

B S R & Co. LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of JSW Severfield Structures Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of JSW Severfield Structures Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the 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 standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 opinion on the standalone financial statements.

Emphasis of matter

We draw attention to Note 41 of the standalone financial statements regarding the Management's assessment that the carrying amount of certain inventory amounting to Rs. 3,572.31 lakhs related to semi-constructed pre-fabricated structural steel ('Structure') is recoverable. The assessment is based on the underlying assumption that the Company will be able to secure a supply and construction contract for supply of this Structure on as-is-where-is basis, at prices which will be higher than its carrying value. Further, the fair value of the Structure as per an independent valuer appointed by the Company is more than its carrying amount.

Our opinion is not modified in respect of this matter.

Independent Auditors' Report (Continued)

JSW Severfield Structures Limited

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows 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. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

Independent Auditors' Report (*Continued*)

JSW Severfield Structures Limited

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (*Continued*)

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 standalone 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Independent Auditors' Report (*Continued*)

JSW Severfield Structures Limited

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 26 to the standalone financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021. Refer note 39 to the standalone financial statements.

B S R & Co. LLP

Independent Auditors' Report (*Continued*)

JSW Severfield Structures Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

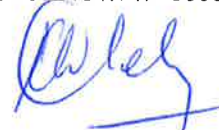
(B) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Koosai Leheri

Partner

Membership No.112399

UDIN No. 21112399AAAABC3866

Mumbai
4 May 2021

JSW Severfield Structures Limited

Annexure "A" to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the lease agreement in respect of immovable property of land, disclosed under Right-of-use assets in the standalone financial statements, is in the name of the Company, where the Company is a lessee in the agreement.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to investments made. The Company has not granted any loans to, or provided any guarantees or securities to parties covered under Section 185 or 186 of the Act therefore the relevant provisions of Section 185 and 186 of the Act are not applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed books of account maintained by the Company pursuant to rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Duty of customs, Goods and Services tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been some delay in few cases in respect of Goods and Services tax.

JSW Severfield Structures Limited

Annexure "A" to the Independent Auditor's Report (Continued)

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Duty of customs, Goods and Services tax, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable, other than those mentioned below:

| Nature of statute | Nature of dues | Amount (Rs. lakhs) | Period to which amount relates | Due date | Date of Payment |
|----------------------------------|------------------------|--------------------|--------------------------------|-----------------------------------|-----------------|
| Goods and Services Tax Act, 2017 | Goods and Services Tax | 2.91 6.28 | May 2020, August 2020 | 30 July 2020 20 September 2020 | 28 April 2021 |

- (b) According to the information and explanations given to us, there are no dues of Duty of customs, Goods and Services tax, Value added tax, Income Tax and Central Sales tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of loans to banks. The Company has not taken any loans or borrowings from financial institutions and government and has not issued any debentures.
- (ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given to us and based on our examination of the records of the Company, the term loans have been utilized for the purpose for which those were raised during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

B S R & Co. LLP

JSW Severfield Structures Limited

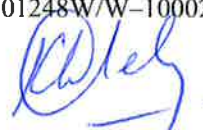
Annexure "A" to the Independent Auditor's Report (*Continued*)

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Koosai Lehery

Partner

Mumbai
4 May 2021

Membership No.112399
UDIN No. 21112399AAAABC3866

JSW Severfield Structures Limited

Annexure “B” to the Independent Auditors’ report

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A) (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of JSW Severfield Structures Limited (“the Company”) as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 31 March 2021, based on the internal financial controls with reference to financial statements 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 (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 (hereinafter referred to as “the Act”).

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were established and maintained and whether 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.



B S R & Co. LLP

JSW Severfield Structures Limited

Annexure “B” to the Independent Auditor’s Report (*Continued*)

Auditors’ Responsibility (*Continued*)

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 financial statements.

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls 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.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Koosai Leheri

Partner

Mumbai
4 May 2021

Membership No.112399

UDIN No.21112399AAAABC3866

JSW SEVERFIELD STRUCTURES LIMITED
Standalone Balance Sheet as at March 31, 2021

| | | (Rupees in lakhs) | |
|--|-------|-------------------------|-------------------------|
| Particulars | Notes | As at March 31, 2021 | As at March 31, 2020 |
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 2(a) | 24,879.68 | 25,104.08 |
| (b) Right-of-use assets | 2(b) | 2,385.46 | 2,750.96 |
| (c) Intangible assets | 2(c) | 29.72 | 105.29 |
| (d) Capital work-in-progress | 2(d) | 368.31 | 165.56 |
| (e) Financial assets: | | | |
| (i) Investments | 3 | 896.59 | 896.59 |
| (ii) Loans | 4 | 245.49 | 245.49 |
| (iii) Other financial assets | 5 | 68.50 | 102.00 |
| (f) Income tax assets (net) | | 1,186.23 | 1,647.99 |
| (g) Other non-current assets | 6 | 505.39 | 1,095.41 |
| Total non-current assets | | 30,565.37 | 32,113.37 |
| (2) Current assets | | | |
| (a) Inventories | 7 | 6,092.51 | 5,842.53 |
| (b) Financial assets: | | | |
| (i) Trade receivables | 8 | 14,854.23 | 21,940.06 |
| (ii) Cash and cash equivalents | 9(a) | 46.19 | 59.42 |
| (iii) Bank balances other than (ii) above | 9(b) | 640.40 | 603.21 |
| (iv) Loans | 10 | 37.38 | 5.66 |
| (v) Other Financial assets | | 0.62 | 1.45 |
| (c) Other current assets | 11 | 37,632.82 | 40,568.16 |
| Total current assets | | 59,304.15 | 69,020.49 |
| Total assets | | 89,869.52 | 1,01,133.86 |
| EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity share capital | 12 | 39,587.59 | 39,587.59 |
| (b) Other equity | 13 | (9,289.29) | (7,708.91) |
| Total equity | | 30,298.30 | 31,878.68 |
| Liabilities | | | |
| (2) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14(a) | 1,258.71 | 512.90 |
| (ii) Lease liabilities | 14(b) | 810.59 | 1,079.10 |
| (iii) Other Financial Liabilities | 14(c) | 300.00 | 300.00 |
| (b) Provisions | 15 | 326.93 | 291.24 |
| Total non-current liabilities | | 2,696.23 | 2,183.24 |
| (3) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16 | 12,992.25 | 11,832.45 |
| (ii) Trade payables | 17 | | |
| (a) total outstanding dues of micro enterprises and small enterprises; and | | 1,190.23 | 2,717.03 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 22,425.23 | 31,127.82 |
| (iii) Lease liabilities | | 343.81 | 363.31 |
| (iv) Other current financial liabilities | 18 | 2,509.70 | 2,345.17 |
| (b) Provisions | 19 | 135.53 | 624.80 |
| (c) Other current liabilities | 20 | 17,278.24 | 18,061.36 |
| Total current liabilities | | 56,874.99 | 67,071.94 |
| Total liabilities | | 59,571.22 | 69,255.18 |
| Total equity and liabilities | | 89,869.52 | 1,01,133.86 |

See accompanying notes to the Standalone Financial Statements

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W - 100022

Chartered Accountants

KOOSAI LEHERY

Partner

Membership No.112399

Place: Mumbai

Date: 4 May 2021

RAJEEV PAI

Chairman

DIN No: 00045604

SANTANU CHOUDHURY

Chief Financial Officer

RANJIT KUMAR PILLAI

Director

DIN No: 08915833

SWATIKA GUPTA


Company Secretary

M.ship no. A28582


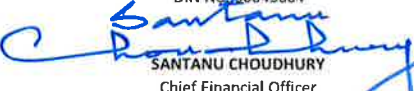

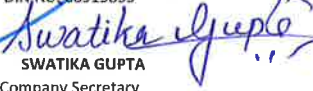

JSW SEVERFIELD STRUCTURES LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2021

| | | (Rupees in lakhs) | |
|--|---------------|------------------------------|------------------------------|
| Particulars | Notes | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
| I Revenue from operations | 21 | 46,467.96 | 94,242.06 |
| II Other income | 22 | 650.92 | 487.78 |
| III Total Income (I+II) | | <u>47,118.88</u> | <u>94,729.84</u> |
| IV Expenses: | | | |
| Cost of construction (including materials) | 23 | 35,152.10 | 75,608.13 |
| Purchases of stock-in-trade | | 143.42 | 655.37 |
| Employee benefits expense | 24 | 5,540.97 | 6,596.83 |
| Finance costs | 25 | 3,638.92 | 3,179.38 |
| Depreciation and amortization expense | 2 (a) (b)&(c) | 2,052.57 | 2,014.48 |
| Other expenses | 26 | 2,169.13 | 1,636.66 |
| Total expenses (IV) | | <u>48,697.11</u> | <u>89,690.85</u> |
| V (Loss)/Profit before tax (III-IV) | | (1,578.23) | 5,038.99 |
| VI Tax expense: | | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| VII (Loss)/Profit for the year (V-VI) | | <u>(1,578.23)</u> | <u>5,038.99</u> |
| VIII Other comprehensive (loss) | | | |
| Items that will not be reclassified to profit or loss | | | |
| i) Remeasurement of the defined benefit plans (refer note no-29) | | (2.15) | (37.66) |
| ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| Total other comprehensive loss | | <u>(2.15)</u> | <u>(37.66)</u> |
| IX Total comprehensive (loss) /income for the year (VII+VIII) | | <u>(1,580.38)</u> | <u>5,001.33</u> |
| X Earnings per equity share of Rs 10 each | | | |
| Basic | 30 | (0.40) | 1.27 |
| Diluted | 30 | (0.40) | 1.27 |

See accompanying notes to Standalone Financial Statements

As per our report of even date attached
For B S R & Co. LLP
Firm's Registration No. 101248W/W - 100022
Chartered Accountants

KOOSAI LEHERY
Partner
Membership No.112399

Place: Mumbai
Date: 4 May 2021

For and on behalf of the Board of Directors

RAJEEV PAI
Chairman
DIN No. 00045604

SANTANU CHOUDHURY
Chief Financial Officer

RAMITHKUMAR PILLAI
Director
DIN No: 08915833

SWATIKA GUPTA
Company Secretary
M.ship no. A28582


JSW SEVERFIELD STRUCTURES LIMITED
Standalone Statement of changes in equity for the year ended March 31, 2021
(a) Equity share capital (Rupees in lakhs)

| Particulars | Amount |
|------------------------------|-----------|
| Balance as at April, 2019 | 39,587.59 |
| Issue of equity shares | - |
| Balance as at March 31, 2020 | 39,587.59 |
| Issue of equity shares | - |
| Balance as at March 31, 2021 | 39,587.59 |

