

## DIRECTORS' REPORT

To the Members of  
**JSW SEVERFIELD STRUCTURES LIMITED**

Your Directors hereby take pleasure in presenting the fourteenth Annual Report of your Company, together with the Standalone and Consolidated Audited Financial Statements for the year ended 31<sup>st</sup> March, 2023.

### 1. FINANCIAL RESULTS

(Rupees in lacs)

| Particulars                      | Standalone  |             | Consolidated |            |
|----------------------------------|-------------|-------------|--------------|------------|
|                                  | FY 2022-23  | FY 2021-22  | FY 2022-23   | FY 2021-22 |
| Total Income                     | 1,34,635.04 | 1,00,919.34 | 1,38,754.08  | 104,708.50 |
| Profit before Depreciation & Tax | 5,644.54    | 3,074.92    | 6,338.97     | 4,423.74   |
| Less : Depreciation              | 2,573.01    | 1,988.64    | 2,681.53     | 2,093.26   |
| Loss/ Profit before Tax          | 3,071.53    | 1,086.28    | 3,657.44     | 2,330.48   |
| Less: Tax                        | (323.74)    | -           | (474.18)     | (311.26)   |
| Loss/ Profit after Tax           | 2,747.79    | 1,086.28    | 3,183.26     | 2,019.22   |

### 2. INDIAN ACCOUNTING STANDARDS (Ind AS):

The Company has adopted Indian Accounting Standard (referred to as 'Ind AS') with effect from April 1, 2016 and accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 ("Act") read with the relevant Rules framed there under and the other accounting principles generally accepted in India.

### 3. RESULTS OF OPERATIONS

#### (A) STANDALONE RESULTS

The total output of your Company for the FY 2022-23 stood at 1,07,203 tonnes (previous year 58,244 tonnes).

The total revenue for the year under review was Rs. 1,34,635.04 lacs, (Previous year: Rs. 100,919.34 lacs). The net profit after tax was Rs. 2747.79 lacs (Previous year: Rs. 1,086.28 lacs)

#### **(B) CONSOLIDATED RESULTS**

The consolidated total revenue for the year under review was Rs. 1,38,754.08 lacs, (Previous year: Rs. 104,708.50 lacs). The consolidated net profit after tax was Rs. 3,183.26 lacs (Previous year: Rs. 2,019.22 lacs).

In accordance with the Accounting Standards AS – 21 on Consolidated Financial Statements, read with the Companies Act, 2013 (“the Act”), the audited Consolidated Financial Statements are provided in the Annual Report.

#### **4. DIVIDEND**

During the year under review, your Directors have deemed it prudent not to recommend any Dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2023. Hence, no Dividend on Equity Shares was declared by the Directors for the FY 2022-23.

#### **5. TRANSFER TO RESERVES**

The Company this year has not transferred any amount to the Reserve.

#### **6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 is not applicable to your Company as there was no declaration of dividend.

#### **7. PROSPECTS**

FY 22-23 was a reasonably good year with record high tonnage from Bellary. With JSW Barbil project dragging in terms of input, a recovery was done in Q4. JSW's HSM and Barbil project formed a major part of the Bellary fabrication load.

Booking export supply only and D&B data center project will be our focus for the year. Converting commercial projects to steel frame along with taking the RCC scope for execution is another target area for this FY. With enquiries like DLF and other commercial projects are the high potential prospects.

Forward outlook is positive and certain market segments like Data Centers, Hospitals and Commercial builds are showing signs of large build plans. Having had decent success in these sectors, JSSL is very positive on bagging a few projects in the current FY. JSW projects continue to remain our focus for industrial jobs.

**8. CHANGE IN NATURE OF BUSINESS, IF ANY**

During the year under review, no change took place in the nature of business carried on by the Company.

**9. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES**

The Company does not have any Joint Venture and Associate Companies during the period under the review.

