

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's 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 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2023, and its profit 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.

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 directors' report, but does not include the financial statements and auditor's report(s) 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.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063



Independent Auditor's Report (Continued)

JSW Severfield Structures Limited

Management's and Board of Directors Responsibilities 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 the 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.

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 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 in preparation of standalone financial statements 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.



Independent Auditor's Report (Continued)

JSW Severfield Structures Limited

- 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 Auditor's 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:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 42(vii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any



Independent Auditor's Report (Continued)

JSW Severfield Structures Limited

manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 42(viii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

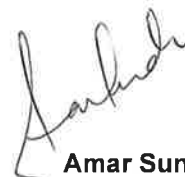
C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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



Amar Sunder

Partner

Place: Mumbai

Date: 03 May 2023

Membership No.: 078305

ICAI UDIN: 23078305BGWOKM3746

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of JSW Severfield Structures Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (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
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of JSW Severfield Structures Limited for the year ended 31 March 2023 (Continued)

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Income tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Amount paid under protest (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
U.P. Value Added Tax Act, 2008	Value Added Tax	161.66	40.41	FY 2016-2017	Additional Commissioner of Appeals (Noida)
Entry of Goods Act, 2007	Entry Tax	0.04	0.01	FY 2016-2017	Additional Commissioner of Appeals (Noida)
U.P. Value Added Tax Act, 2008	Value Added Tax	96.10	24.04	FY 2017-2018	Additional Commissioner of Appeals (Noida)
Entry of Goods Act, 2007	Entry Tax	3.00	1.81	FY 2017-2018	Additional Commissioner of Appeals (Noida)
Central Sales Tax Act	Central Sales Tax	7.25	0.75	FY 2017-2018	Additional Commissioner of Appeals (Noida)



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of JSW Severfield Structures Limited for the year ended 31 March 2023 (Continued)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks during the year. Further, the Company did not have any outstanding loans or borrowings from any other lender and financial institution during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.

The Company does not hold any investment in any associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2023.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).

The Company does not hold any investment in any associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2023.

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of JSW Severfield Structures Limited for the year ended 31 March 2023 (Continued)

- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) We have been informed by the management that as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is registered and four CICs which are not required to be registered with the Reserve Bank of India, forming part of the promoter group.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly,



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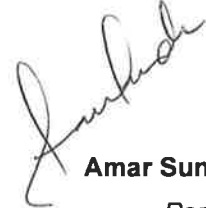
Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of JSW Severfield Structures Limited for the year ended 31 March 2023 (Continued)

clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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



Amar Sunder

Partner

Place: Mumbai

Date: 03 May 2023

Membership No.: 078305

ICAI UDIN: 23078305BGWOKM3746

Annexure B to the Independent Auditor's Report on the standalone financial statements of JSW Severfield Structures Limited for the year ended 31 March 2023

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 Act

(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 2023 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 were operating effectively as at 31 March 2023, 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 and Board of Directors' Responsibilities 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 Act.

Auditor's 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 if such controls operated effectively in all material respects.

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

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



Annexure B to the Independent Auditor's Report on the standalone financial statements of JSW Severfield Structures Limited for the year ended 31 March 2023 (Continued)

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 standalone 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 standalone 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 standalone financial statements.

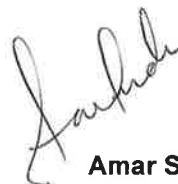
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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



Amar Sunder

Partner

Place: Mumbai

Date: 03 May 2023

Membership No.: 078305

ICAI UDIN:23078305BGWOKM3746

JSW SEVERFIELD STRUCTURES LIMITED
Standalone Balance Sheet as at March 31, 2023

		(Rupees in lakhs)	
Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2(a)	22,498.95	24,311.31
(b) Right -of-use assets	2(b)	1,886.69	2,024.52
(c) Intangible assets	2(c)	26.81	6.24
(d) Financial assets:			
(i) Investments	3	908.63	911.70
(ii) Other financial assets	4	397.03	347.49
(e) Income tax assets (net)		1,768.56	1,113.46
(f) Other non-current assets	5	156.56	141.87
Total non-current assets		27,643.24	28,856.59
(2) Current assets			
(a) Inventories	6	4,321.09	1,605.21
(b) Financial assets:			
(i) Trade receivables	7	44,984.22	26,046.83
(ii) Cash and cash equivalents	8	1,121.09	2,322.32
(iii) Bank balances other than (ii) above	9	430.65	533.98
(iv) Other Financial assets	10	31.71	32.71
(c) Other current assets	11	54,619.33	59,801.82
Total current assets		1,05,508.09	90,342.87
Total assets		1,33,151.33	1,19,199.46
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	12	39,587.59	39,587.59
(b) Other equity	13	(5,483.44)	(8,245.47)
Total equity		34,104.15	31,342.12
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14(a)	211.28	1,017.43
(ii) Lease liabilities	14(b)	249.86	488.95
(iii) Other Financial Liabilities	14(c)	300.00	300.00
(b) Provisions	15	429.68	420.17
Total non-current liabilities		1,190.82	2,226.55
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	23,024.48	11,650.78
(ii) Lease liabilities		393.13	326.41
(iii) Trade payables	17		
(a) total outstanding dues of micro enterprises and small enterprises; and		1,027.68	3,747.45
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		56,359.34	41,051.43
(iv) Other current financial liabilities	18	1,969.23	1,871.47
(b) Other current liabilities	19	14,581.98	26,729.12
(c) Provision	20	176.80	254.13
(d) Deferred tax liabilities (net)		323.74	-
Total current liabilities		97,856.37	85,630.79
Total liabilities		99,047.18	87,857.34
Total equity and liabilities		1,33,151.33	1,19,199.46

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

AMAR SUNDER

Partner

Membership No.078305

Place: Mumbai

Date: 3 May 2023

For and on behalf of the Board of Directors

PAWAN KEDIA

Chairman

DIN No: 00020570

SANTANU CHOUDHURY

Chief Financial Officer

DEREK RANDALL

Managing Director

DIN No: 02433966

SWATIKA GUPTA

Company Secretary

Membership No. A28582



JSW SEVERFIELD STRUCTURES LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2023
(Rupees in lakhs)

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
I Revenue from operations	21	1,34,320.27	1,00,631.29
II Other income	22	314.77	288.05
III Total Income (I+II)		1,34,635.04	1,00,919.34
IV Expenses:			
Cost of construction (including materials)	23	1,14,562.96	80,417.59
Purchases of stock-in-trade		1,380.64	7,389.43
Employee benefits expense	24	6,069.98	5,361.79
Finance costs	25	5,293.24	3,488.06
Depreciation and amortization expense	2 (a) (b)&(c)	2,573.01	1,988.64
Other expenses	26	1,683.68	1,187.55
Total expenses (IV)		1,31,563.51	99,833.06
V Profit before tax (III-IV)		3,071.53	1,086.28
VI Tax expense:			
Current tax		-	-
Deferred tax assets /(liabilities)		(323.74)	-
VII Profit for the year (V-VI)		2,747.79	1,086.28
VIII Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
i) Remeasurement of the defined benefit plans (refer note no-29)		17.31	(45.32)
ii) Change in fair value of investments in equity shares		(3.07)	2.86
Total other comprehensive income/(loss)		14.24	(42.46)
IX Total comprehensive income for the year (VII+VIII)		2,762.03	1,043.82
X Earnings per equity share of Rs 10 each			
Basic	30	0.69	0.27
Diluted	30	0.69	0.27