(b) Other equity (Rupees in lakhs)

| Particulars | Reserves and surplus | Items of other comprehensive income | Total |
|--|----------------------|---|-------------------|
| | Retained earnings | Remeasurements of the net defined benefit plans | |
| Balance as at April 1, 2019 | (12,684.10) | (26.14) | (12,710.24) |
| Profit for the year | 5,038.99 | - | 5,038.99 |
| Other comprehensive loss for the year (net of taxes) | - | (37.66) | (37.66) |
| Total comprehensive (loss) for the year | 5,038.99 | (37.66) | 5,001.33 |
| Share issue expenses | - | - | - |
| Balance as at March 31, 2020 | (7,645.11) | (63.80) | (7,708.91) |
| Profit for the year | (1,578.23) | - | (1,578.23) |
| Other comprehensive loss for the year (net of taxes) | - | (2.15) | (2.15) |
| Total comprehensive income for the year | (1,578.23) | (2.15) | (1,580.38) |
| Balance as at March 31, 2021 | (9,223.34) | (65.95) | (9,289.29) |

Footnotes:
a. Retained earnings:

Retained earnings are the profits that the Company has earned till date. The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

b. Remeasurements of net defined plans:

It includes impact of actuarial gains and losses on the defined benefits obligation due to change in financial assumptions, change in demographic assumption, experience adjustment etc., recognised through other comprehensive income.

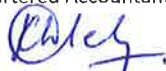
See accompanying notes to Standalone Financial Statements

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W - 100022

Chartered Accountants



KOOSAI LEHERI

Partner

Membership No.112399

RAJEEV PAI

Chairman

DIN No: 00045604

SANTANU CHOUDHURY

Chief Financial Officer

For and on behalf of the Board of Directors

RANJITKUMAR PILLAI

Director

DIN No: 08915833

SWATIKA GUPTA

Company Secretary

M.ship no. A28582

Place: Mumbai

Date: 4 May 2021



JSW SEVERFIELD STRUCTURES LIMITED
Standalone Statement of cash flow

(Rupees in lakhs)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| A. Cash flows from operating activities | | |
| Profit before tax | (1,578.23) | 5,038.99 |
| Adjustments for : | | |
| Depreciation and amortization expense | 2,052.57 | 2,014.48 |
| Net unrealized exchange loss/ (gain) | 39.74 | (48.19) |
| Interest income | (90.27) | (438.12) |
| Finance Cost | 3,028.39 | 2,092.66 |
| Bad debts written off/(recovered) | (57.68) | 167.35 |
| Provision / liabilities no longer required written back | (475.90) | - |
| Provision for doubtful debts and unbilled receivable | 992.51 | - |
| (Profit)/ Loss on sale of property, plant and equipment net. | - | (2.28) |
| (Gain)/loss on Foreign currency forward contracts | 0.83 | (1.45) |
| Operating profit before working capital changes | 3,911.96 | 8,823.44 |
| Adjustments for movement in working capital: | | |
| Decrease/ (Increase) in inventories | (249.98) | 367.06 |
| (Increase) in trade receivables | 6,699.53 | (2,929.65) |
| (Increase) in other assets | 3,196.57 | (5,575.25) |
| (Decrease) /Increase in other liabilities | (1,515.96) | (13,651.08) |
| Increase/(decrease) in Trade payables | (9,793.25) | 578.03 |
| (Decrease) in provisions | (455.73) | (578.78) |
| Cash(used in)/generated from operations | 1,793.15 | (12,966.23) |
| Income taxes refund/(paid) (net) | 461.76 | (419.15) |
| Net cash flow generated /(used in) from operating activities | 2,254.91 | (13,385.38) |
| B. Cash flows from investing activities | | |
| Purchase of Property, Plant and Equipment, Intangible assets including capital advances | (1,510.61) | (8,639.74) |
| Bank deposits (placed) / matured (net) | (37.19) | 2,124.64 |
| Interest received on bank deposits | 50.90 | 348.94 |
| Net cash (used in) investing activities | (1,496.90) | (6,166.16) |
| C. Cash flows from financing activities | | |
| (Repayments of)/ proceeds from working capital borrowings (net) | 1,159.80 | 11,832.45 |
| Lease liability paid-Principal Portion | (288.01) | (233.79) |
| Proceeds of non current borrowings | 1,134.27 | 683.87 |
| Finance charges paid | (2,777.32) | (1,546.12) |
| Net cash generated from / (used in) financing activities | (771.26) | 10,736.41 |
| Net increase in cash and cash equivalents | (13.23) | (8,815.13) |
| Cash and cash equivalents at the start of the year | 59.42 | 8,874.55 |
| Cash and cash equivalents at the end of the year | 46.19 | 59.42 |

Notes:

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

See accompanying notes to Standalone Financial Statements

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W - 100022

Chartered Accountants

KOOSAI LEHERY

Partner

Membership No-112399

For and on behalf of the Board of Directors

RAJEEV PAI

Chairman

DIN No: 00045604

SANTANU CHOUDHURY

Chief Financial Officer

RANJITKUMAR PILLAI

Director

DIN No: 08915833

SWATIKA GUPTA

Company Secretary

M.ship no. A28582

Place: Mumbai

Date: 4 May 2021

JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

Note 1

1.1 General Information

JSW Severfield Structures Limited ("the Company") was incorporated on March 19, 2009 under the Companies Act, 1956 as a joint venture between JSW Steel Limited and Severfield-Rowen PLC, with its registered office located at Office # 05 to 08, B-Wing, Lower Ground Floor, Art Guild House, Phoenix Market City, LBS Marg, Kurla West, Mumbai – 400 070.

The main object of the Company is to carry on business of design, fabrication and erection of structural steel works, including decking, for construction projects and allied activities. The fabrication facility of the Company is located at Toranagallu, Karnataka.

1.2 Recent pronouncements

Ministry of Corporate Affairs ("MCA") vide notification dated March 24, 2021 has amended Schedule III of the Companies Act, 2013, which shall be effective from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Ageing schedule of trade receivables, trade payables, capital work-in-progress in specified format.
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, disclosure relating to ratios etc.

Enhanced disclosure for borrowings from banks or financial institutions on the basis of security of current assets such as agreement of quarterly returns or statements of current assets filed by the Company with banks or financial institutions with books of accounts and if not, summary of reconciliation and reason of material discrepancies, if any.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements.

The Company is in the process of evaluating the above amendments.



1.3 Statement of compliance

The Standalone financial statements of the Company which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2021, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements") have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter ("Ind AS") and the provisions of the Companies Act, 2013 ("the Act"). The Standalone Financial Statements have been approved by the Board of Directors in its meeting held on May 4, 2021.

1.4 Basis of preparation and presentation

The Standalone financial statements are prepared on the historical cost basis except for certain financial instruments that are measured at fair value at end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle.

The Standalone financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lakhs, except otherwise indicated.

1.5 Significant Accounting Policies

I. Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefit will flow to the Company and it can be measured reliably.

Construction contracts

The Company's main activity continues to be the design, fabrication and construction of structural steel for wide range of commercial and industrial construction projects.

Such contracts are generally entered into before construction of the project begins. Under the terms of the contract, generally, the services provided results in the creation of steel work asset on customer site as per specific customer requirements and accordingly, an asset / 'construction work in progress' created upon Company's performance is not readily available for an alternative use to the Company, and the Company has an enforceable right to payment for the work done. Revenue from construction of structural steel contracts is therefore recognised over time on cost to complete method – i.e., based on the proportion of contract costs incurred for the work performed to date relative to the estimated total contract costs.

The Company recognises contract revenue for a performance obligation satisfied over time only if the progress towards complete satisfaction of the performance obligation can be reasonably measured. In certain circumstances, when the outcome of a performance obligation is not reasonably measurable but the Company expects to recover the costs incurred in satisfying the performance obligation, then revenue is recognised only to the extent of the cost incurred until such time the outcome of the performance obligation can be reasonably measured.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the balance sheet under trade receivables.

II. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

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.

III. Leasing

Identifying a lease

Under Ind AS 116, the Company assesses whether a contract is or contains a lease based on the definition of a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

The Company as a lessee

Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of its leases.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle



and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. The Company's operating leases mainly relate to real estate assets. Lease term is for 3 years for these assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The Company as a lessor

The company recognised lease rental on a straight line basis over the lease terms.

IV. Foreign currencies

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).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.



JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

V. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at banks, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

VI. Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

VII. Borrowing costs

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

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

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

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.



VIII. Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

IX. Employee benefits

a. Short-term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

b. Long term employee benefits:

Compensated absences which are not expected to be availed or encashed within twelve months after the end of the period in which the employee renders the related service are recognised as a liability as at the Balance Sheet date on the basis of actuarial valuation using projected unit credit method.

c. Retirement benefit costs and termination benefits:

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions towards Provident Fund, Employee State Insurance and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the eligible employee renders the related service.

Defined benefit plans:

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @ 15 days salary for the every completed year of service as per the Payment of Gratuity Act, 1972. The Company's liabilities towards gratuity and other post-employment benefit is determined on yearly basis using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

X. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax

Current tax is the amount of 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. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary difference to the extent that it is probable that future taxable profits will be available against which they can be used.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

XI. Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

Cost of major inspection / overhauling is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

Properties in the course of construction are carried at cost, less any recognised impairment loss, as capital work in progress. Upon completion, such properties, are transferred to the appropriate categories of property, plant and equipment and the depreciation commences.

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.



JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment is derecognised 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.

XII. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain/loss on de-recognition are recognised in profit or loss.

XIII. Depreciation and amortisation

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 properties under construction) less their residual values over their useful lives, using straight-line method, based on a technical evaluation or those prescribed under Schedule II of the Companies Act, 2013.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Leasehold land is amortized over the period of the lease, except where the leasehold land is acquired by the Company, with an option in the lease deed, entitling the Company to purchase on outright basis after a certain period at no additional cost is not amortised.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

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 estimate on a prospective basis.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

| | |
|-------------------|----------------------|
| Computer Software | 3-5 years |
| Licenses | as per license terms |

Impairment of Property, plant and equipment and intangible assets

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

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

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

Any reversal of the previously recognized impairment loss is limited to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

XIV. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

XV. Provisions, contingencies and commitments

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.