JSW Structural Metal Decking Limited has not ceased to become the Subsidiary of the Company during the FY 2022-23. Details of the subsidiary are given below:

**(A) JSW STRUCTURAL METAL DECKING LIMITED – SUBSIDIARY**

JSW Structural Metal Decking Limited (JSW SMD), a subsidiary company of JSW Severfield Structures Limited (JSSL) is engaged in the business of the design, roll forming and installation of structural metal decking and ancillaries, including shear connectors, for construction projects with a total plant capacity of 16,000 Tonnes per annum at Bellary in Karnataka.

JSW SMD has achieved during FY 2022-23, sales of 10,644 MT of metal decking sheets & its accessories, total income of Rs. 113.43 crores and PBT of Rs. 5.87 crores. The Company has an investment of Rs. 8,96,58,100/- representing 66.67% shareholding in JSW SMD.

As per the provisions of Section 129(3) of the Act, a statement containing the salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

**10. RISK MANAGEMENT**

The Company's robust risk management framework identifies and evaluates business risks and opportunities. The Company recognises that these risks need to be managed and mitigated to protect its shareholders and other stakeholders, to achieve its business objectives and enable sustainable growth. The risk framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is embedded in our critical business activities, functions and processes. It also provides control measures for risks and future action plans.

**11. INTERNAL CONTROLS & INTERNAL FINANCIAL CONTROLS**

**Internal Control**

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. Some of the significant features of internal control systems include:

- Documenting of policies, guidelines, authorities and approval procedures, encompassing the Company's all primary functions.
- Deploying of an ERP system which covers most of its operations and is supported by a defined on-line authorisation protocol.
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/resources and protecting them from any loss.
- Ensuring the accounting system's integrity, proper and authorised recording and reporting of all transactions.
- Preparing and monitoring of annual budgets for all operating and service functions.
- Ensuring the reliability of all financial and operational information.
- Forming an Audit Committee of the Board of Directors, comprising Independent Directors in majority. The Audit Committee reviews audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards and so on.
- Continuous up-gradation of IT systems.

The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness. The controls were tested on periodical basis and no reportable material weakness in design and effectiveness was observed.

#### Internal Audit

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and Rule 13 of The Companies (Accounts) Rules, 2014, the Company had appointed M/s. Deloitte Touche Tohmatsu India LLP as the Internal Auditors to undertake the Internal Audit (IA) of the Company for the Financial Year ended 31<sup>st</sup> March, 2023. The Internal Auditors report to the Audit Committee Members who are experts in their field. The scope of work, authority and resources of IA are reviewed by the Audit Committee. Through IA function the Board obtains the assurance it requires to ensure that risks to the business are properly identified, evaluated and managed. IA also provides assurance to the Board on the effectiveness of relevant internal controls. The Company successfully integrated the COSO framework with its audit process to enhance the quality of effective controls and governance.

#### Internal Financial Controls

The Company has developed a framework for designing and assessing effectiveness of internal controls over financial reporting and has already laid down entity level policies and process level standard operating procedures.

The entity level policies comprise anti-fraud policies (Anti-Bribery Policy, including conflict of interest and whistle-blower policy). The Company has also prepared Standard Operating Practices (SOP) for each of its processes of revenue to receive, procure to pay, hire to retire, finance and accounts, fixed assets, treasury, inventory, manufacturing operations and administrative expenses.

R.K.  


## 12. FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public. Therefore, it is not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

## 13. SHARE CAPITAL

During the period under review, the Company's paid-up equity share capital stood at Rs. 395,87,58,800/- comprising of 39,58,75,880 equity shares of Rs. 10/- each.

## 14. MANAGEMENT DISCUSSION AND ANALYSIS

With Bellary recording its highest output during the FY just completed, JSSL is geared up to reach a new high during this current FY. Our accredited sub-contracting partner network remains strong and provides us the desired flexibility to augment delivery capacity as needed.

The steel raw material prices are seeing less fluctuations however have settled to such a value which is still making RCC to Steel conversion projects challenging. We continue to see increased traction on government projects like large Railway Station Redevelopment projects, High Speed Rail projects and Railway bridges. With RLDA Chandigarh being booked we are hoping to get more success on the upcoming stations.


