204
Cash and cash equivalents at the end of the period (Refer Note 9)	8,411	508

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 15, 2024



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


Satyaprakash Rai
Director
DIN: 07895294


Nirmalendu Purohit
Whole time Director
DIN: 06764427


Amarnath Tiwari
Company Secretary
Membership No.: A22501
Place of Signature: Mumbai
Date: May 15, 2024


Nitin Kale
Chief Financial Officer

JSW Utkal Steel Limited
Statement of Change in Equity for the year ended March 31, 2024
CIN - U27209MH2017PLC301887

A. Equity Share and Capital

Particulars	(Rupees In '000)			
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Number of Shares		Amount	
Share Capital				
(a) Authorized				
Equity shares of Rs 10 each	3,00,00,00,000	1,00,00,00,000	3,00,00,000	1,00,00,000
(b) Issues and Subscribed				
Outstanding at the beginning of the year	76,51,46,900	21,44,26,900	76,51,469	21,44,269
Issued during the year (Refer Note 11)	70,67,00,000	55,07,20,000	70,67,000	55,07,200
Outstanding at the end of the year, Fully paid up	1,47,18,46,900	76,51,46,900	1,47,18,469	76,51,469

	Share application		
	Retained Earnings	money pending allotment	Total
Opening Balance April 01, 2022	(1,22,666)	-	(1,22,666)
(Loss) during the year	(1,90,921)	-	(1,90,921)
Closing Balance as on March 31, 2023	(3,13,587)	-	(3,13,587)
(Loss) during 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)

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 15, 2024




Satyapraksh Rai
Director
DIN: 07895294


Anamath Tiwari
Company Secretary
Membership No.: A22501
Place of Signature: Mumbai
Date: May 15, 2024


Nirmalendu Purohit
Whole time Director
DIN: 06764427


Nitin Kale
Chief Financial Officer

JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

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 Policy

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, 2024, 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, 2024 were approved and authorized for issue by the Board of Directors on May 15, 2024

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.

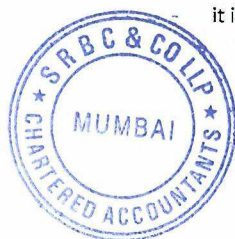
The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

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



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

- 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.

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



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

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, 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 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 begun commercial operations. Hence, deferred tax is not material.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

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.

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



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

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.

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.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

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.

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.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

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.

I. 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 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



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

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;

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. 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.

n. 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.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

o. 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.

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.

(II) 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.

i) 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.

ii) Going Concern

The Company is setting up an integrated steel plant in the state of Odisha. JSW Steel Limited, the parent Company has committed to provide financial support to the Company. Considering this, the financial statement has been prepared on going concern basis.

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, 2024

3. Property Plant & Equipment

(Rupees in '000)

Particulars	Furniture & Fixtures	Freehold land	Vehicle	Office equipment's	Building Non-Factory	Plant & Machinery	Total
As at 31 March 2022	8,487	5,025	-	4,349	-	-	17,861
Additions	1,484	64,371	6,003	3,241	-	-	75,099
As at 31 March 2023	9,971	69,396	6,003	7,590	-	-	92,960
Additions	7,498	-	5,623	17,502	49,655	151	80,429
As at 31 March 2024	17,469	69,396	11,626	25,092	49,655	151	1,73,389
Accumulated Depreciation							
As at 31 March 2022	1,455	-	-	2,729	-	-	4,184
Depreciation for the year	919	-	293	1,069	-	-	2,281
As at 31 March 2023	2,374	-	293	3,798	-	-	6,465
Depreciation for the year	1,384	-	689	2,708	1,990	2	6,773
As at 31 March 2024	3,758	-	982	6,506	1,990	2	13,238
Net Block as on 31 March 2024	13,711	69,396	10,644	18,586	47,665	149	1,60,151
Net Block as on 31 March 2023	7,597	69,396	5,710	3,792	-	-	86,495

4. Capital Work in Progress

(Rupees in '000)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening CWIP	72,10,237	13,26,499
Add: Addition to CWIP during the year	88,06,080	62,31,093
Less: Considered as finance lease during the year	(28,58,146)	(2,72,256)
Less: Capitalised during the year (Refer Note 3)	(80,429)	(75,099)
Closing CWIP	1,30,77,742	72,10,237

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
TOTAL	86,15,962	36,61,013	4,67,270	3,33,497	1,30,77,742