The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for contingent liabilities is made where there is-

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognized because:
 - i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

XVI. Investment in Subsidiaries

Investment in subsidiary is shown at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, the difference (impairment) is recorded in the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

XVII . Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

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) 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 recognised immediately in Statement of Profit and Loss.



A. Financial assets:

i) Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

ii) Subsequent measurement:

Financial assets carried at amortised cost - A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and 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.

Financial assets at fair value through other comprehensive income (FVTOCI) - A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and 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.

Financial assets at fair value through profit or loss (FVTPL) - A financial asset which is not classified in any of the above categories are fair valued through profit or loss.

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Equity Investments:

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

iii) Impairment:

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. 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.



For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

For financial assets other than trade receivables, the Company recognises 12-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

iv) De-recognition:

The Company derecognises 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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.



B. Financial liabilities and equity instruments:

i) Classification as debt or equity:

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

iii) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and in case of loans net of directly attributable costs. Fees of recurring nature are directly recognised in profit or loss as finance cost.

iv) Subsequent measurement:

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

v) Derecognition:

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

C. Derivative financial instruments:

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts, and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and

effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

D. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

E. Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



1.6 Key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under section 1.5 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

i) Revenue and profit recognition

Recognition of revenue and profit from construction contracts is based on judgements made in respect of the ultimate profitability of a contract. Such judgements are arrived at through the use of estimates in relation to the costs and value of work performed to date and to be performed in bringing contracts to completion. These estimates are made by reference to recovery of pre-contract costs, changes in work scope, the contractual terms under which the work is being performed, including the recoverability of any income from variations and the likely outcome of discussions on claims and costs incurred.

Management continually reviews the estimated final outcome on contracts and makes adjustments where necessary.

ii) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

iii) Impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of plant and equipment. The value in use calculation requires the Management to estimate the future cash flows expected to arise from the property, plant and equipment and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.



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Notes to the Standalone Financial Statements

iv) Impairment of unbilled revenue, trade and other receivables

The provision policy for impairment of unbilled revenue, trade and other receivables is based on the ongoing evaluation of the collectability, ageing analysis of the outstanding amounts and management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these amounts, including creditworthiness and the past collection history of each customer. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

v) Provisions

Provisions are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

vi) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



Note 2(a) Property, plant and equipment

(Rupees in lakhs)

| Particulars | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Leasehold land | Office equipment | Total |
|---------------------------------------|-----------|---------------------|------------------------|----------|----------------|------------------|-----------|
| At cost / deemed cost | | | | | | | |
| Balance as at March 31, 2019 | 8,540.97 | 12,701.91 | 191.79 | 217.28 | 1,319.50 | 239.30 | 23,210.75 |
| Additions | 4,232.63 | 5,814.86 | 115.57 | 110.80 | - | 38.68 | 10,312.54 |
| Less: Transfer to ROU Assets | - | - | - | - | 1,319.50 | - | 1,319.50 |
| Disposals | - | - | - | (13.80) | - | - | (13.80) |
| Balance as at March 31, 2020 | 12,773.60 | 18,516.77 | 307.36 | 314.28 | - | 277.98 | 32,189.99 |
| Additions | 671.97 | 563.09 | 119.44 | - | - | 31.66 | 1,386.16 |
| Balance as at March 31, 2021 | 13,445.57 | 19,079.86 | 426.80 | 314.28 | - | 309.64 | 33,576.15 |
| Accumulated depreciation | | | | | | | |
| Balance as at March 31, 2019 | 1,158.30 | 4,018.05 | 73.07 | 85.56 | - | 150.49 | 5,485.47 |
| Depreciation expense | 331.04 | 1,194.68 | 24.03 | 36.73 | - | 27.09 | 1,613.57 |
| Disposals | - | - | - | (13.11) | - | - | (13.11) |
| Balance as at March 31, 2020 | 1,489.34 | 5,212.73 | 97.10 | 109.18 | - | 177.58 | 7,085.93 |
| Depreciation expense | 451.17 | 1,041.78 | 34.93 | 49.09 | - | 33.57 | 1,610.54 |
| Balance as at March 31, 2021 | 1,940.51 | 6,254.51 | 132.03 | 158.27 | - | 211.15 | 8,696.47 |
| Carrying amounts as at March 31, 2020 | 11,284.26 | 13,304.04 | 210.26 | 205.10 | - | 100.40 | 25,104.08 |
| Carrying amounts as at March 31, 2021 | 11,505.06 | 12,825.35 | 294.77 | 156.01 | - | 98.49 | 24,879.68 |
| Useful life of the assets (years) | 30 | 15-30 | 8-15 | 8-15 | NA | 5-10 | |
| Method of depreciation | SLM | SLM | SLM | SLM | NA | SLM | |

During the year ended 31 March 2021, based on the technical evaluation carried out by an external expert, the management has reassessed the useful lives of certain plant and machinery. Accordingly, the useful lives of such plant and machinery have been revised from 15 years to a range of 15-30 years depending on the number of shifts of usage. Had the Company continued with the previously assessed useful lives, depreciation expenses for the year ended 31 March 2021 would have been higher by Rs.448.87 lakhs.

Note : Property, plant and equipment (except building and leasehold land) are pledged against borrowings. The details relating to which has been described in Note 14 (a) and 16.

JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

Note 2(b) Right -of-use assets

| Particulars | Right -of-use assets |
|--|----------------------|
| At cost | |
| Balance as at April 01, 2019 | - |
| Additions on transition to IND AS 116 including leasehold land (refer note 2a) | 3,542.44 |
| Deletion | 469.06 |
| Balance as at March 31, 2020 | 3,073.38 |
| Additions | - |
| Deletion | - |
| Balance as at March 31, 2021 | 3,073.38 |
| Accumulated amortisation | |
| Balance as at April 01, 2019 | - |
| Amortisation expenses | 322.42 |
| Balance as at March 31, 2020 | 322.42 |
| Amortisation expenses | 365.50 |
| Balance as at March 31, 2021 | 687.92 |
| Balance as at March 31, 2020 | 2,750.96 |
| Balance as at March 31, 2021 | 2,385.46 |
| Useful life of the assets (range in years) | 3-5 |
| Method of amortisation | SLM |

The above consists of Leasehold Land of Rs.1,319.50 lakhs and office premises and Guest house Rs.1,065.96 lakhs. (31 March 2020 Leasehold Land of Rs.1,319.50 lakhs and office premises and Guest house Rs.1,431.46 lakhs).



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Notes to the Standalone Financial Statements

Note 2(c) Intangible assets

| (Rupees in lakhs) | | | |
|---------------------------------------|-------------------|----------------------------|--------|
| Particulars | Computer software | Licence fees | Total |
| At cost / deemed cost | | | |
| Balance as at March 31, 2019 | 105.10 | 297.34 | 402.44 |
| Additions | 19.96 | - | 19.96 |
| Balance as at March 31, 2020 | 125.06 | 297.34 | 422.40 |
| Additions | 0.96 | - | 0.96 |
| Balance as at March 31, 2021 | 126.02 | 297.34 | 423.36 |
| Accumulated amortisation | | | |
| Balance as at March 31, 2019 | 74.90 | 163.70 | 238.60 |
| Amortisation expenses | 24.64 | 53.87 | 78.51 |
| Balance as at March 31, 2020 | 99.54 | 217.57 | 317.11 |
| Amortisation expenses | 23.61 | 52.92 | 76.53 |
| Balance as at March 31, 2021 | 123.15 | 270.49 | 393.64 |
| Carrying amounts as at March 31, 2020 | 25.52 | 79.77 | 105.29 |
| Carrying amounts as at March 31, 2021 | 2.87 | 26.85 | 29.72 |
| Useful life of the assets (range) | 3-5 | Over the period of license | |
| Method of amortisation | SLM | SLM | |

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Notes to the Standalone Financial Statements

Note 2(d) Capital Work in progress

(Rupees.in lakhs)

| Particulars | Capital Work in progress |
|--|--------------------------|
| Balance as at March 31, 2019 | 918.93 |
| Additions -(including short Blasting Machine and Building at Bellary) | 52.82 |
| Capitalisations | 806.19 |
| Balance as at March 31, 2020 | 165.56 |
| Additions -(including short Blasting Machine and Building at Bellary) | 202.75 |
| Capitalisations | - |
| Balance as at March 31, 2021 | 368.31 |



JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

| Particulars | (Rupees in lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Note 3 | | |
| Investments (non-current) | | |
| Unquoted investment in equity instruments of a subsidiary (at deemed cost) | | |
| 8,965,850 equity shares (31st March 2020: 8,965,850) of Rs 10 each, fully paid up of JSW Structural Metal Decking Limited | 896.59 | 896.59 |
| Total | 896.59 | 896.59 |
| Aggregate amount of unquoted investments (carrying value) | 896.59 | 896.59 |
| Note 4 | | |
| Loans (non-current) | | |
| (Unsecured, considered good) | | |
| Security deposits | 245.49 | 245.49 |
| Total | 245.49 | 245.49 |
| Note 5 | | |
| Other financial assets (non-current) | | |
| Margin money deposits (under lien with banks) | 68.50 | 102.00 |
| Total | 68.50 | 102.00 |
| Note 6 | | |
| Other non-current assets | | |
| Capital advances | 4.31 | 182.07 |
| Indirect Tax recoverable | 446.30 | 859.46 |
| Prepayments and others | 8.97 | 8.97 |
| Security deposits | 45.81 | 44.91 |
| Total | 505.39 | 1,095.41 |
| Note 7 | | |
| Inventories (at lower of cost and net realisable value) | | |
| Construction material (includes Rs.35.72 crores - (31 March 2020 Rs.35.72 crores)refer note 41) | 5,501.79 | 5,272.09 |
| Consumables, stores and spares | 590.72 | 570.44 |
| Total | 6,092.51 | 5,842.53 |
| Note 8 | | |
| Trade receivables | | |
| (a) Trade receivables considered good - Secured | - | - |
| (b) Trade receivables considered good - Unsecured | 14,854.23 | 21,940.06 |
| (c) Trade receivables which have significant increase in credit risk | - | - |
| (d) Trade receivables - credit Impaired | 452.49 | 169.48 |
| Less : Bad Debt Written off | - | (167.35) |
| Less : Allowance for doubtful receivables | (452.49) | (2.13) |
| Total | 14,854.23 | 21,940.06 |

| Movement in allowance for expected credit loss: | | (Rupees in lakhs) |
|--|--|-------------------|
| Balance as at April 1, 2019 | | 2.13 |
| Allowances for doubtful debts (expected credit loss allowance) | | 167.35 |
| Bad debts written off | | (167.35) |
| Balance as at April 1, 2020 | | 2.13 |
| Allowances for doubtful debts (expected credit loss allowance) | | 450.36 |
| Bad debts written back / (written off) | | - |
| Balance as at March 31, 2021 | | 452.49 |