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

AMAR SUNDER
 Partner
 Membership No.078305

 Place: Mumbai
 Date: 3 May 2023

For and on behalf of the Board of Directors
PAWAN KEDIA
 Chairman
 DIN No: 00020570

SANTANU CHOUDHURY
 Chief Financial Officer

DEREK RANDALL
 Managing Director
 DIN No: 02433966

SWATIKA GUPTA
 Company Secretary
 Membership No. A28582


JSW SEVERFIELD STRUCTURES LIMITED
Standalone Statement of changes in equity for the year ended March 31, 2023
(a) Equity share capital
(Rupees in lakhs)

Particulars	Amount
Balance as at April, 2021	39,587.59
Issue of equity shares	-
Balance as at March 31, 2022	39,587.59
Issue of equity shares	-
Balance as at March 31, 2023	39,587.59

(b) Other equity
(Rupees in lakhs)

Particulars	Reserves and surplus			Total
	Retained earnings	Change in fair value of investments in equity shares	Remeasurements of the net defined benefit plans	
Balance as at April 1, 2021	(9,223.34)	-	(65.95)	(9,289.29)
Profit for the year	1,086.28	-	-	1,086.28
Other comprehensive loss for the year (net of taxes)	-	2.86	(45.32)	(42.46)
Total comprehensive (loss) for the year	1,086.28	2.86	(45.32)	1,043.82
Share issue expenses	-	-	-	-
Balance as at March 31, 2022	(8,137.06)	2.86	(111.27)	(8,245.47)
Profit for the year	2,747.79	-	-	2,747.79
Other comprehensive loss for the year (net of taxes)	-	(3.07)	17.31	14.24
Total comprehensive income for the year	2,747.79	(3.07)	17.31	2,762.03
Balance as at March 31, 2023	(5,389.27)	(0.21)	(93.96)	(5,483.44)

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

For and on behalf of the Board of Directors

Amar Sunder
AMAR SUNDER
Partner
Membership No.078305

Pawan Kedia
PAWAN KEDIA

Chairman

DIN No. 00020570

Santanu Choudhury
SANTANU CHOUDHURY

Chief Financial Officer

Derek Randall

DEREK RANDALL

Managing Director

DIN No: 02433966

Swatika Gupta

SWATIKA GUPTA

Company Secretary

Membership No. A28582

Place: Mumbai

Date: 3 May 2023



JSW SEVERFIELD STRUCTURES LIMITED
Standalone Statement of cash flow for the year ended 31st March 2023
(Rupees in lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flows from operating activities		
Profit before tax	3,071.53	1,086.28
Adjustments for :		
Depreciation and amortization expense	2,573.01	1,988.64
Net unrealized exchange loss/ (gain)	35.87	34.30
Loss on sale of fixed assets(net)	11.31	2.88
Interest income	(117.72)	(112.66)
Finance Cost	3,518.83	2,230.06
Bad debts written off/(recovered)	-	42.17
Provision / liabilities no longer required written back	(140.87)	(175.20)
Provision for doubtful debts and unbilled receivable	217.04	24.97
(Gain)/loss on Foreign currency forward contracts	-	0.18
Operating profit before working capital changes	9,168.99	5,121.62
Adjustments for movement in working capital:		
(Increase)/ Decrease in inventories	(2,715.88)	4,487.30
(Increase) / Decrease in trade receivables	(19,154.43)	(11,259.75)
(Increase) / Decrease in other assets	5,117.40	(21,812.97)
Increase/ (Decrease) in other liabilities	(12,048.10)	9,504.48
Increase/(Decrease) in Trade payables	12,693.13	21,324.32
Increase / (Decrease) in provisions	(50.52)	166.53
Cash generated from operations	(6,989.40)	7,531.53
Income taxes refund/(paid) (net)	(626.02)	141.74
Net cash flow (used in) /generated from operating activities	(7,615.43)	7,673.27
B. Cash flows from investing activities		
Purchase of Property, Plant and Equipment, Intangible assets including capital advances	(441.73)	(791.15)
Proceeds from sale of property, plant and equipment	-	0.93
Purchase of equity shares.	-	(12.25)
Bank deposits (placed) / matured (net)	103.33	72.92
Interest received on bank deposits	88.64	43.70
Net cash (used in) investing activities	(249.76)	(685.85)
C. Cash flows from financing activities		
(Repayments of)/ proceeds from working capital borrowings (net)	11,342.48	(2,155.43)
Lease liability paid-Principal Portion	(384.76)	(339.05)
Proceeds of non current borrowings	68.81	762.62
Repayment of Term loan	(843.74)	(749.37)
Finance charges paid	(3,518.83)	(2,230.06)
Net cash generated from (used in)/ financing activities	6,663.96	(4,711.29)
Net increase in cash and cash equivalents	(1,201.23)	2,276.13
Cash and cash equivalents at the start of the year	2,322.32	46.19
Cash and cash equivalents at the end of the year	1,121.09	2,322.32

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



JSW SEVERFIELD STRUCTURES LIMITED

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

(Rupees in Lakhs)

Particulars	As at March 31, 2022	Cash flows	Non-cash changes Amortised cost / Fair value changes	As at March 31, 2023
Long-term borrowings	1,831.39	(774.93)		1,056.46
Short-term borrowings	10,836.82	11,342.48	-	22,179.30
Lease liabilities	815.35	(442.11)	269.75	642.99
Total liabilities from financing activities	13,483.56	10,125.44	269.75	23,878.76

(Rupees in Lakhs)

Particulars	As at March 31, 2021	Cash flows	Non-cash changes Amortised cost / Fair value changes	As at March 31, 2022
Long-term borrowings	1,818.14	13.25	-	1,831.39
Short-term borrowings	12,992.25	(2,155.43)	-	10,836.82
Lease Liability	1,154.40	(415.95)	76.91	815.35
Total liabilities from financing	15,964.79	(2,558.14)	76.91	13,483.56

As per our report of even date attached

For and on behalf of the Board of Directors

For B S R & Co. LLP

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

Chartered Accountants

AMAR SUNDER
Partner

Membership No.078305

Place: Mumbai
Date: 3 May 2023

PAWAN KEDIA

Chairman

DIN No: 00020570

SANTANU CHOUDHURY

Chief Financial Officer

DEREK RANDALL

Managing Director

DIN No: 02433966

SWATIKA GUPTA

Company Secretary
Membership No. A28582



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") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- a. Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.
- b. Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.
- c. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

1.3 Statement of compliance

The Standalone financial statements of the Company which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2023, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements") have been



JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

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 3, 2023.

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,



JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

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



JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

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.