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

CWIP Ageing Schedule as on March 31, 2023

(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	52,94,011	1,78,875	33,813	1,88,254	56,94,953
Project Temporarily Suspended	8,22,917	5,80,937	15,656	95,774	15,15,284
TOTAL	61,16,928	7,59,812	49,469	2,84,028	72,10,237

Pursuant to the National Green Tribunal (NGT) order dated 20 March, 2023, Environmental Clearances (EC) granted to the Company on 11 April 2022 and 12 April 2022 w.r.t. two interconnected projects - Integrated Steel Plant and a captive jetty project (Capital work in Progress - INR 155 crores) near Paradeep Port in Orissa were suspended and the matter was remitted to the Ministry of Environment, Forest and Climate Change for fresh appraisal and decision in light of observations cited in the said order. The National Green Tribunal (NGT) order was received in favour of the company and Revalidation of Environment clearance was received on 15 September 2023.

5. Right of Use (Leasehold Land)

(Rupees in '000)

Particulars	Leasehold Land*
As at 01 April 2022	5,22,245
Additions during the year	3,20,849
Disposals during the year	-
As at 31 March 2023	8,43,094
Additions during the year	28,58,146
Disposals during the year	-
As at 31 March 2024	37,01,240

Accumulated Depreciation	
As at 01 April 2022	22,041
Depreciation for the year	10,336
Disposals for the year	-
As at 31 March 2023	32,377
Charge for the year	20,901
Disposals during the year	-
As at 31 March 2024	53,278
Net Book Value	
At 31 March 2024	36,47,962
At 31 March 2023	8,10,717

* 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. 2,96,772 (Refer Note 13).

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



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

6. Intangible Assets

(Rupees in '000)

Particulars	Intangible Assets (Software)
Cost / Deemed Cost	
As at 1 April 2022	360
Additions	-
As at 31 March 2023	360
Additions	2,110
As at March 31 2024	2,470
Accumulated Depreciation	
As at April 01 2022	68
Additions	72
As at March 31 2023	140
Additions	132
As at March 31 2024	272
Net Block as on March 31 2024	2,198
Net Block as on March 31 2023	220

7. Other financial Assets

(Rupees in '000)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-Current	Current	Non-Current	Current
Security Deposit	26,592	*465	27,334	-
Balance with Bank - In term deposits accounts (with original maturity more than 12 months)	108	-	102	-
Total	26,700	465	27,436	-

*Deposits maturing within 12 months are classified as current

8. Other Assets

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-Current	Current	Non-current	Current
Capital Advances	4,14,374	-	6,36,156	-
Other Advance	-	721	2,153	1,452
Indirect Tax Balances/recoverable	3,30,778	-	2,80,931	140
Prepayments	-	886	-	72
Total	7,45,152	1,607	9,19,240	1,664



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

9. Cash & Cash Equivalents

(Rupees in '000)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with Banks (On current account)	8,411	508
Total	8,411	508

10. Equity Share Capital

(Rupees in '000)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Amount	Number of shares	Amount
a. Authorized :				
Equity shares of the par value of Rs.10 Each	3,00,00,00,000	3,00,00,000	100,00,00,000	1,00,00,000
b. Issued, Subscribed & Paid up :				
Equity shares of Rs.10 each fully paid Up	1,47,18,46,900	1,47,18,469	76,51,46,900	76,51,469

During the year ended 31 March 2024, the authorized share capital was increased by INR 2,00,00,000 : 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, 2024		As at March 31, 2023	
	Number of Shares	Amount	Number of shares	Amount
Opening Balance	76,51,46,900	76,51,469	21,44,26,900	21,44,269
Addition during the year	70,67,00,000	70,67,000	55,07,20,000	55,07,200
Closing Equity shares of Rs.10 each fully paid Up	1,47,18,46,900	1,47,18,469	76,51,46,900	76,51,469

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, 2024		As at March 31, 2023	
	Number of Shares	%	Number of shares	%
JSW Steel Limited, the holding Company	147,18,46,900	100	76,51,46,900	100

f. Changes in Promoter's Shareholding Pattern

Particulars	As at March 31, 2024		As at March 31, 2023		% Change during the period
	Number of Shares	%	Number of shares	%	
JSW Steel Limited, the holding Company	1,47,18,46,900	100	76,51,46,900	100	-



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

11. Other Equity (Retained Earnings)

(Rupees in '000)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	(3,13,587)	(1,22,666)
(Loss) During the year	(1,59,763)	(1,90,921)
Closing Retained Earnings	(4,73,350)	(3,13,587)
Total	(4,73,350)	(3,13,587)

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.