(Refer note 27 for ageing of receivables and other relevant notes)

JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

| Particulars | (Rupees in lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Note 9 (a) | | |
| Cash and cash equivalents | | |
| Cash on hand | 0.91 | 1.20 |
| Balances with banks in current accounts | 45.28 | 58.22 |
| Total | 46.19 | 59.42 |
| Note 9 (b) | | |
| Bank balances other than cash and cash equivalents | | |
| Margin money deposits (under lien with banks) | 640.40 | 603.21 |
| Total | 640.40 | 603.21 |
| Note 10 | | |
| Loans | | |
| (Unsecured, considered good) | | |
| Security deposits | 37.38 | 5.66 |
| Total | 37.38 | 5.66 |

JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

| Particulars | (Rupees in lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Note 11 | | |
| Other current assets | | |
| Unbilled revenue | | |
| Contract work in progress (construction cost incurred plus recognised profit less recognised losses to date) | 1,93,452.97 | 1,60,468.30 |
| Less : Progress billings | 1,59,693.06 | 1,25,357.47 |
| Gross amount due from customers for contract work | 33,759.91 | 35,110.83 |
| Provision for Doubtful receivable | 548.54 | - |
| | 33,211.37 | 35,110.83 |
| Indirect tax balances/credits | 3,229.73 | 4,105.08 |
| Advances to suppliers | 424.92 | 668.72 |
| Prepayment and others | 724.54 | 563.24 |
| Security deposits | 42.26 | 120.30 |
| Total | 37,632.82 | 40,568.16 |

Note 12
Equity share capital

| | | |
|--|-----------|-----------|
| a Authorised : | | |
| 400,000,000 Equity shares (As at 31 of March 2020 : 400,000,000) of Rs.10 each | 40,000.00 | 40,000.00 |
| b Issued, subscribed and fully paid up: | | |
| 395,875,880 equity shares (As at 31 March 2020: 395,875,880) of Rs.10 each fully paid up | 39,587.59 | 39,587.59 |

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

| Particulars | As at | | As at | |
|--|------------------|----------------|-----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| | Number of shares | | Amount in lakhs | |
| Outstanding at the beginning and end of the year | 39,58,75,880 | 39,58,75,880 | 39,587.59 | 39,587.59 |

d Terms / rights attached to equity shares

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. 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.

e Shares in respect of each class in the Company held by shareholders holding more than 5% shares in the Company

| Particulars | As at | | As at | |
|---|----------------------|----------|----------------------|----------|
| | March 31, 2021 | | March 31, 2020 | |
| Name of the holder | No. of Shares | % | No. of Shares | % |
| JSW Steel Limited and its nominees | 19,79,37,940 | 50% | 19,79,37,940 | 50% |
| Severfield Mauritius Limited and its nominees | 19,79,37,940 | 50% | 19,79,37,940 | 50% |

JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

| Particulars | (Rupees in lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Note 13 | | |
| Other equity | | |
| Retained earnings | (9,223.34) | (7,645.11) |
| Remeasurements of the net defined benefit plans | (65.95) | (63.80) |
| Total | (9,289.29) | (7,708.91) |

Note 14 (a)

Borrowings (secured) (Non-current)

Term loan from bank

| | | |
|---|-----------------|---------------|
| Rupee term loan at amortized cost | 1,818.14 | 683.87 |
| Less: current maturity of long term borrowings(refer note 18) | 559.43 | 170.97 |
| Total | 1,258.71 | 512.90 |

Details of security:

Rupee term loan from bank aggregating to Rs.1,818.14 (31 March 2020: Rs. 683.87) was secured by first charge by way of hypothecation on property, plant and equipment (excluding land and building) of the Company and second charge by way of hypothecation on entire current assets (present and future) of the Company. The loan was bearing floating interest rate of bank plus 2.75%. Repayment of term loan in 16 equal quarterly installment starting from September 2020 onwards.

Note 14 (b)

Lease Liabilities

| | | |
|---|---------------|-----------------|
| Lease Liabilities | 1,154.40 | 1,442.41 |
| Less: Current Maturity of lease liabilities | (343.81) | (363.31) |
| Total | 810.59 | 1,079.10 |

The details of lease liabilities are mentioned below:

| Particulars | | |
|---------------------------------|----------|----------|
| Opening balance of IND AS 116 | 1,442.41 | 591.62 |
| Addition | - | 1,557.24 |
| Interest expense | 132.25 | 109.69 |
| Cash Outflow | (420.26) | (343.48) |
| Cancellation of Lease Agreement | - | (472.67) |
| Closing balance | 1,154.40 | 1,442.41 |

| | | |
|-------------|--------|----------|
| Current | 343.81 | 363.31 |
| Non-Current | 810.59 | 1,079.10 |

Note 14 (c)

| | | |
|-------------------|---------------|---------------|
| Security deposits | 300.00 | 300.00 |
| Total | 300.00 | 300.00 |

Note 15

Provisions (non-current)

Provision for employee benefits

| | | |
|--|---------------|---------------|
| Provision for gratuity (refer note 29) | 176.20 | 125.32 |
| Provision for compensated absences (refer note 29) | 150.73 | 165.92 |
| Total | 326.93 | 291.24 |

Note 16

Borrowings (current)

Secured

| | | |
|----------------------------------|------------------|------------------|
| Working capital loans from banks | 12,992.25 | 11,832.45 |
| Total | 12,992.25 | 11,832.45 |

Details of security

Working capital loans (repayable on demand) from banks aggregating to Rs. 12,992.25 lakhs (31 March 2020:11,832.45 lakhs) is secured by first charge by way of hypothecation on all current assets including stock (present and future) of the Company, second charge on property, plant and equipment (excluding land and building) of the Company. The working capital loans are bearing floating interest rate of bank plus 0.80% to 3.60%.(31st March 2020: 0.80% to 3.60%)

JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

| Particulars | (Rupees in lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Note 17 | | |
| Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises | | |
| Other than acceptances (refer note 35) | 1,190.23 | 2,717.03 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| Acceptances | 12,953.63 | 13,314.83 |
| Other than acceptances | 9,471.60 | 17,813.00 |
| Total | 23,615.46 | 33,844.86 |

| | | |
|--|-----------------|-----------------|
| Note 18 | | |
| Other current financial liabilities | | |
| Accrued Salary | 785.15 | 1,045.47 |
| Payables for capital projects | 231.28 | 488.21 |
| Current maturity of long term borrowings | 559.43 | 170.97 |
| Interest accrued | 933.84 | 640.52 |
| Total | 2,509.70 | 2,345.17 |

| | | |
|--|---------------|---------------|
| Note 19 | | |
| Provisions (current) | | |
| (a) Provision for employee benefits: | | |
| Provision for gratuity (refer note 29) | 120.65 | 157.17 |
| Provision for compensated absences (refer note 29) | 14.88 | 22.84 |
| | 135.53 | 180.01 |
| (b) Provision - others: | | |
| Provision for estimated losses on contracts | - | 444.79 |
| Total | 135.53 | 624.80 |

For movement in provisions refer movement schedule below:

| Particulars | Provision for estimated losses on contracts |
|-----------------------------|---|
| As at April 01, 2019 | 1,104.37 |
| Recognised during the year | - |
| Utilization during the year | (659.58) |
| As at March 31, 2020 | 444.79 |
| Recognised during the year | - |
| Utilization during the year | (444.79) |
| As at March 31, 2021 | - |

| | | |
|--|------------------|------------------|
| Note 20 | | |
| Other current liabilities | | |
| Progress billings | 48,363.40 | 44,855.57 |
| Less: Contract work in progress (construction cost incurred plus recognised profit less recognised losses to date) | 45,264.78 | 41,676.51 |
| Gross amount due to customers for contract work | 3,098.62 | 3,179.06 |
| Deferred Governments Grants * | 259.54 | 259.54 |
| Statutory liabilities (includes TDS, GST and PF liabilities) | 170.76 | 1,225.76 |
| Advances from customers | 13,749.32 | 13,397.00 |
| Total | 17,278.24 | 18,061.36 |

* Represents government assistance in the form of duty benefit availed under Export Promotion Capital goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant and recognised as income upon fulfillment of corresponding export obligation (Refer note 33)



JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

| Particulars | (Rupees in lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Note 21 | | |
| Revenue from operations (refer note 34 and 38) | | |
| Contracted revenue | | |
| Value of completed contracts | 7,558.96 | 19,812.40 |
| Work in progress | | |
| As at the end of the year | 2,38,719.45 | 2,01,700.41 |
| As at the beginning of the year | 2,01,700.41 | 1,29,618.27 |
| | 37,019.04 | 72,082.14 |
| Sales of Traded Goods | 996.90 | 683.93 |
| Other operating revenue | | |
| Sale of scrap material | 848.62 | 1,441.68 |
| Income from design services | 44.44 | 221.91 |
| Total | 46,467.96 | 94,242.06 |
| Note 22 | | |
| Other income | | |
| Interest income from banks on deposits | 50.90 | 353.14 |
| Interest on income tax refund | 39.37 | 89.18 |
| Net gain on foreign currency transaction and translation | - | 41.73 |
| Gain on foreign currency forward contract | - | 1.45 |
| Profit on sale of fixed assets | - | 2.28 |
| Provision / liabilities no longer required written back | 475.90 | - |
| Bad debts recovered (net) | 57.68 | - |
| Other miscellaneous income | 27.07 | - |
| Total | 650.92 | 487.78 |
| Note 23 | | |
| Cost of construction (including material) | | |
| Purchase of materials and components | 30,396.75 | 67,752.43 |
| Equipment hire charges (refer note 31) | 3,275.63 | 4,901.40 |
| Transport charges | 692.66 | 941.78 |
| Draughting-design charges | 74.82 | 715.77 |
| Contract labour and subcontracting charges | 712.24 | 1,296.75 |
| Total | 35,152.10 | 75,608.13 |
| Note 24 | | |
| Employee benefits expense | | |
| Salaries, wages and bonus | 5,091.92 | 6,106.39 |
| Contribution to provident and other funds (refer note 29) | 205.08 | 261.95 |
| Gratuity (refer note 29) | 76.30 | 61.13 |
| Staff welfare | 167.67 | 167.36 |
| Total | 5,540.97 | 6,596.83 |
| Note 25 | | |
| Finance costs | | |
| Interest on borrowings from banks | 2,645.07 | 1,436.43 |
| Interest on Lease Liabilities | 132.25 | 109.69 |
| Interest on Others | 251.07 | 546.54 |
| Other borrowing costs (includes LC, BG commission and bank charges) | 610.53 | 1,086.72 |
| Total | 3,638.92 | 3,179.38 |
| Note 26 | | |
| Other expenses | | |
| Rent (refer note no. 31) | 52.19 | 103.32 |
| Repairs and maintenance | | |
| -Plant and equipment | 10.71 | 29.84 |
| -Buildings | 2.50 | 24.86 |
| -Others | 0.84 | 1.71 |
| Insurance | 309.54 | 228.13 |
| Rates and taxes | 70.98 | 113.63 |
| CSR Expenditure (refer note no-42) | 61.15 | 27.52 |
| Travelling and conveyance expenses | 89.67 | 229.43 |
| Commission on scrap sales | 6.07 | 10.07 |
| Legal and professional fees | 155.75 | 185.68 |
| Office maintenance expenses | 48.51 | 99.69 |
| Payment to Auditors (refer note below) | 88.78 | 67.77 |
| MTM loss on forward contract | 0.83 | - |
| Net loss on foreign currency transactions and translation | 51.04 | - |
| Provision for doubtful debts and unbilled receivable | 992.51 | - |
| Bad debts written off | - | 167.35 |
| Miscellaneous expenses | 228.06 | 347.66 |
| Total | 2,169.13 | 1,636.66 |
| Payments to auditors comprise : | | |
| For audit (including limited reviews) | 57.00 | 57.00 |
| For tax audit | 3.00 | - |
| For taxation matters | 27.33 | 8.91 |
| For certification service | 0.41 | 0.40 |
| For out of pocket expenses | 1.04 | 1.46 |
| Total | 88.78 | 67.77 |

R



Note 27

1. Financial instruments – fair values and risk management

i. Accounting classification and fair values

Carrying amounts of financial assets and financial liabilities are presented below:

| Particulars | (Rupees in lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| | Carrying value | |
| Financial assets | | |
| Measured at amortised cost | | |
| Non-current | | |
| Loans | 245.49 | 245.49 |
| Other financial assets | 68.50 | 102.00 |
| Current | | |
| Trade receivables | 14,854.23 | 21,940.06 |
| Cash and cash equivalents | 46.19 | 59.42 |
| Bank balances other than cash and cash equivalents | 640.40 | 603.21 |
| Foreign currency forward contracts | 0.62 | 1.45 |
| Loans | 37.38 | 5.66 |
| Total financial assets | 15,892.81 | 22,957.29 |
| Financial liabilities | | |
| Measured at amortised cost | | |
| Non-current | | |
| Borrowings | 1,258.71 | 512.90 |
| Lease liabilities | 810.59 | 1,079.10 |
| Other financial liabilities | 300.00 | 300.00 |
| Current | | |
| Borrowings | 12,992.25 | 11,832.45 |
| Trade payables | 23,615.46 | 33,844.85 |
| Lease liabilities | 343.81 | 363.31 |
| Other current financial liabilities | 2,509.70 | 2,345.17 |
| Total financial liabilities measured as amortised cost | 41,830.52 | 50,277.78 |
| Measured at FVTPL | | |
| Foreign currency forward contracts | 0.62 | 1.45 |
| Total financial liabilities measured at FVTPL | 0.62 | 1.45 |
| Total financial liabilities | 41,831.14 | 50,279.23 |

The fair value of deposits, trade receivables, cash and cash equivalents, bank balances, loans, borrowings, trade payables and other financial liabilities are considered to be same as their carrying value.

Fair value of financial asset / (liability)

| Particulars | Fair value hierarchy | (Rupees in lakhs) | | Valuation technique and key input |
|---|----------------------|-------------------|----------------|--|
| | | March 31, 2021 | March 31, 2020 | |
| Financial liability measured at fair value on recurring basis | | | | |
| Foreign currency forwards contracts | Level 2 | 0.62 | 1.45 | Discounted cash flow. Future cash flows are estimated based on forward exchange rates and contracted exchange rates, discounted at a rate reflects the credit risk on various counter parties. |

Transfers between Levels

There have been no transfers between Levels during the reporting periods

C. Financial risk management

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

- Credit risk; and
- Liquidity risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Financial instruments – Fair values and risk management (continued)

Note 27

ii. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risk. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as mean of mitigating the risk of financial loss from defaults. Company's credit risk arises principally from the loans, trade receivables, cash and cash equivalents and bank deposits

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has an internal risk appraisal process in which the concerned head of departments provide their inputs with reference to the credit policy of the Company. Each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed periodically.

At March 31, 2021, the Company's most significant customer, accounted for INR 7,696.20 lakhs of the trade receivables carrying amount. (As at 31 March 2020: INR 16,427.76 lakhs)

At March 31, 2021 the ageing of trade receivables that were not impaired was as follows.

| | Carrying amount (Rupees in lakhs) | |
|-------------------------------|--|-----------------------|
| | March 31, 2021 | March 31, 2020 |
| Neither past due nor impaired | 6,046.09 | 9,450.10 |
| Past due 1–30 days | 1,695.41 | 4,990.26 |
| Past due 31–90 days | 2,367.93 | 2,985.37 |
| Past due 91 plus days | 4,744.80 | 4,514.33 |
| | 14,854.23 | 21,940.06 |

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

An analysis of the credit quality of trade and other receivables that are neither past due nor impaired is evaluated by management on regular intervals and is considered to be good.

Loans to others

The credit worthiness of the counter party is evaluated by the management on an ongoing basis and is considered to be good. The Company did not have any amounts that were past due but not impaired. The Company has no collateral in respect of these loans.

Cash and cash equivalents and other bank balances

The Company maintains its cash and cash equivalents and other bank balances with credit worthy banks and reviews it on ongoing basis. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

Derivatives

The derivatives are entered into with credit worthy banks. The credit worthiness of such banks is evaluated by the management on an ongoing basis and is considered to be good.

JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

Note 27
Financial instruments – Fair values and risk management (continued)
iii. 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 a business conditions unexpectedly deteriorate and requiring financing. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and non-derivative financial assets. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay.

| | | Contractual cash flows | | | (Rupees in lakhs) |
|--|------------------|------------------------|-----------------|-------------------|-------------------|
| As at March 31, 2021 | Carrying amount | Less than 1 year | 1-5 years | More than 5 years | Total |
| Financial Assets | | | | | |
| Non current | | | | | |
| Loans | 245.49 | - | 245.49 | - | 245.49 |
| Other financial assets | 68.50 | - | 68.50 | - | 68.50 |
| Current | | | | | |
| Trade receivables | 14,854.23 | 14,854.23 | - | - | 14,854.23 |
| Cash and cash equivalents | 46.19 | 46.19 | - | - | 46.19 |
| Bank balances other than cash and cash equivalents | 640.40 | 640.40 | - | - | 640.40 |
| Foreign currency forward contracts | 0.62 | 0.62 | - | - | 0.62 |
| Loans | 37.38 | 37.38 | - | - | 37.38 |
| Total | 15,892.81 | 15,578.82 | 313.99 | - | 15,892.81 |
| Financial Liabilities | | | | | |
| Non current | | | | | |
| Borrowings | 1,258.71 | - | 1,258.71 | - | 1,258.71 |
| Lease Liabilities | 810.59 | - | 810.59 | - | 810.59 |
| Other financial liabilities | 300.00 | - | 300.00 | - | 300.00 |
| Current | | | | | |
| Borrowings | 12,992.25 | 12,992.25 | - | - | 12,992.25 |
| Trade payables | 23,615.46 | 23,615.46 | - | - | 23,615.46 |
| Lease Liabilities | 343.81 | 343.81 | - | - | 343.81 |
| Other current financial liabilities | 2,509.70 | 2,509.70 | - | - | 2,509.70 |
| Total | 41,830.52 | 39,461.22 | 2,369.30 | - | 41,830.52 |

| | | Contractual cash flows | | | (Rupees in lakhs) |
|---------------------------|-----------------|------------------------|-----------|-------------------|-------------------|
| As at March 31, 2020 | Carrying amount | Less than 1 year | 1-5 years | More than 5 years | Total |
| Financial Assets | | | | | |
| Non current | | | | | |
| Loans | 245.49 | - | 245.49 | - | 245.49 |
| Other financial assets | 102.00 | - | 102.00 | - | 102.00 |
| Current | | | | | |
| Trade receivables | 21,940.06 | 21,940.06 | - | - | 21,940.06 |
| Cash and cash equivalents | 59.42 | 59.42 | - | - | 59.42 |

| | | | | | |
|------------------------------------|------------------|------------------|---------------|----------|------------------|
| Bank balances other than above | 603.21 | 603.21 | - | - | 603.21 |
| Foreign currency forward contracts | 1.45 | 1.45 | - | - | 1.45 |
| Loans | 5.66 | 5.66 | - | - | 5.66 |
| Total | 22,957.29 | 22,609.80 | 347.49 | - | 22,957.29 |

Financial Liabilities

Non Current

| | | | | | |
|-----------------------------|----------|---|----------|---|----------|
| Borrowings | 512.90 | - | 512.90 | - | 512.90 |
| Lease Liabilities | 1,079.10 | - | 1,079.10 | - | 1,079.10 |
| Other financial liabilities | 300.00 | - | 300.00 | - | 300.00 |

Current

| | | | | | |
|-------------------------------------|------------------|------------------|-----------------|----------|------------------|
| Borrowings | 11,832.45 | 11,832.45 | - | - | 11,832.45 |
| Trade payables | 33,844.86 | 33,844.86 | - | - | 33,844.86 |
| Lease Liabilities | 363.31 | 363.31 | - | - | 363.31 |
| Other current financial liabilities | 2,345.17 | 2,345.17 | - | - | 2,345.17 |
| Total | 50,277.79 | 48,385.79 | 1,892.00 | - | 50,277.79 |

The company also has access to undrawn working capital sanctioned facilities from the bank Rs. 225.08 crore.