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.



JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

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 liabilities and assets are generally recognised on all 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.



JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

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 derecognised.

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.

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 standalone 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.

All 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.

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



JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

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.



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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 standalone 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 standalone 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.



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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 standalone 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



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impairment losses and reversals are recognised in standalone 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:



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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 standalone 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 standalone 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



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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.

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.



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v) 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.



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Note 2(a) Property, plant and equipment

(Rupees in lakhs)

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
At cost / deemed cost						
Balance as at April 1, 2021	13,445.57	19,079.86	426.80	314.28	309.64	33,576.15
Disposals	-	-	-	(14.58)	-	(14.59)
Additions	569.13	445.68	10.33	14.54	-	1,039.68
Balance as at March 31, 2022	14,014.70	19,525.54	437.13	314.24	309.64	34,601.25
Disposals	-	(84.69)	-	-	-	(84.69)
Additions	92.14	295.08	7.96	14.20	14.90	424.28
Balance as at March 31, 2023	14,106.84	19,735.93	445.09	328.44	324.54	34,940.84
Accumulated depreciation						
Balance as at April 1, 2021	1,940.51	6,254.51	132.03	158.27	211.15	8,696.47
Depreciation charge for the year	457.01	1,049.49	40.69	27.65	29.38	1,604.22
Disposals	-	-	-	(10.75)	-	(10.75)
Balance as at March 31, 2022	2,397.52	7,304.00	172.72	175.17	240.53	10,289.94
Disposals	-	(61.25)	-	-	-	(61.25)
Depreciation charge for the year	466.05	1,645.03	39.75	28.88	33.49	2,213.20
Balance as at March 31, 2023	2,863.57	8,887.78	212.47	204.05	274.02	12,441.89
Carrying amounts as at March 31, 2022	11,617.18	12,221.54	264.41	139.07	69.11	24,311.31
Carrying amounts as at March 31, 2023	11,243.27	10,848.15	232.62	124.39	50.52	22,498.95
Useful life of the assets (years)	30	15-30	8-15	8-15	5-10	
Method of depreciation	SLM	SLM	SLM	SLM	SLM	

During the current year ended 31st March 2023 the useful lives of certain plant and machinery taken as 15 years based on the increase in number of shifts of usage.

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.



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Note 2(b) Right -of-use assets

Particulars	Rupees.in lakhs Right -of-use assets
At cost	
Balance as at April 01, 2021	3,073.38
Additions	-
Deletion	-
Balance as at March 31, 2022	3,073.38
Additions	212.39
Deletion	-
Balance as at March 31, 2023	3,285.77
Accumulated amortisation	
Balance as at April 01, 2021	687.92
Amortisation expenses	360.94
Balance as at March 31, 2022	1,048.86
Amortisation expenses	350.22
Balance as at March 31, 2023	1,399.08
Balance as at March 31, 2022	2,024.52
Balance as at March 31, 2023	1,886.69
Useful life of the assets (range in years)	3-5
Method of amortisation	Period of the lease

The above consists of Leasehold Land of Rs.1,319.50 lakhs and office premises and Guest house Rs.567.19 lakhs. (31 March 2022 Leasehold Land of Rs.1,319.50 lakhs and office premises and Guest house Rs.705.02 lakhs).



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Note 2(c) Intangible assets

(Rupees in lakhs)				
Particulars		Computer software	Licence fees	Total
At cost / deemed cost				
Balance as at April 1, 2021		126.02	297.34	423.36
Additions		-	-	-
Balance as at March 31, 2022		126.02	297.34	423.36
Additions		30.16	-	30.16
Balance as at March 31, 2023		156.18	297.34	453.52
Accumulated amortisation				
Balance as at April 1, 2021		123.15	270.49	393.64
Depreciation charge for the year		2.40	21.08	23.48
Balance as at April 1, 2022		125.55	291.57	417.12
Depreciation charge for the year		6.44	3.15	9.59
Balance as at March 31, 2023		131.99	294.72	426.71
Carrying amounts as at March 31, 2022		0.47	5.77	6.24
Carrying amounts as at March 31, 2023		24.19	2.62	26.81
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

Particulars	(Rupees in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Note 3		
Investments (non-current)		
Unquoted investment in equity instruments of a subsidiary (at deemed cost)		
8,965,850 equity shares (31st March 2022: 8,965,850) of Rs 10 each, fully paid up of JSW Structural Metal Decking Limited	896.59	896.59
Quoted Investment in equity instruments (at fair value)		
5,000 Equity shares (31st March 2022: 5000) of Rs 10 each, fully paid up of JSW Energy Limited	12.04	15.11
Total	908.63	911.70
Aggregate amount of unquoted investments (carrying value)	896.59	896.59
Aggregate amount of quoted investments (at cost)	12.25	12.25
Aggregate amount of quoted investments (at market value)	12.04	15.11
Note 4		
Other financial assets (non-current)		
Security deposits	245.49	245.49
Margin money deposits (under lien with banks)	151.54	102.00
Total	397.03	347.49
Note 5		
Other non-current assets		
Capital advances	18.77	16.91
Indirect Tax recoverable (amounts paid under protest)	68.00	41.41
Prepayments and others	62.80	76.22
Security deposits	6.99	7.33
Total	156.56	141.87
Note 6		
Inventories (at lower of cost and net realisable value)		
Construction material.	3,550.99	957.03
Consumables, stores and spares	770.10	648.18
Total	4,321.09	1,605.21



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Particulars	(Rupees in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Note 7		
Trade receivables		
(a) Trade receivables considered good - Secured	-	-
(b) Trade receivables considered good - Unsecured	44,984.22	26,046.83
(c) Trade receivables which have significant increase in credit risk	-	-
(d) Trade receivables - credit impaired	662.58	468.94
Less : Bad Debt Written off	-	-
Less : Allowance for doubtful receivables	(662.58)	(468.94)
Total	44,984.22	26,046.83

Movement in allowance for expected credit loss:		(Rupees in lakhs)
Balance as at April 1, 2021		443.97
Allowances for doubtful debts (expected credit loss allowance)		24.97
Bad debts written off		-
Balance as at April 1, 2022		468.94
Allowances for doubtful debts (expected credit loss allowance)		217.04
Allowances write back		23.40
Balance as at March 31, 2023		662.58

(Refer note 27(ii) for other relevant notes)



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Notes to the Standalone Financial Statements

(Rupees in lakhs)

Amounts of trade receivable as at at 31st March 2023

Particulars	Not due	Less than 6 Months	6 Months-1 Year	1 - 2 Year	2-3 Years	More than 3 Years	Total
Undisputed:							
Considered Good	26,331.05	13,687.35	3,299.01	761.51	134.72	770.59	44,984.23
Considered Doubtful		23.03	1.27	-	71.31	566.97	662.57
Disputed:							
Considered Good		-	-	-	-	-	-
Considered Doubtful		-	-	-	-	-	-
Gross Carrying Amount	26,331.05	13,710.38	3,300.28	761.51	206.03	1,337.56	45,646.80
Less: Provision	-	23.03	1.27	-	71.31	566.97	662.58
Net carrying amount	26,331.05	13,687.35	3,299.01	761.51	134.72	770.59	44,984.22