12. Lease Liabilities

(Rupees in '000)

Particulars	Leasehold Land
As at 01 April 2022	-
Additions	48,594
Interest accrued	3,255
Lease Payments	(3,268)
As at 31 March 2023	48,581
Additions during the year	2,48,205
Interest accrued	3,254
Lease Payments	(3,268)
At 31 March 2024	2,96,772

Breakup of Lease Liabilities

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
Lease Rent on ROU Assets	2,71,156	25,616	45,313	3,268
Total	2,71,156	25,616	45,313	3,268

Ageing of Lease Liability:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than 1 year	25,616	3,268
1 to 5 years	1,02,464	13,072
More than 5 years	1,68,692	32,241

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.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

13. Other Financial Liabilities

(Rupees in '000)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
Retention money for capital projects	38,994	-	43,815	898
Payable for capital projects		30,00,357	-	16,08,688
Others		22,984	-	4,994
Total	38,994	30,23,341	43,815	16,14,580

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
Payable to Related Party (Ref Note. 26)				
- Retention money for Capital Projects	592	-	592	-
- Payable for Capital Projects	-	24,95,593	-	12,09,055
Payable for Others	38,402	5,27,748	43,223	4,05,525
Total	38,994	30,23,341	43,815	16,14,580

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

14. Trade Payables

(Rupees in '000)

Particulars	As at March 31, 2024	As at March 31, 2023
- Total outstanding dues of micro enterprises and small enterprises	11,840	-
- Total outstanding dues of creditors other than micro and small enterprises	22,348	-
Total	34,188	-

Trade Payable ageing as on March 31, 2024						(Rupees in '000)	
Particulars	Outstanding for following periods from due date of payment						
	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 Payable ageing as on March 31, 2023

There were no payables as at March 31, 2023.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(Rupees in '000)

Particulars	As at March 31, 2024	As at March 31, 2023
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	11,840	-
- Interest due on above	-	-
Total	11,840	-

15. Other current liabilities

(Rupees in '000)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory liabilities	15,789	11,659
Total	15,789	11,569

16. Provisions

(Rupees in '000)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
Provision for Leave Encashment	2,553	1,615	-	-
Provision for Gratuity (Refer Note 18)	9,423	2,594	-	-
Total	11,976	4,209	-	-

17. Other Income

(Rupees in '000)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income earned on financial assets – Bank Deposits	6	5
Other Income	41	680
Total	47	685

18. Employee benefit expense

(Rupees in '000)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries & wages*	21,667	15,913
Contribution to Provident and other funds [^]	1,181	-
Gratuity Expenses	12,017	-
Expenses on employees stock ownership plan	175	-
Staff welfare expenses	1,228	2,854
Total	36,268	18,767

*Salaries & wages amounting to INR 1,72,521 have been capitalized under CWIP during the year (31 March 2023 – INR 86,274) (Refer Note 4)

* Leave salary amounting to INR 3,613 have been capitalized under CWIP during the year.

[^] Provident fund contributions of INR 4,842 have been capitalized under CWIP during the year



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

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.

Benefit (Contribution to)	(Rupees in '000)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Provident Fund	5,597	-
Total	5,597	-

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 2024 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, 2024	For the year ended March 31, 2023
Discount Rate	7.21% p.a.	-
Salary escalation rate	8.70% p.a.	-
Attrition rate	8.00 % p.a	-
Average expected future service	8 years	-
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	-

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.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

B. Expenses recognised in Statement of Profit and Loss

(Rupees in '000)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Service Cost	12,017	-
Interest on net defined benefit liability/ (asset)	-	-
Total Expenses recognised in the Statement of Profit And Loss*	12,017	-

* The current service cost for the year is included in the 'Employee benefits expenses' in the Statement of Profit or Loss

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

(Rupees in '000)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Present Value of Defined Benefit Obligation as at the end of the year	12,017	-
Net (liability) recognised in the Balance Sheet	12,017	-

D. Sensitivity Analysis

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Delta Effect of +1.00% Change in Rate of Discounting	-510	-
Delta Effect of -1.00% Change in Rate of Discounting	562	-
Delta Effect of +1.00% Change in Rate of Salary Increase	549	-
Delta Effect of -1.00% Change in Rate of Salary Increase	-508	-
Delta Effect of +1.00% Change in Rate of Attrition	-86	-
Delta Effect of -1.00% Change in Rate of Attrition	91	-

3. Other Employee Benefit

The liability for compensated absences as at year end is INR 4,168 (NIL as at year end 31st March 2023).