Collateral:

The Company has pledged its current assets in order to fulfill certain collateral requirements for the banking facilities extended to the Company. There is a obligation to release the pledge once these banking facilities are surrendered. (Refer note 2,14 (a) and 16).



| Effect in INR (Rupees in lakhs) | Profit / (loss) | | | |
|---------------------------------|------------------|-----------------------|------------------|-----------------------|
| | Strengthening | | Weakening | |
| March 31, 2021 | | | | |
| | Financial assets | Financial liabilities | Financial assets | Financial liabilities |
| USD - 1% Movement | (0.72) | 0.09 | 0.72 | (0.09) |
| EUR - 1% Movement | - | 1.27 | - | (1.27) |
| GBP - 1% Movement | (0.42) | 5.54 | 0.42 | (5.54) |
| | | | | |
| Effect in INR (Rupees in lakhs) | Profit / (loss) | | | |
| | Strengthening | | Weakening | |
| March 31, 2020 | | | | |
| | Financial assets | Financial liabilities | Financial assets | Financial liabilities |
| USD - 1% Movement | (0.74) | - | 0.74 | - |
| EUR - 1% Movement | - | 0.05 | - | (0.05) |
| GBP - 1% Movement | (0.49) | 1.75 | 0.49 | (1.75) |

JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

Note 27**Financial instruments – Fair values and risk management (continued)****vi. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk because the funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. The borrowings of the Company are principally denominated in rupees. The Company has exposure to interest rate risk, arising principally on changes in base lending rates.

Exposure to interest rate risk

The following table provides a break up of the Company's fixed and floating rates borrowings:

| | Nominal amount in INR (Rupees in lakhs) | |
|--------------------------|---|------------------|
| | March 31, 2021 | March 31, 2020 |
| Borrowings | | |
| Variable rate borrowings | 14,810.39 | 12,516.32 |
| Total | 14,810.39 | 12,516.32 |

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year end was outstanding for the whole year.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

| INR Rupees in lakhs | Profit or (loss) in INR (Rupees in lakhs) | |
|------------------------------------|---|-----------------|
| | 100 bp increase | 100 bp decrease |
| March 31, 2021 | | |
| Variable-rate instruments | (148.10) | 148.10 |
| Cash flow sensitivity (net) | (148.10) | 148.10 |
| March 31, 2020 | | |
| Variable-rate instruments | (125.16) | 125.16 |
| Cash flow sensitivity (net) | (125.16) | 125.16 |

JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

Note 28**Capital management**

The Company policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances

| | (Rupees in lakhs) | |
|--|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Borrowings (includes lease liabilities of Rs.1,154.40 lakhs)(31 March 2020 Rs.1442.41) | 15,964.79 | 13,958.73 |
| Less - Cash and cash equivalents | (46.19) | (59.42) |
| Less - Bank balances other than cash and cash equivalents | (640.40) | (603.21) |
| Adjusted net debt | 15,278.20 | 13,296.10 |
| Total equity | 30,298.30 | 31,878.68 |
| Gearing ratio | 0.50 | 0.42 |



JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

Note 29

The Company operates defined contribution retirement benefit plans for all qualifying employees.

(i) Defined Contribution Plans:

The Company recognised Rs. 205.08 lakhs for 31 March, 2021 (31 March 2020 : Rs. 261.95 lakhs) provident fund contributions , Labour Welfare Fund contributions and Employees state insurance corporation contributions in the Statement of Profit and Loss (refer note no.24).

(ii) Defined Benefit Plan:

Gratuity

The gratuity liability is partly funded and the same is accounted for based on third party or independent actuarial valuation.

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 years without any payment ceiling. The vesting period for gratuity as payable under The Payment of Gratuity Act is 5 years.

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the company due to retirement, superannuation, resignation or death at the rate of daily salary as per current accumulation of leave days with a ceiling of 180 days.

The plans in India typically expose the Company to actuarial risks such as interest rate risk, salary risk, asset liability matching risk and mortality risk.

| | |
|--------------------|---|
| Interest rate risk | A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in salary of the members more than assumed level will increase the plan's liability. |

No other post-retirement benefits are provided to the employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March, 2021 by M/s. K.A.Pandit, Consultants & Actuaries. 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.

The following table sets out the unfunded status of the defined benefit scheme and the amount recognised in the financial statement.

| | (Rupees in lakhs) | |
|--|-------------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Defined benefit obligation | 334.21 | 315.98 |
| Fair value of Plan Assets at the end of the year | 37.36 | 33.48 |
| Net Obligation at the end of the year | 296.85 | 282.50 |

A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/ liability and its components

| | (Rupees in lakhs) | | | | | |
|---|----------------------------|----------------|---------------------------|----------------|---|----------------|
| | Defined benefit obligation | | Fair value of plan assets | | Net defined benefit (asset) / liability | |
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Opening balance | 315.98 | 235.66 | 33.48 | 32.27 | 282.50 | 203.39 |
| Statement of profit and loss :- (refer note 24) | | | | | | |
| Current service cost | 57.03 | 45.29 | - | - | 57.03 | 45.29 |
| Past service cost | - | - | - | - | - | - |
| Transferred to trial run expense | - | - | - | - | - | - |
| Interest cost (income) | 21.55 | 18.36 | 2.28 | 2.51 | 19.27 | 15.85 |
| | 394.56 | 299.31 | 35.76 | 34.78 | 358.80 | 264.53 |
| Included in OCI :- | | | | | | |
| Remeasurement loss (gain): | - | - | - | - | - | - |
| Actuarial loss (gain) arising from: | | | | | | |
| Demographic assumptions | 27.30 | - | - | - | 27.30 | - |
| Financial assumptions | (0.87) | 34.49 | - | - | (0.87) | 34.49 |
| Experience adjustment | (22.68) | 1.87 | - | - | (22.68) | 1.87 |
| Return on plan assets excluding interest income | - | - | 1.60 | (1.30) | (1.60) | 1.30 |
| | 398.31 | 335.67 | 37.36 | 33.48 | 360.95 | 302.19 |
| Other :- | | | | | | |
| Benefits paid | (64.10) | (19.69) | - | - | (64.10) | (19.69) |
| Closing balance (refer note 15 and 19) | 334.21 | 315.98 | 37.36 | 33.48 | 296.85 | 282.50 |

The current service cost and net interest expense for the year are included in "Employee benefits expense" line item in the statement of profit and loss.

The remeasurement of the net defined liability is included in other comprehensive income.

Represented by

Net defined benefit asset
Net defined benefit liability (refer note 15 and 19)

| | Rs. in lakhs | |
|--|--------------|--------|
| | 296.85 | 282.50 |
| | 296.85 | 282.50 |

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B. Plan assets

Since gratuity plan is partly funded, hence figures in respect of plan assets as at March 31, 2021 are Rs. 37.37 lakhs. (March 31, 2020 : Rs.33.48 Lakhs)

C. Defined benefit obligations**i. Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

| | March 31, 2021 | March 31, 2020 |
|------------------------|----------------|----------------|
| Discount rate | 6.85% | 6.82% |
| Salary escalation rate | 4.00% | 4.00% |
| Attrition rate | 5.00% | 2.00% |

Assumptions regarding future mortality have been based on published statistics and Indian Assured Lives Mortality (2006-08) Ultimate.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| | March 31, 2021 | | March 31, 2020 | |
|---|----------------|----------|----------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (27.03) | 31.42 | (35.46) | 42.48 |
| Future salary growth (1% movement) | 32.02 | (27.97) | 43.29 | (36.66) |
| Rate of employee turnover (1% movement) | 6.98 | (7.97) | 10.75 | (12.46) |

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2021 were as follows

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2021, i.e. Rs. 120.64 lakhs (March 31, 2020 : Rs.157.17 Lakhs)

(iii) Assumptions used in accounting for compensated absences

Rs in lakhs

| Particulars | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| Present value of unfunded obligation (refer note 15 and 19) | 165.61 | 188.76 |
| Expense recognised in the Statement of Profit and Loss | 33.70 | 54.55 |
| Discount rate (p.a.) | 6.85%p.a. | 6.56%p.a. |
| Salary escalation (p.a.) | 4% p.a. | 4% p.a. |
| Attrition rate (p.a.) | 5% p.a. | 10% p.a. |

Note 30**Earnings per share**

| Particulars | | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---------------|------------------------------|------------------------------|
| Profit attributable to the equity shareholders (Rs.) (A) | (Rs.in lakhs) | (1,578.23) | 5,038.99 |
| Weighted average number of equity shares outstanding during the year for basic and diluted earnings per share (B) | Nos. | 39,58,75,880 | 39,58,75,880 |
| Nominal value per share (Rs.) | Nos. | 10 | 10 |
| Earnings per share - basic and diluted (A/B) | Rs. | (0.40) | 1.27 |

JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

Note 31

Operating lease as lessee

a Carrying amounts of right-of-use assets recognised and the movements during the period :

Refer Note 2(b)

b Carrying amounts of lease liabilities and the movement during the period :

Refer Note 14(b)

(Rupees in lakhs)

c Maturity analysis - contractual undiscounted cash flows

| | March 31, 2021 | March 31, 2020 |
|---|-----------------|-----------------|
| Less than one year | 421.91 | 392.06 |
| One to five years | 950.22 | 1,372.13 |
| More than five years | - | - |
| Total undiscounted lease liabilities | 1,372.13 | 1,764.19 |

Variable lease payments based on per page printed*

| Particulars | Total Variable payments | Estimated annual impact on rent of a 1% increase in number of pages |
|---|-------------------------|---|
| Leases with lease payments based on number of pages | 5.13 | 0.05 |

*Variable lease payments are not included in the measurement of lease liabilities as there is no minimum commitment and hence, the amount is not determinable. The Company incurred during the year Rs.3,275.63 lakhs(March 31, 2020 Rs.4,901.40 lakhs) towards expenses relating to short-term leases of machinery - Cranes, fork-lifters, cherrypickers etc which can be cancelled by giving 7 days written notice.