Amounts of trade receivable as at at 31st March, 2022

Particulars	Not due	Less than 6 Months	6 Months-1 Year	1 - 2 Year	2-3 Years	More than 3 Years	Total
Undisputed:							
Considered Good	13,374.32	6,387.75	3,130.42	1,945.43	745.73	463.19	26,046.84
Considered Doubtful		-	1.27	-	71.31	186.16	258.74
Disputed:							
Considered Good		-	-	-	-	-	-
Considered Doubtful		-	-	-	-	210.20	210.20
Gross Carrying Amount	13,374.32	6,387.75	3,131.69	1,945.43	817.04	859.55	26,515.78
Less: Provision	-	-	1.27	-	71.31	396.36	468.94
Net carrying amount	13,374.32	6,387.75	3,130.42	1,945.42	745.73	463.19	26,046.84



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Particulars	(Rupees in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Note 8		
Cash and cash equivalents		
Cash on hand	0.26	0.47
Balances with banks in current accounts	689.39	59.51
Term deposits with maturity less than 3 months at inception	431.44	2,262.34
Total	1,121.09	2,322.32
Note 9		
Bank balances other than cash and cash equivalents		
Margin money deposits (under lien with banks)	430.65	533.98
Total	430.65	533.98
Note 10		
Other Financial assets		
(Unsecured, considered good)		
Security deposits	31.71	32.22
Forward contract assets	-	0.49
Total	31.71	32.71



JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements for the year ended 31st March 2023

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Note 11		
Other current assets		
Unbilled revenue		
Contract work in progress (construction cost incurred plus recognised profit less recognised losses to date)	2,62,687.91	2,51,309.41
Less : Progress billings	2,16,556.01	1,98,468.95
Gross amount due from customers for contract work	46,131.90	52,840.46
Provision for Doubtful receivable	548.54	548.54
	45,583.36	52,291.93
Indirect tax balances/credits	4,019.64	4,924.24
Advances to suppliers	3,274.97	1,505.06
Prepayment and others	1,717.86	1,052.21
Security deposits	23.50	28.39
Total	54,619.33	59,801.82

Note 12
Equity share capital

a Authorised :		
600,000,000 Equity shares (As at 31 of March 2022 : 400,000,000) of Rs.10 each	60,000.00	40,000.00
b Issued, subscribed and fully paid up:		
395,875,880 equity shares (As at 31 March 2022: 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 March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	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 March 31, 2023		As at March 31, 2022	
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%

f Shares in respect of each promoters holding shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
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%



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Notes to the Standalone Financial Statements

Particulars	(Rupees in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Note 13		
Other equity		
Retained earnings	(5,389.27)	(8,137.06)
Other comprehensive income/(loss)	(94.17)	(108.41)
Total	(5,483.44)	(8,245.47)
Note 14 (a)		
Borrowings (secured) (Non-current)		
Term loan from bank		
Rupee term loan at amortized cost	1,056.46	1,831.39
Less: current maturity of long term borrowings (refer note 16)	845.18	813.96
Total	211.28	1,017.43
Details of security:		
Rupee term loan from bank aggregating to Rs.1,056.46 lakh (31 March 2022: Rs. 1,831.39 lakh) 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% (31st March 2022 floating interest rate of bank plus 2.75%). Repayment of term loan in 16 quarterly installment.		
Note 14 (b)		
Lease Liabilities		
Lease Liabilities	642.99	815.36
Less: Current Maturity of lease liabilities	(393.13)	(326.41)
Total	249.86	488.95
The details of lease liabilities are mentioned below:		
Particulars		
Opening balance of IND AS 116	815.36	1,154.40
Addition	199.55	-
Interest expense	70.19	76.91
Cash Outflow	(442.11)	(415.95)
Cancellation of Lease Agreement	-	-
Closing balance	642.99	815.36
Current	393.13	326.41
Non-Current	249.86	488.95
Note 14 (c)		
Security deposits (refer note -32)	300.00	300.00
Total	300.00	300.00
Note 15		
Provisions (non-current)		
Provision for employee benefits		
Provision for gratuity (refer note 29)	271.81	235.65
Provision for compensated absences (refer note 29)	157.87	184.52
Total	429.68	420.17
Note 16		
Borrowings (current)		
Secured		
Working capital loans from banks	22,179.30	10,836.82
Current maturity of long term borrowings	845.18	813.96
Total	23,024.48	11,650.78
Details of security		
Working capital loans (repayable on demand) from banks aggregating to Rs. 22,179.30 lakhs (31 March 2022: 10,836.82 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 2022: 0.80% to 3.60%).		
Quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.		
Note 17		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises		
Other than acceptances (refer note 35)	1,027.68	3,747.45
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	33,813.16	29,228.11
Other than acceptances	22,546.18	11,823.32
Total	57,387.02	44,798.88



Notes to the Standalone Financial Statements

(Rupees in lakhs)

Trade Payable Ageing Schedule (from the date of invoice):

Particulars	Unbilled	Not due	Less than 1 Year	1 - 2 Year	2 - 3 Years	More than 3 Years	Total
As at March 31, 2023							
Disputed:							
MSME (applicable to Indian cos)	-	-	88.06	-	-	-	88.06
Others	-	-	-	-	-	-	-
Others:							
MSME (applicable to Indian cos)	-	-	252.39	482.53	39.34	165.36	939.62
Others	13,154.65	35,604.28	6,197.54	885.74	377.67	139.46	56,359.34
Total	13,154.65	35,604.28	6,538.00	1,368.26	417.00	304.83	57,387.02

Trade Payable Ageing Schedule (from the date of invoice):

Particulars	Unbilled	Not due	Less than 1 Year	1 - 2 Year	2 - 3 Years	More than 3 Years	Total
As at March 31, 2022							
Disputed:							
MSME (applicable to Indian cos)	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Others:							
MSME (applicable to Indian cos)	-	2,557.31	885.58	74.96	103.92	125.68	3,747.46
Others	558.15	32,936.74	7,363.47	95.47	45.82	51.78	41,051.43
Total	558.15	35,494.05	8,249.05	170.43	149.75	177.46	44,798.88



JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

Particulars	(Rupees in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Note 18		
Other current financial liabilities		
Accrued Salary	811.38	761.08
Payables for capital projects	97.59	98.88
Interest accrued	1,060.26	1,011.51
Total	1,969.23	1,871.47

Note 19		
Other current liabilities		
Progress billings	69,700.75	81,517.48
Less: Contract work in progress (construction cost incurred plus recognised profit less recognised losses to date)	66,248.28	78,569.87
Gross amount due to customers for contract work	3,452.47	2,947.61
Deferred Governments Grants *	259.54	259.54
Statutory liabilities (includes TDS, GST and PF liabilities)	437.15	210.84
Advances from customers	10,432.82	23,311.13
Total	14,581.98	26,729.12

* 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)