19. Finance Cost

(Rupees in '000)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Finance Lease Obligations (Refer Note 12)	3,254	3,255
Bank Charges	19	-
Total	3,273	3,255

20. Depreciation and amortization

(Rupees in '000)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment and Right of Use Asset (Refer Note 3 and 5)	27,674	12,615
Amortization of intangible assets (Refer Note 6)	132	72
Total	27,806	12,687



JSW Utkal Steel Limited**Notes to Financial Statements for the year ended March 31, 2024****21. Other expenses**

(Rupees in '000)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rates & Taxes	1,348	8,224
Legal & professional charges	17,588	9,770
Power & Fuel	580	1,357
Rent & Guest House Exp	2,130	6,999
Audit Fee (Refer note below)	2,952	2,000
Repair & Maintenance	48	284
Office Expense	47,790	13,849
Travelling & Conveyance	467	1,946
Consultancy Services	-	17,072
Vehicle Hiring Charges	-	11,936
Other Miscellaneous expenses	19,560	83,460
Total	92,463	1,56,897

Payment to Auditor

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Audit Fee	2,900	2,000
Other Out of Pocket Expenses	52	-
Total	2,952	2,000

22. Earnings per Share

(Rupees in '000)

Particulars	As at March 31, 2024	As at March 31, 2023
(Loss) attributable to Equity Share Holders	(1,59,763)	(1,90,921)
Weighted average number of Equity shares	1,08,15,19,477	42,23,06,198
Basic & Diluted EPS*	(0.15)	(0.45)

*Since the company has incurred losses, share application money is anti-dilutive. Hence, the diluted EPS has been kept the same as Basic EPS.

23. 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 recognised. Hence, Other disclosures required by IND AS 12 including reconciliation are not considered material at this stage.

24. 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, 2024

25. 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:

Particulars	(Rupees in '000)	
	As at March 31, 2024	As at March 31, 2023
Financial Assets		
Measured at amortised cost		
Cash and cash equivalents	8,411	508
Other Financial Assets	27,165	27,436
Total Financial Assets at amortised cost	35,576	27,944
Financial Liabilities		
Measured at amortised costs		
Lease Liability	2,96,772	48,581
Trade Payables	34,188	-
Other Financial Liabilities	30,62,335	16,58,395
Total Financial Liabilities at amortised cost	33,93,295	17,06,976

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 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.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

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 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, 2024

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

Liquidity exposure as at March 31, 2023

(Rupees in '000)				
Particulars	<1 year	1-5 years	> 5 years	Total
Current				
- Trade Payable	-	-	-	-
- Other Financial Liabilities	16,14,580	43,815	-	16,58,395
Total	16,14,580	43,815	-	16,58,395

For Lease liabilities - Refer Note 13

Majority of other Financial Liabilities of the Company are related to retention. The parent has agreed to provide necessary financial support to the Company for developing steel plant. Considering this, the management believes that the Company will not be required to pay financial liabilities, unless it has capacity to do so.

26. 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. Fellow Subsidiary - Bhushan Steel & Power Ltd
- f. Key Management Personnel
 - i. Mr. Ranjan Kumar Nayak – Whole Time Director (upto 08 January 2024)
 - ii. Mr. Nirmalendu Purohit – Whole Time Director (w.e.f. 08 January 2024)
 - iii. Mr. Nitin Kale – Chief Financial Officer
 - iv. Mr. Amarnath Tiwari – Company Secretary
 - v. Mr. Satya Prakash Rai – Director
 - vi. Mr Ajanta Asim Chatterjee – Director
 - vii. 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, 2024

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

(Rupees in '000)

Name of Related Party	Nature of Transaction	For the Year ended March 31, 2024	For the Year ended March 31, 2023
JSW Steel Ltd	Purchase of Steel/ Reimbursement of expenses	56,55,164	19,72,139
JSW Steel Ltd	Allotment of Equity shares of Rs. 10 each fully paid up	70,67,000	55,07,200
Jindal Saw Ltd	Conversion of slab into Pipes	7,34,789	12,77,789
JSW Infrastructure Ltd	Reimbursement of Expenses	-	11,700
JSW Techno Projects Management Ltd	Consultancy Service	-	7,788
Bhushan Steel & Power Ltd	Reimbursement of Expenses	382	-
	Total	1,34,57,335	87,76,616

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

III. Amount Due to Related Parties as on 31 March 2024

(Rupees in '000)

Name of Related Party	Nature of Transaction	Outstanding Balance as on March 31, 2024	Outstanding Balance as on March 31, 2023
JSW Steel Ltd	Purchase of Steel / Reimbursement of expenses	22,47,316	11,60,158
Jindal Saw Ltd	Conversion of slab into Pipes	2,48,870	49,489
Total		24,96,186	12,09,647

The outstanding amounts are interest free and repayable as per Purchase Order.