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JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

Note 32

Related party relationships, transactions and balances

(A) Parties with whom the Company has entered into transactions during the year

1 The shareholder or venturer or the holding company of the shareholder or venturer in respect of which the reporting enterprise is a joint venture

JSW Steel Limited
Severfield Plc
Severfield Mauritus Limited

2 Subsidiary of the Company

JSW Structural Metal Decking Limited

3 Enterprises over which the shareholder or venturer in respect of which the reporting enterprise is a joint venture exercise control / significant influence

Severfield reeve International Limited
Fisher Engineering Limited
Severfield (NI) Limited
Severfield Products and Processing Ltd
Severfield (UK) Limited
Atlas Ward Structures Limited
JSW Paradip Terminal Private Limited
JSW Steel Coated Products Limited

4 Key management personnel (KMP)

Dr. Derek Randall
Mr. Pawan Kedia
Mr. Rajeev Pai
Mr. Jugal Kishore Tandon
Ms. Anuradha Bajpai
Mr. Vaibhav Bhardwaj (resigned w.e.f.Dt.16.10.2020)
Mr. Ranjeet Pillai (from w.e.f.Dt.16.10.2020)
Mr. Santanu Choudhury
Mr. Nupur Burman (from w.e.f.Dt.18.03.2020 to 16.10.2020)
Mr. Swatika Gupta (w.e.f.Dt.18.01.2021)
Mr. Alan Dunsmore



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Notes to the Standalone Financial Statements

Transaction with related parties (including goods and services tax charges)

The remuneration of directors and other members of key managerial persons during the year was as follows:

| Particulars | March 31, 2021 | March 31, 2020 |
|--------------------------|----------------|----------------|
| Short term benefits | 547.68 | 529.34 |
| Post employment benefits | 8.54 | 6.77 |
| Total | 556.23 | 536.11 |



④

JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

| | (Rupees in lakhs) | | | |
|--|---|---------------------------|---|------------------|
| | March 31, 2020 | | | |
| Particulars | The shareholder or venturer or the holding company of the shareholder or venturer in respect of which the reporting Enterprise is a joint venture | Subsidiary of the company | Enterprises over which the shareholder or venturer in respect of which the reporting enterprise is a joint venture exercise significant influence | Total |
| C. Closing balance of related parties | | | | |
| Trade payables | | | | |
| JSW Steel Limited | 416.29 | - | - | 416.29 |
| Severfield Reeve International Limited | - | - | - | - |
| JSW Structural Metal Decking Limited | - | 381.50 | - | 381.50 |
| Atlas Ward Structures Limited | - | - | 154.91 | 154.91 |
| Total | 416.29 | 381.50 | 154.91 | 952.70 |
| Deposits received | | | | |
| JSW Structural Metal Decking Limited | - | 300.00 | - | 300.00 |
| Trade receivables | | | | |
| JSW Steel Limited | 16,357.81 | - | - | 16,357.81 |
| JSW Steel Coated Products Limited | - | - | 84.24 | 84.24 |
| JSW Paradip Terminal Private Limited | - | - | 982.02 | 982.02 |
| Severfield (NI) Limited | - | - | 26.98 | 26.98 |
| Severfield Products and Processing Ltd | - | - | 18.34 | 18.34 |
| Severfield (UK) Limited | - | - | 8.71 | 8.71 |
| Total | 16,357.81 | - | 1,120.29 | 17,478.10 |
| Advances given | | | | |
| Fisher Engineering Ltd. | - | - | 1.50 | 1.50 |
| JSW Steel Limited | - | - | - | - |
| Severfield Reeve International Limited | - | - | 92.26 | 92.26 |
| Total | - | - | 93.76 | 93.76 |
| Advances received | | | | |
| JSW Steel Limited | 1,960.73 | - | - | 1,960.73 |
| Total | 1,960.73 | - | - | 1,960.73 |

March 31, 2021

| Particulars | The shareholder or venturer or the holding company of the shareholder or venturer in respect of which the reporting Enterprise is a joint venture | Subsidiary of the company | Enterprises over which the shareholder or venturer in respect of which the reporting enterprise is a joint venture exercise significant influence | Total |
|--|---|---------------------------|---|-----------------|
| C. Closing balance of related parties | | | | |
| Trade payables | | | | |
| JSW Steel Limited | - | - | 399.36 | 399.36 |
| Severfield Reeve International Limited | - | 1,207.33 | - | 1,207.33 |
| JSW Structural Metal Decking Limited | - | - | - | - |
| Atlas Ward Structures Limited | - | 1,207.33 | 399.36 | 1,606.69 |
| Total | - | 300.00 | - | 300.00 |
| Deposits received | | | | |
| JSW Structural Metal Decking Limited | - | - | - | - |
| Trade receivables | | | | |
| JSW Steel Limited | 7,696.20 | - | - | 7,696.20 |
| JSW Steel Coated Products Limited | - | - | 83.55 | 83.55 |
| JSW Paradip Terminal Private Limited | - | - | 307.20 | 307.20 |
| Severfield (NI) Limited | - | - | 25.97 | 25.97 |
| Severfield Products and Processing Ltd | - | - | 7.26 | 7.26 |
| Severfield (UK) Limited | - | - | 8.71 | 8.71 |
| Total | 7,696.20 | - | 432.69 | 8,128.89 |
| Advances given | | | | |
| Fisher Engineering Ltd. | - | - | 1.63 | 1.63 |
| JSW Steel Limited | 92.68 | - | - | 92.68 |
| Severfield Reeve International Limited | - | - | - | - |
| Total | 92.68 | - | 1.63 | 94.31 |
| Advances received | | | | |
| JSW Steel Limited | 1,164.76 | - | - | 1,164.76 |
| Total | 1,164.76 | - | - | 1,164.76 |

JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

Note 33

Contingent liabilities and commitments (to the extent not provided for)

| Particulars | (Rupees in lakhs) | |
|--|-------------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Contingent liabilities | | |
| Claims against the Company not acknowledged as debts | | |
| Disputed claims/levies in respect of VAT/CST/WCT/GST | 447.82 | 1,487.66 |
| (Paid under protest against these claims Rs.NIL(31 March 2020 Rs.446.30 lacs) | | |
| Commitments | | |
| a. Estimated amount of contracts remaining to be executed on capital account and not provided for | 281.10 | 761.10 |
| b. The company has imported capital goods under the export promotion capital goods scheme to utilise the benefits of concessional customs duty rates. These benefits are subject to future export within the stipulated period refer note-20 | 1,557.25 | 1,557.25 |

Note 34

Segment reporting

The Company is mainly in the business of design, fabrication and erection of structural steel business primarily operating in India. This business is regularly reviewed by the chief operating decision maker for assessment of Company's performance and resource allocation.

A. Non-Current operating assets.

All non-current assets other than financial instruments of the company are located in india.

B. Information about major customers

Revenue from major customers of the Company was Rs 15,473.42 lakhs as on March 31, 2021 (Previous year March 31 2020: Rs.85,398.82 lakhs.)

C. Revenue from operations

| | (Rupees in lakhs) | | | | | |
|-------------------------|-----------------------------------|---------------|-----------|-----------------------------------|---------------|-----------|
| | For the year ended March 31, 2021 | | | For the year ended March 31, 2020 | | |
| | Within India | Outside India | Total | Within India | Outside India | Total |
| Revenue from operations | 46,423.52 | 44.44 | 46,467.96 | 94,020.12 | 221.94 | 94,242.06 |

Revenue from operations has been allocated on the basis of location of customers.

JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements
Note 35

(Rupees in lakhs)

| Particulars | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| Dues to micro enterprises and small enterprises (refer note 17) | | |
| The amounts remaining unpaid to micro and small suppliers as at the end of the year | | |
| Principal | 992.78 | 2,560.19 |
| Interest | 197.45 | 156.84 |
| The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) | - | - |
| The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | | |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | | |
| FY-2016-17 | 48.90 | 48.90 |
| FY-2017-18 | 17.52 | 17.52 |
| FY-2018-19 | 41.84 | 41.84 |
| FY-2019-20 | 48.58 | 48.58 |
| FY-2020-21 | 40.61 | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006 | - | - |

Note 36

Derivatives

The Company uses foreign currency forward contracts to mitigate its risks associated with foreign currency fluctuations relating to certain firm commitments. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors.

The Forward Exchange Contracts entered into by the Company and remaining outstanding are as under:

| As at | No of contracts | Type | Currency | Value | INR Equivalent in lakhs |
|----------------|-----------------|------|----------|----------|-------------------------|
| March 31, 2021 | 2 | Buy | Euro | 1,59,000 | 138.30 |
| March 31, 2020 | 2 | Buy | Euro | 1,59,000 | 132.05 |

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Type | Currency | March 31, 2021 | | March 31, 2020 | |
|-----------------------------------|----------|----------------------------|-----------------|----------------------------|-----------------|
| | | Amount in Foreign currency | Rupees in lakhs | Amount in Foreign currency | Rupees in lakhs |
| Financial assets | | | | | |
| Trade Receivable | USD | 98,209 | 72.19 | 98,209 | 74.04 |
| | GBP | 39,978 | 41.95 | 52,951 | 49.29 |
| Total | | | 114.14 | | 123.33 |
| Financial liabilities | | | | | |
| Trade payables - Capital Projects | Euro | 1,59,002 | 126.81 | 5,509 | 4.57 |
| | USD | 12,000 | 8.66 | - | - |
| Trade payables | Euro | - | - | 0.65 | 0.00 |
| | GBP | 5,80,163 | 553.98 | 1,87,886 | 174.88 |
| Total | | | 689.45 | | 179.45 |

JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

Note 37

| Income tax expenses / (benefits) | | (Rupees in Lakhs) | |
|--|--|--|--|
| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 | |
| Profit or loss section: | | | |
| (i) Deferred tax | - | - | |
| Income tax expense reported in profit or loss | - | - | |
| Other comprehensive income section: | | | |
| (i) Items not to be reclassified to profit or loss in subsequent periods | - | - | |
| Income tax expense reported in other comprehensive income | - | - | |
| Total tax expenses | - | - | |