Note 20		
Provisions (current)		
Provision for employee benefits		
(a) Provision for employee benefits:		
Provision for gratuity (refer note 29)	126.51	126.47
Provision for compensated absences (refer note 29)	21.61	24.43
	148.12	150.90
(b) Provision - others:		
Provision for estimated losses on contracts	28.67	103.23
Total	176.80	254.12

For movement in provisions refer movement schedule below:

Particulars	Provision for estimated losses on contracts
As at April 01, 2021	-
Recognised during the year	103.23
Utilization during the year	-
As at March 31, 2022	103.23
Recognised during the year	-
Utilization during the year	(74.56)
Unused amounts reversed	-
As at March 31, 2023	28.67



JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements for the year ended 31st March 2023

Particulars	(Rupees in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 21		
Revenue from operations (refer note 34 and 38)		
Contracted revenue		
Value of completed contracts	1,29,820.79	124.39
Work in progress		
As at the end of the year	3,28,909.23	3,29,777.75
As at the beginning of the year	3,29,777.75	2,38,719.45
	(868.52)	91,058.30
Sales of Traded Goods	1,380.64	6,015.74
Other operating revenue		
Sale of scrap material	3,972.37	3,406.78
Income from design services	15.00	26.08
Total	1,34,320.27	1,00,631.29
Note 22		
Other income		
Interest income from banks on deposits	88.64	43.70
Interest on income tax refund	29.08	68.97
Interest - Others	56.17	-
Provision / liabilities no longer required written back	140.87	175.20
MTM gain on forward contract	-	0.18
Total	314.77	288.05
Note 23		
Cost of construction (including material)		
Purchase of materials and components	1,05,549.87	75,178.10
Equipment hire charges (refer note 31)	4,450.12	1,367.94
Transport charges	1,222.42	2,018.24
Draughting-design charges	537.48	335.58
Contract labour and subcontracting charges	2,803.07	1,517.73
Total	1,14,562.96	80,417.59
Note 24		
Employee benefits expense		
Salaries, wages and bonus	5,489.97	4,845.16
Contribution to provident and other funds (refer note 29)	210.30	202.52
Gratuity (refer note 29)	77.37	66.88
Staff welfare	292.34	247.23
Total	6,069.98	5,361.79
Note 25		
Finance costs		
Interest on borrowings from banks	3,448.64	1,974.59
Interest on Lease Liabilities	70.19	76.91
Interest on Others	-	178.56
Other borrowing costs (includes LC, BG, bill discounting charges, commission and bank charges)	1,774.41	1,258.00
Total	5,293.24	3,488.06
Note 26		
Other expenses		
Rent	19.49	33.78
Repairs and maintenance		
- Plant and equipment	59.37	34.76
- Buildings	91.81	17.00
- Others	7.46	0.26
Insurance	229.12	161.85
Rates and taxes	21.71	9.75
CSR Expenditure (refer note no-39)	38.21	48.15
Travelling and conveyance expenses	196.61	111.02
Commission on scrap sales	17.73	27.87
Legal and professional fees	226.23	175.46
Office maintenance expenses	151.06	108.28
Payment to Auditors (refer note below)	66.57	82.74
Net loss on foreign currency transactions and translation	35.86	25.63
Provision for doubtful debts	217.04	24.97
Loss on sale of fixed assets (net)	11.31	2.88
Bad debts written off	-	42.17
Miscellaneous expenses	294.10	280.98
Total	1,683.68	1,187.55
Payments to auditors comprise :		
For audit (including limited reviews)	57.00	57.00
For tax audit	3.00	3.00
For taxation matters	4.29	20.63
For certification service	-	0.40
For out of pocket expenses	2.28	1.71
Total	66.57	82.74



JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

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, 2023	As at March 31, 2022
	Carrying value	
Financial assets		
Measured at amortised cost		
Non-current		
Other financial assets	397.03	347.49
Current		
Trade receivables	44,984.22	26,046.83
Cash and cash equivalents	1,121.09	2,322.32
Bank balances other than cash and cash equivalents	430.65	533.98
Other financial assets	31.71	32.71
Total financial assets	46,964.70	29,283.33
Financial liabilities		
Measured at amortised cost		
Non-current		
Borrowings	211.28	1,017.43
Lease Liabilities	249.86	488.95
Other financial liabilities	300.00	300.00
Current		
Borrowings	23,024.48	11,650.78
Trade payables	57,387.02	44,798.88
Lease Liabilities	393.13	326.41
Other current financial liabilities	1,969.23	1,871.47
Total financial liabilities measured as amortised cost	83,535.00	60,453.92

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, 2023	March 31, 2022	
Financial liability measured at fair value on recurring basis				
Foreign currency forwards contracts	Level 2		0.49	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, 2023, the Company's has three customers who accounts for more than 10% of total debtors amounting to Rs.36,379.31 lakhs which is 80% of total debtors and As at 31 March 2022 one customer who accounts for more then 10% of total debtors amounting to INR 14,578.54 lakhs)

The ageing of trade receivables that were not impaired was as follows.

	Carrying amount (Rupees in lakhs)	
	March 31, 2023	March 31, 2022
Neither past due nor impaired	26,331.05	13,374.32
Past due 1–30 days	5,271.00	4,907.68
Past due 31–90 days	4,615.31	1,258.71
Past due 91 plus days	9,429.46	6,975.06
	<u>45,646.82</u>	<u>26,515.77</u>

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.

As at March 31, 2023	Carrying amount	Contractual cash flows			(Rupees in lakhs)
		Less than 1 year	1-5 years	More than 5 years	Total
Financial Assets					
Non current					
Other financial assets	397.03	-	397.03	-	397.03
Current					
Trade receivables	44,984.22	44,984.22	-	-	44,984.22
Cash and cash equivalents	1,121.09	1,121.09	-	-	1,121.09
Bank balances other than cash and cash equivalents	430.65	430.65	-	-	430.65
Other current assets	46,131.90	46,131.90	-	-	46,131.90
Other financial assets	31.71	31.71	-	-	31.71
Total	93,096.60	92,699.57	397.03	-	93,096.60
Financial Liabilities					
Non current					
Borrowings	211.28	-	211.28	-	211.28
Lease Liabilities	249.86	-	249.86	-	249.86
Other financial liabilities	300.00	-	300.00	-	300.00
Current					
Borrowings	23,024.48	23,024.48	-	-	23,024.48
Trade payables	57,387.02	57,387.02	-	-	57,387.02
Lease Liabilities	393.13	393.13	-	-	393.13
Other current financial liabilities	1,969.23	1,969.23	-	-	1,969.23
Total	83,534.99	82,773.86	761.14	-	83,534.99
Contractual cash flows (Rupees in lakhs)					
As at March 31, 2022	Carrying amount	Less than 1 year	1-5 years	More than 5 years	Total
Financial Assets					
Non current					
Other financial assets	347.49	-	347.49	-	347.49
Current					
Trade receivables	26,046.83	26,046.83	-	-	26,046.83
Cash and cash equivalents	2,322.32	2,322.32	-	-	2,322.32
Bank balances other than above	533.98	533.98	-	-	533.98
Other current assets	52,291.93	52,291.93	-	-	52,291.93
Other financial assets	32.71	52,324.64	-	-	52,324.64
Total	81,575.26	1,33,519.69	347.49	-	1,33,867.19
Financial Liabilities					
Non Current					
Borrowings	1,017.43	-	1,017.43	-	1,017.43
Lease Liabilities	488.95	-	488.95	-	488.95
Other financial liabilities	300.00	-	300.00	-	300.00
Current					
Borrowings	11,650.78	11,650.78	-	-	11,650.78
Trade payables	44,798.88	44,798.88	-	-	44,798.88
Lease Liabilities	326.41	326.41	-	-	326.41
Other current financial liabilities	1,871.47	1,871.47	-	-	1,871.47
Total	60,453.92	58,647.54	1,806.38	-	60,453.92

The Company also has access to undrawn working capital sanctioned facilities from the bank Rs. 140.21 crore.