Compensation to Key management personnel:

KMP - Mr. Ranjan Kumar Nayak – Whole Time Director (upto 08 January 2024)
Mr. Nirmalendu Purohit—Whole Time Director (w.e.f 08 January 2024)
Mr. Nitin Kale – Chief Financial Officer
Mr. Amarnath Tiwari – Company Secretary

Term and conditions of outstanding balance

Nature of Transaction	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Short-term employee benefits	30,016	30,571
Total compensation to key management personnel	30,016	30,571

Remuneration to Key Management Personnel Rs 30,016 (previous year Rs.30,571) paid during the year includes Rs. 15,126 (previous year Rs.18,422) capitalized as CWIP.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

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.

27. Ratios

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change	Reason For Change
Return on equity ratio (%)	Net Profit after taxes-Preference Dividend	Average Shareholders' Equity	-1.48	-4.08	36.27 %	Return on equity improved due to increase in Equity
Return on capital employed (%)	EBIT	Total Assets-Total Current Liability	-1.07	-2.51	42.63 %	Return on Capital employed improved due to decrease in loss.

*Only ratios applicable to the company are disclosed

28. Commitments

(Rupees in '000)

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,56,55,800	1,28,40,905

29. 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.



JSW Utkal Steel Limited
Notes to Financial Statements for the year ended March 31, 2024
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 2024 is summarized below:

Particulars	OPJ Samruddhi Plan 2021	OPJ ESOP Plan 2021
Date of grant	7 August 2021	7 August 2021
Share Price on date of grant	751	751
Average fair value on date of grant	716	723
Granted during the year	-	-
Transfer In	-	-
Transfer Out	-	-
Forfeited during the period	-	-
Exercised during the period	-	-
Outstanding as on 31 March 2023	-	-
Granted during the year	2,900	14,475
Transfer In	15,350	23,475
Transfer Out	-1,000	0
Forfeited during the period	-950	-383
Exercised During the period	-3,225	-4,795
Outstanding as on 31 March 2024	13,075	32,772
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



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

Particulars	OPJ Samruddhi Plan 2021	OPJ ESOP Plan 2021
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:
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.	Volatility has been calculated using standard deviation of daily change in stock price for the expected life of the option for each tranche
	The volatility used for vesting year	The volatility used for year wise
	2nd Year -39.17%	1st Year -41.99%
	3rd Year -37.47%	2nd Year -39.17%
	4th Year -36.72%	3rd Year -37.47%
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 Year to Vesting + (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 Year to Vesting + (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
Expected dividends	Rs. 6.50 per share	
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	



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

30. Events after Reporting Period

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

31. 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:
 - (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 have 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.

32. There are no standard that are notified and are not yet effective as on date.



JSW Utkal Steel Limited

Notes to Financial Statements for the year ended March 31, 2024

33. 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 and in the application when using certain privileged access rights. The Company as per its policy has not granted privilege access for change to data in the underlying database as evident from the manual log being maintained in this regard and further privilege access rights to application are restricted only to specific authorised users for which audit trail exists except in certain debugging cases.

The Company in the month of March 2024 has also implemented Privileged Access Management tool (PAM) and onboarded the SAP database servers on the PAM tool, which is currently under testing phase. The PAM is identity management tool which focuses on the control, monitoring, and protection of privileged accounts within an organization. The PAM tool saves complete screen video recording sessions of all the admin activities as soon as they authenticate on the PAM console and connect to the target resources (Servers, Network Devices, Applications and Database) which acts as an audit trail feature.

As per our report of even date
For S R B C & Co LLP Limited
Chartered Accountants
Firm Registration No. 324982E/E300003

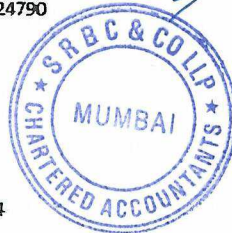
For and on behalf of the Board of Directors
Directors of JSW Utkal Steel Limited


per Anant Acharya
Partner
Membership No. 124790


Satyaprakash Rai
Director
DIN : 07895294


Nirmalendu Purohit
Whole time Director
DIN: 06764427

Place: Mumbai
Date: May 15, 2024




Amarnath Tiwari
Company Secretary
Membership No.: A22501


Nitin Kale
Chief Financial Officer