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

| | | (Rupees in Lakhs) | |
|---|--|--|--|
| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 | |
| Profit / (loss) before tax | (1,578.23) | 5,038.99 | |
| Enacted tax rate in India | 25.168% | 25.168% | |
| Expected income tax expenses / (benefit) at statutory tax rate | (397.21) | 1,268.21 | |
| Deferred tax asset not recognised | 397.21 | (1,268.21) | |
| Tax expenses for the year | - | - | |
| Effective tax rate | - | - | |

Deferred tax assets / (liabilities)

Significant components of deferred tax assets / (liabilities) recognized in the financial statements are as follows :

| | | (Rupees in Lakhs) | | |
|--|-------------------------------------|--|---|--|
| Deferred tax balance in relation to | As at March 31, 2020 | Recognised / reversed through profit and loss | Recognised in / reclassified from other comprehensive income | For the period ended March 31, 2021 |
| Property, plant and equipment | (1,774.11) | (199.45) | - | (1,973.56) |
| Carried forward business loss / unabsorbed depreciation | 1,652.07 | 201.67 | - | 1,853.74 |
| Provisions for employee benefit | 118.61 | (2.22) | - | 116.39 |
| Others | 3.43 | - | - | 3.43 |
| Total | - | - | - | - |

| | | (Rupees in Lakhs) | | |
|--|-------------------------------------|--|---|--|
| Deferred tax balance in relation to | As at April 01, 2019 | Recognised / reversed through profit and loss | Recognised in / reclassified from other comprehensive income | For the period ended March 31, 2020 |
| Property, plant and equipment | (2,264.07) | 489.96 | - | (1,774.11) |
| Carried forward business loss / unabsorbed depreciation | 2,136.02 | (483.95) | - | 1,652.07 |
| Provisions for employee benefit | 123.28 | (4.67) | - | 118.61 |
| Others | 4.77 | (1.34) | - | 3.43 |
| Total | - | - | - | - |

Deferred tax assets on carry forward business loss / unabsorbed depreciation have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset.

Expiry schedule of below losses on which deferred tax assets have been not recognised:

| | | (Rupees in Lakhs) | | |
|-------------------------|-----------------------------|--------------------------|--------------------------|--------------|
| Particulars | Less than 1 year | 1-5 years | More than 5 years | Total |
| Business losses | 1,016.50 | - | - | 1,016.50 |
| Unabsorbed depreciation | - | - | 4,443.63 | 4,443.63 |

JSW Severfield Structures Limited

Notes to the Standalone Financial Statements

Note 38

Disclosure under Ind AS 115, Revenue from Contracts with Customers

| | (Rupees in lakhs) | |
|---|-------------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Details of contract asset | | |
| Unbilled Revenue: | | |
| Balance as on April 1, 2020 | 35,110.83 | 30,090.46 |
| Add: Cost incurred plus attributable profits on contracts-in-progress | 1,58,342.14 | 1,30,377.84 |
| Less: Progress billings made towards contracts-in-progress | 1,59,693.06 | 1,25,357.47 |
| Less: Due from contract customers impaired during the reporting period | 548.54 | - |
| Balance as on March 31, 2021 | 33,211.37 | 35,110.83 |
| Details of contract liabilities | | |
| Advances received from the customers: | | |
| Balance as on April 1, 2020 | 3,179.06 | 5,007.15 |
| Add: Advances received from the customers | 45,184.34 | 39,848.42 |
| Less: Cumulative revenue recognised against advance received from the customer | 42,922.25 | 41,102.74 |
| Revenue recognised against the advance received from the customer as at the beginning of the reporting period | 2,342.53 | 573.77 |
| Balance as on March 31, 2021 | 3,098.62 | 3,179.06 |

As on March 31, 2021, revenue recognised in the current period from performance obligation satisfied/partially satisfied in previous year is NIL (previous year NIL).

| | (Rupees in lakhs) | |
|--|-----------------------|-----------------------|
| Particulars | March 31, 2021 | March 31, 2020 |
| Sale of products (refer note 21) | 45,574.89 | 92,578.47 |
| Other operating revenue | 893.07 | 1,663.59 |
| Total revenue from contracts with customers | 46,467.96 | 94,242.06 |
| Particulars | March 31, 2021 | March 31, 2020 |
| Within India | 46,423.52 | 94,020.12 |
| Outside India | 44.44 | 221.94 |
| Total revenue from contracts with customers | 46,467.96 | 94,242.06 |
| Timing of revenue recognition | March 31, 2021 | March 31, 2020 |
| At a point in time | 1,845.52 | 2,125.61 |
| Over a period of time | 44,622.44 | 92,116.45 |
| Total revenue from contracts with customers | 46,467.96 | 94,242.06 |
| Product wise | March 31, 2021 | March 31, 2020 |
| Design, Fabricated and Erection of Structural Steel Structures | 44,578.00 | 91,894.54 |
| Sales of Traded Goods | 996.90 | 683.93 |
| Sale of scrap material | 848.62 | 1,441.68 |
| Income from design services | 44.44 | 221.91 |
| | 46,467.96 | 94,242.06 |

Note: The major product sold by the Company is Design, fabrication and erection of structural steel structures.

Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

| | (Rupees in lakhs) | |
|--|-------------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Revenue | | |
| External Customer | 46,467.96 | 94,242.06 |
| Inter-segment | - | - |
| Inter-segment adjustment and elimination | - | - |
| Total | 46,467.96 | 94,242.06 |

There is no adjustment between contract price and amount recognised in statement of profit and loss account.

Information on performance obligations in contracts with Customers:

Contract with customers:

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the contracts with the customers as at March 31, 2021

| Particulars | 2022 | 2023 | 2024 | Beyond 2024 | Total |
|------------------|---------------|---------------|----------|-------------|-----------------|
| Contract Revenue | 55,240 | 48,663 | - | - | 1,03,903 |
| Total | 55,240 | 48,663 | - | - | 1,03,903 |

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the contracts with the customers as at March 31, 2020

| Particulars | 2021 | 2022 | 2023 | Beyond 2023 | Total |
|------------------|-----------------|----------|----------|-------------|-----------------|
| Contract Revenue | 1,01,180 | - | - | - | 1,01,180 |
| Total | 1,01,180 | - | - | - | 1,01,180 |

JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

Note 39
Specified bank notes

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2021.

Note 40
COVID-19 Update

The Company has assessed the impact of COVID-19, on the recoverability of the receivables and other current and non-current assets considering information available. The Company, based on the current estimates, believes that the carrying value of these assets are recoverable. Considering the fact that the global situation is evolving continuously, the economic impact of pandemic could be different from that estimated till date by the management. The management is continuously monitoring the material changes.

Note 41
Recoverability of Inventory relating to earlier contract

The Company had, in earlier period, entered into a contract for construction and supply of pre-fabricated structural steel with an EPC contractor ("the customer") for the customer's a project ("the Project"). In the earlier year, the National Company Law Tribunal ("NCLT") has ordered liquidation of the customer under Insolvency and Bankruptcy Code, 2016. Pursuant to above, the owner of the Project has floated a fresh tender for completion of the Project on as-is-where is basis. As at the reporting date the Company is in possession and control of semi constructed pre-fabricated structural steel relating to the Project. The Company has submitted bid and is in discussions with the EPC contractors of the Project wherein the aforesaid inventory would be used. Given the readily available inventory, the management is confident of securing the contract from the main contractor of the Project. Management based on an independent fair valuation has determined that the cost of such inventory is expected to be lower than its realizable value and accordingly, the inventory is considered fully recoverable.

Note 42
The Company was required to spend Rs.59.32 lakh (31 March 2020 Rs.27.52 lakhs) and has spent Rs.61.15 lakh (31st March 2020 Rs.27.52 lakhs) towards Corporate Social Responsibility as prescribed under 135 of the Companies Act, 2013. The details are as follows.

| Particulars | Year ended 31st March 2021 | | Year ended 31st March 2020 | |
|--------------------------------------|-------------------------------|---------------------------|-------------------------------|------------------------------|
| | In cash | Yet to be paid in cash | In cash | Yet to be paid in cash |
| Constuction/acquisition of any asset | - | - | - | - |
| For the purpose other than above | 61.15 | - | 27.52 | - |
| Total | 61.15 | - | 27.52 | - |

Note 43
There are receivables of INR 72 lakhs from customer related to export of goods and services which are outstanding for more than prescribed period under master circulars issued by Reserve Bank of India with respect to timelines for collection of export proceeds. Management has approached its AD bank for seeking an approval for extension of the timelines for collection of such amount, however no confirmation on extension has been received from Reserve Bank of India yet. This amount has been fully provided in the books of account.

JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

Note 44

Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

(Rupees in Lakhs)

| Particulars | As at March 31, 2020 | Cash flows | Non-cash changes Amortised cost / Fair value changes | As at March 31, 2021 |
|--|-------------------------|-----------------|--|-------------------------|
| Long-term borrowings | 683.87 | 1,134.27 | | 1,818.14 |
| Short-term borrowings | 11,832.45 | 1,159.80 | - | 12,992.25 |
| Lease liabilities | 1,442.41 | (420.26) | 132.25 | 1,154.40 |
| Total liabilities from financing activities | 13,958.73 | 1,873.81 | 132.25 | 15,964.79 |

(Rupees in Lakhs)

| Particulars | As at March 31, 2019 | Cash flows | Non-cash changes Amortised cost / Fair value changes | As at March 31, 2020 |
|---|-------------------------|------------------|--|-------------------------|
| Long-term borrowings | - | 683.87 | - | 683.87 |
| Short-term borrowings | - | 11,832.45 | - | 11,832.45 |
| Lease Liability | - | | 1,442.41 | 1,442.41 |
| Total liabilities from financing | - | 12,516.32 | 1,442.41 | 13,958.73 |

As per our report of even date attached

For B S R & Co. LLP
Firm's Registration No. 101248W/W - 100022
Chartered Accountants


KOOSAI LEHERY
Partner
Membership No.112399

Place: Mumbai
Date: 4 May 2021

For and on behalf of the Board of Directors


RAJEEV PAI
Chairman
DIN No: 00045604


SANTANU CHOUDHURY
Chief Financial Officer


RANJITKUMAR PILLAI
Director
DIN No: 08915833


SWATIKA GUPTA
Company Secretary
M.ship no. A28582