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(a), 14 (a) and 16).



JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

Note 27
Financial instruments – Fair values and risk management (continued)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

v. Currency risk

The Company is exposed to currency risk on account of its trade receivables and payables in foreign currency. The functional currency of the Company is Indian Rupee. These receivable and payables are primarily denominated in US dollars, GBP and Euro.

The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The currency profile of financial assets and financial liabilities denominated in currency other than the financial currency of the company as at the year end are as follows:

	March 31, 2023	March 31, 2023	(Rupees in lakhs) March 31, 2023
	USD	EURO	GBP
Financial assets			
Current			
Trade receivables	79.93	-	30.13
	79.93	-	30.13
Financial liabilities			
Current			
Payables for capital projects	9.85	70.98	-
Trade payables	9.37	6.17	630.55
	19.22	77.14	630.55

	March 31, 2022	March 31, 2022	(Rupees in lakhs) March 31, 2022
	USD	EURO	GBP
Financial assets			
Trade receivables	72.19	-	15.13
	72.19	-	15.13
Financial liabilities			
Current			
Payables for capital projects	8.66	*66.71	-
Trade payables	197.97	36.09	455.05
	206.63	102.80	455.05

*Previous year the Company uses forward exchange contracts to hedge its currency risk.

The following exchange rates have been applied at the year end.

	Year-end spot rate	
INR	March 31, 2023	March 31, 2022
USD	82.11	75.77
EUR	89.28	84.24
GBP	101.56	99.46

Sensitivity analysis

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens against the relevant foreign currency. For a 1% weakening of INR against the relevant foreign currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Effect in INR (Rupees in lakhs) March 31, 2023	Profit / (loss)			
	Strengthening		Weakening	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD - 1% Movement	(0.80)	0.19	0.80	(0.19)
EUR - 1% Movement	-	0.77	-	(0.77)
GBP - 1% Movement	(0.30)	6.31	0.30	(6.31)

Effect in INR (Rupees in lakhs) March 31, 2022	Profit / (loss)			
	Strengthening		Weakening	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD - 1% Movement	(0.72)	2.07	0.72	(2.07)
EUR - 1% Movement	-	0.36	-	(0.36)
GBP - 1% Movement	(0.15)	4.55	0.15	(4.55)



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, 2023	March 31, 2022
Borrowings		
Variable rate borrowings	23,235.76	12,668.21
Total	23,235.76	12,668.21

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, 2023		
Variable-rate instruments	(232.36)	232.36
Cash flow sensitivity (net)	(232.36)	232.36
March 31, 2022		
Variable-rate instruments	(126.68)	126.68
Cash flow sensitivity (net)	(126.68)	126.68



JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

Note 28**Capital management**

The Company's 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, 2023	As at March 31, 2022
Borrowings (includes lease liabilities of Rs.642.99 lakhs)(31 March 2022 Rs.815.36 lakhs)	23,878.75	13,483.57
Less - Cash and cash equivalents	(1,121.09)	(2,322.32)
Less - Bank balances other than cash and cash equivalents	(430.65)	(533.98)
Adjusted net debt	22,327.01	10,627.28
Total equity	34,104.15	31,342.12
Gearing ratio	0.65	0.50



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. 210.30 lakhs for 31 March, 2023 (31 March 2022 : Rs. 202.52 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 90 days (previous year 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, 2023 by M/s. KA.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, 2023	March 31, 2022
Defined benefit obligation	438.94	401.44
Fair value of Plan Assets at the end of the year	(40.63)	(39.32)
Net Obligation at the end of the year	398.32	362.12

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening balance	401.44	334.21	39.32	37.36	362.12	296.85
Statement of profit and loss :- (refer note 24)						
Current service cost	52.38	46.55	-	-	52.38	46.55
Past service cost	-	-	-	-	-	-
Transferred to trial run expense	-	-	-	-	-	-
Interest cost	27.80	22.89	2.71	2.56	25.08	20.33
	481.62	403.65	42.03	39.92	439.58	363.73
Included in OCI :-						
Remeasurement loss (gain):	-	-	-	-	-	-
Actuarial loss (gain) arising from:						
Demographic assumptions	-	27.90	-	-	-	27.90
Financial assumptions	(13.16)	22.41	-	-	(13.16)	22.41
Experience adjustment	(5.55)	(5.59)	-	-	(5.55)	(5.59)
Return on plan assets excluding interest income	-	-	(1.40)	(0.60)	1.40	0.60
	462.91	448.37	40.63	39.32	422.29	409.05
Other :-						
Benefits paid	(23.97)	(46.93)	-	-	(23.97)	(46.93)
Closing balance (refer note 15 and 20)	438.94	401.44	40.63	39.32	398.32	362.12

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 liability (refer note 15 and 20)

	Rs. in lakhs	
	398.32	362.12
	398.32	362.12



B. Plan assets

Since gratuity plan is partly funded with HDFC group unit linked plan, hence figures in respect of plan assets as at March 31, 2023 are Rs. 40.64 lakhs. (March 31, 2022 : Rs.39.33 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, 2023	March 31, 2022
Discount rate	7.41%	6.90%
Salary escalation rate	5.00%	5.00%
Attrition rate	10.00%	10.00%
Mortality Rate	Indian Assured Lives 2012-14 (Urban)	Indian Assured Lives 2012-14 (Urban)

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, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(23.70)	26.57	(22.90)	25.79
Future salary growth (1% movement)	26.95	(24.43)	26.02	(23.50)
Rate of employee turnover (1% movement)	3.79	(4.24)	2.52	(2.89)

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, 2023 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, 2023, i.e. Rs. 126.51 lakhs (March 31, 2022 : Rs.120.64 Lakhs)

(iii) Assumptions used in accounting for compensated absences

Rs in lakhs

Particulars	March 31, 2023	March 31, 2022
Present value of unfunded obligation (refer note 15 and 20)	179.48	208.95
Expense recognised in the Statement of Profit and Loss	57.52	73.88
Discount rate (p.a.)	6.90% p.a.	6.90% p.a.
Salary escalation (p.a.)	5% p.a.	5% p.a.
Attrition rate (p.a.)	10% p.a.	10% p.a.

Note 30**Earnings per share**

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to the equity shareholders (Rs.) (A)	(Rs in lakhs)	2,747.79	1,086.28
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.	0.69	0.27



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 <u>Maturity analysis - contractual undiscounted cash flows</u>	March 31, 2023	March 31, 2022
Less than one year	438.00	392.71
One to five years	260.00	521.82
More than five years	-	-
Total undiscounted lease liabilities	698.00	914.54

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	8.90	0.09

*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.4,450.12 lakhs(March 31, 2022 Rs.1,367.94 lakhs) towards expenses relating to short-term leases of machinery - Cranes, fork-lifters, cherry-pickers etc which can be cancelled by giving 7 days written notice.



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.

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 Mauritius 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 Vijaynagar Metalics limited
Bhushan Power and steel limited
JSW Energy limited
JSW Steel Coated Products Limited

4 Key management personnel (KMP)

Dr. Derek Randall- Managing Director
Mr. Pawan Kedia - Chairman
Mr. Rajeev Pai- Non Executive Director
Mr. Jugal Kishore Tandon -Non Executive Director
Ms. Anuradha Bajpai- Non Executive Director
Mr. Ranjeet Pillai - Whole time Director
Mr. Santanu Choudhury -Chief financial officer
Ms. Swatika Gupta -Company secretary
Mr. Alan Dunsmore -Non Executive Director



JSW SEVERFIELD STRUCTURES LIMITED
Notes to the Standalone Financial Statements

	March 31, 2023				March 31, 2022				(Rupees in lakhs)
	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	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	
B.	Reimbursement of expenses incurred on our behalf by JSW Steel Limited Including GST	-	-	271.67	271.67	29.82	-	-	29.82
	Severfield reeve International Limited	-	-	-	-	-	-	236.98	236.98
	Purchase of Metal Decking Sheets								
	JSW Structural Metal Decking Limited Including GST	-	7,046.22	-	7,046.22	-	9,226.22	-	9,226.22
	Expenses	-	-	-	-	-	-	-	-
	Severfield Plc	-	-	-	-	-	-	-	-
	Purchase of Steel								
	JSW Steel Limited including GST	19,179.35	-	-	19,179.35	2,704.55	-	-	2,704.55
	Expense incurred on behalf of								
	JSW Structural Metal Decking Limited Including GST	-	-	-	-	-	83.42	-	83.42
	Sale of goods								
	JSW Structural Metal Decking Limited Including GST	-	1,629.15	-	1,629.15	-	1,252.13	-	1,252.13
	Contract revenue/ (loss)								
	JSW Steel Limited	25,894.12	-	-	25,894.12	5,362.08	-	-	5,362.08
	JSW Vijaynagar metallics Limited	-	-	46,043.30	46,043.30	-	-	7,326.34	7,326.34
	Bhushan Power and steel limited	-	-	2,818.75	2,818.75	-	-	-	-
	Severfield (NI) Limited	-	-	15.00	15.00	-	-	26.08	26.08

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, 2022	
	March 31, 2023	March 31, 2022
Short term benefits	609.11	576.37
Post employment benefits	7.23	6.58
Total	616.35	582.94



JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

	(Rupees in lakhs)			
	March 31, 2022			
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 enterprise is a joint venture exercise significant influence	Total
C. Closing balance of related parties				
Trade payables				
JSW Steel Limited	38.80	-	-	38.80
Severfield Reeve International Limited	-	-	-	-
Severfield (NI) limited	-	-	89.25	89.25
JSW Structural Metal Decking Limited	-	3,768.46	-	3,768.46
Total	38.80	3,768.46	89.25	3,807.26
Deposits received				
JSW Structural Metal Decking Limited	-	300.00	-	300.00
Trade receivables				
JSW Steel Limited	10,381.04	-	-	10,381.04
JSW Steel Coated Products Limited	-	-	83.55	83.55
Bhushan power and steel limited	-	-	-	-
JSW Paradip Terminal Private Limited	-	-	267.20	267.20
JSW Vijaynagar Metallics Ltd	-	-	2,055.08	2,055.08
Severfield (NI) Limited	-	-	(0.84)	(0.84)
Severfield Products and Processing Ltd	-	-	7.26	7.26
Severfield (UK) Limited	-	-	8.71	8.71
Total	10,381.04	-	2,420.95	12,801.99
Advances given				
JSW Steel Limited	269.93	-	-	269.93
Severfield Reeve International Limited	-	-	84.23	84.23
Total	269.93	-	84.23	354.16
Advances received				
JSW Steel Limited	1,164.76	-	-	1,164.76
JSW Vijaynagar Metallics Ltd	-	-	5,171.72	5,171.72
Bhushan power and steel limited	-	-	-	-
Total	1,164.76	-	5,171.72	6,336.48



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, 2023	March 31, 2022
Contingent liabilities		
Claims against the Company not acknowledged as debts		
Disputed claims/levies in respect of VAT/CST/WCT/GST(including show cause notice)	743.33	613.48
Commitments		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	124.65	149.21
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 1,07,369.09 lakhs as on March 31, 2023 (Previous year March 31 2022: Rs.12,688.42 lakhs.)

C. Revenue from operations

	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from operations	1,34,305.27	15.00	1,34,320.27	1,00,605.21	26.08	1,00,631.29

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, 2023 **March 31, 2022**

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	829.81	3,528.85
Interest	197.87	218.60

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	48.91	48.90
FY-2017-18	17.52	17.52
FY-2018-19	37.50	41.84
FY-2019-20	35.44	48.58
FY-2020-21	29.49	40.61
FY-2021-22	4.33	21.15
FY-2022-23	24.69	-

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 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, 2023					
March 31, 2022	1	Buy	Euro	79,500	68.00

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

Type	Currency	March 31, 2023		March 31, 2022	
		Amount in Foreign currency	Rupees in lakhs	Amount in Foreign currency	Rupees in lakhs
Financial assets					
Trade Receivable	USD	98,209	79.93	98,209	72.19
	GBP	28,442	30.13	13,042	15.13
Total			110.05		87.32
Financial liabilities					
Trade payables - Capital Projects	Euro	79,502	70.98	79,502	66.71
	USD	12,000	9.85	12,000	8.66
Trade payables	Euro	6,910	6.17	45,167	36.09
	USD	11,413	9.37	2,66,900	197.97
	GBP	6,20,871	630.55	4,45,274	455.05
Total			726.92		764.48



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, 2023	For the year ended March 31, 2022
Profit or loss section:		
(i) Deferred tax	(323.74)	-
Income tax expense reported in profit or loss	(323.74)	-
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	(323.74)	-

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, 2023	For the year ended March 31, 2022
Profit / (loss) before tax	3,071.53	1,086.28
Enacted tax rate in India	25.168%	25.168%
Expected income tax expenses / (benefit) at statutory tax rate	773.04	273.39
Deferred tax asset not recognised	-	(273.39)
Tax expenses for the year	(323.74)	-
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, 2022	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	For the period ended March 31, 2023
Property, plant and equipment	(2,297.33)	199.70	-	(2,097.63)
Carried forward business loss / unabsorbed depreciation	2,150.17	(845.60)	-	1,304.57
Provisions for employee benefit	143.73	1.69	-	145.42
Others	3.43	(3.43)	-	-
Provision for doubtful debts	-	166.76	-	166.76
Provision for doubtful debts (Unbilled)	-	138.06	-	138.06
ROU	-	(142.75)	-	(142.75)
Lease	-	161.83	-	161.83
Total	-	(323.74)	-	(323.74)

(Rupees in Lakhs)				
Deferred tax balance in relation to	As at April 01, 2021	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	For the period ended March 31, 2022
Property, plant and equipment	(1,973.56)	(323.77)	-	(2,297.33)
Carried forward business loss / unabsorbed depreciation	1,853.74	296.43	-	2,150.17
Provisions for employee benefit	116.39	27.34	-	143.73
Others	3.43	-	-	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 as at 31st March 2023

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Business losses	-	-	-	-
Unabsorbed depreciation	-	-	-	-

Expiry schedule of below losses on which deferred tax assets have been not recognised as at 31st March 2022

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Business losses	155.76	-	-	155.76
Unabsorbed depreciation	-	-	896.39	896.39



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, 2023	March 31, 2022
Details of contract asset		
Unbilled Revenue:		
Balance as on April 1, 2022	52,291.92	33,211.37
Add: Cost incurred plus attributable profits on contracts-in-progress	2,09,847.46	2,17,549.51
Less: Progress billings made towards contracts-in-progress	2,16,556.02	1,98,468.96
Less: Due from contract customers impaired during the reporting period	-	-
Balance as on March 31, 2023	45,583.36	52,291.92

Details of contract liabilities
Advances received from the customers:

Balance as on April 1, 2022	2,947.61	3,098.62
Add: Advances received from the customers	66,753.14	78,418.86
Less: Cumulative revenue recognised against advance received from the customer	65,408.63	75,471.25
Revenue recognised against the advance received from the customer as at the beginning of the reporting period	839.65	3,098.62
Balance as on March 31, 2023	3,452.47	2,947.61

Particulars

	(Rupees in lakhs)	
	March 31, 2023	March 31, 2022
Within India	1,34,305.28	1,00,605.21
Outside India	15.00	26.08
Total revenue from contracts with customers	1,34,320.27	1,00,631.29

Timing of revenue recognition

	(Rupees in lakhs)	
	March 31, 2023	March 31, 2022
At a point in time	5,353.01	9,422.52
Over a period of time	1,28,967.26	91,208.77
Total revenue from contracts with customers(including sale of scrap.)	1,34,320.27	1,00,631.29

Product wise

	(Rupees in lakhs)	
	March 31, 2023	March 31, 2022
Design, Fabricated and Erection of Structural Steel Structures	1,28,952.26	91,182.69
Sales of Traded Goods	1,380.64	6,015.74
Sale of scrap material	3,972.37	3,406.78
Income from design services	15.00	26.08
	1,34,320.27	1,00,631.29

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, 2023	March 31, 2022
Revenue		
External Customer including inter company	1,34,320.27	1,00,631.29
Inter-segment	-	-
Inter-segment adjustment and elimination	-	-
Total	1,34,320.27	1,00,631.29

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, 2023

	(Rupees in lakhs)				
Particulars	2024	2025	2026	Beyond 2027	Total
Contract Revenue	1,10,435	23,404	-	-	1,33,839
Total	1,10,435	23,404	-	-	1,33,839

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, 2022

	(Rupees in lakhs)				
Particulars	2023	2024	2025	Beyond 2026	Total
Contract Revenue	1,25,046	40,985	-	-	1,66,031
Total	1,25,046	40,985	-	-	1,66,031



JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Standalone Financial Statements

Note 39

The Company was required to spend Rs.37.40 lakh (31 March 2022 Rs.48.11 lakhs) and has spent Rs.38.21 lakh (31st March 2022 Rs.48.15 lakhs) towards Corporate Social Responsibility as prescribed under 135 of the Companies Act, 2013. The details are as follows.

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
1. Gross amount required to be spent by the Company during the year (as prescribed under Section 135 of the Companies Act, 2013)	37.40	48.11
2. Amount of expenditure incurred		
(i) Construction/acquisition of any asset	-	-
(ii) For the purpose other than (i) above	38.21	48.15
3. Shortfall at the end of the period/year	-	-
4. Total of previous years shortfall	-	-
5. Reason for shortfall	-	-
6. Nature of CSR activities	Other then construction/acquisition of assets	Other then construction/acquisition of assets
7. Details of Related party transactions	-	-
8. Liability incurred by entering into contractual obligati	-	-

Note 40

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.



Note 41

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.08	1.06	2.20%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.68	0.40	-68.56%	Higher WC gap in current year
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + finance cost + depreciation and amortisation cost	Debt service = Interest & Lease Payments + Principal Repayments	2.73	2.75	-0.63%	
Return on Equity ratio	Net Profits after taxes - Dividend	Average Shareholder's Equity	0.12	0.05	-140.22%	Increase in business as compared to Previous Year
Inventory Turnover ratio	Cost of construction plus purchase of stock in trade	Average Inventory	39.13	22.81	71.51%	Higher volumes and purchases for following FY.
Trade Receivable Turnover Ratio	Revenue from operation	Average Trade Receivable	3.78	4.92	-23.14%	Receivable inc due to higher dispatch and conversion of unbilled.
Trade Payable Turnover Ratio	Cost of constructions	Average Trade Payables	2.24	2.35	-4.62%	
Net Capital Turnover Ratio	Revenue from operation	Working capital = Current assets - Current liabilities	17.55	21.36	-17.80%	
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.02	0.01	-89.51%	Increase in net profit due to higher scale of business in current year
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.15	0.10	39.57%	Increase in EBIT due to higher scale of business in current year

Note 42


- The Company has no transactions with the Companies struck off under Section 248 of the Companies Act, 2013.
- As on March 31, 2023 there is no utilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.
- The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules.
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

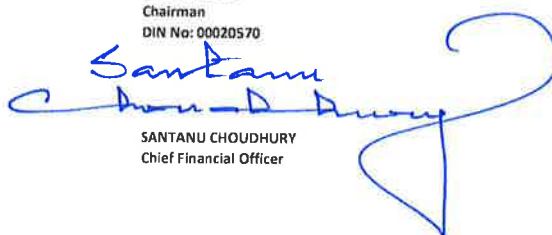
As per our report of even date attached

For and on behalf of the Board of Directors

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


AMAR SUNDER
Partner
Membership No.078305


PAWAN KEDIA
Chairman
DIN No: 00020570


SANTANU CHOUDHURY
Chief Financial Officer



DEREK RANDALL
Managing Director
DIN No: 02433966


SWATIKA GUPTA
Company Secretary
Membership No. A28582

Place: Mumbai
Date: 3 May 2023