Even with the increased steel price we are seeing enquiries for Commercial D&B and Data Centers enquiries already design in steel.bo

With the principal approval on the new land acquisition already in place we are looking for possible export market opportunities along with Industrial fabrication expansion. We continue to bid for complete Steel + Civil scope of works on D&B basis. JSW's new expansion projects mainly from eastern India and AMNS expansion in Gujarat form the base of Industrial projects.

## 15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Pawan Kumar Kedia (DIN- 00020570), retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The necessary resolution proposing the appointment of aforesaid Director has been incorporated in the Notice of the ensuing Annual General Meeting for your approval.

Changes in the Company's Board of Directors during the period under review are as follows:

- 
- Mr. Jugal Kishore Tandon (DIN: 01282681) and Mrs. Anuradha Bajpai (DIN: 07128141) were re-designated as non- Executive, non- Independent Directors of the Company with effect from 04th May, 2022 .
  - Dr. Derek Randall (DIN: 02433966) re-appointed as the Managing Director for a period of one year with effect from 1st April, 2023.

## 16. BOARD EVALUATION

The Company has made annual evaluation of performance of the Board, its Committees and Individual Directors on the basis of their attendance in the meetings, their contribution towards the Board and Committee discussions, their views, opinions and assistance provided towards the smooth functioning of the business. It was noted that the performance of the Board Members and Committee Members was found satisfactory.

## 17. AUDITORS AND AUDITOR'S REPORT

### (A) STATUTORY AUDITORS

At the Company's 10<sup>th</sup> Annual General Meeting (AGM) held on 24<sup>th</sup> June, 2019, M/s. BSR & Co. LLP, Chartered Accountants, Mumbai, were appointed as the Company's Statutory Auditors from the conclusion of the 10<sup>th</sup> AGM till the conclusion of the 15<sup>th</sup> AGM.

### (B) AUDITORS' REPORT

There are no qualifications, reservation or adverse remarks or disclaimer made by M/s. BSR & Co. LLP, Chartered Accountants, Statutory Auditors in their report for the financial year 2022-23.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company under sub-section (12) of section 143 of the Companies Act, 2013, in the year under review.

### (C) COST AUDITORS

Pursuant to Section 148(1) of the Companies Act, 2013 the Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained.

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Amendment Rules 2014, the Company is also required to get its cost accounting records audited by a Cost Auditor.

Accordingly, the Board at its meeting held on 3<sup>rd</sup> May, 2023, based on the recommendation of the Audit Committee, appointed M/s G.R & Co., Practising Cost Accountant to conduct the audit of the cost accounting records of the Company for FY 2023-24 on a remuneration of Rs. 1,60,000/- plus GST as applicable and reimbursement of actual travel and out of pocket expenses. The remuneration proposed to be paid to Cost Auditors is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

### (D) SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had at its Board Meeting held on 4<sup>th</sup> May, 2022 appointed M/s S. Srinivasan & Co, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the Financial Year ended 31<sup>st</sup> March, 2023. The Report of the Secretarial Audit carried out is annexed herewith as





Annexure "A". The report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**(E) SECRETARIAL AUDITORS' REPORT**

No Qualification, reservation, adverse remark or disclaimer made by the Secretarial Auditor in the Secretarial Audit Report for the financial year 2022-23, the said MR-3 Report enclosed herewith as Annexure-A.

**18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The disclosure of material Related Party Transactions is required under Section 134(3)(h) read with section 188(2) of the Companies Act, 2013 in Form AOC – 2 which is annexed (Annexure "B") hereto to this report.

Your Directors draw your attention to Note No. 32 to the Standalone financial statements which sets out related party disclosures.

**19. SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE**

On Health and safety grounds, the company received an appreciation certificate for continuous improvement and excellent performance in occupational Health, Safety & Environment from various clients as mentioned below:

- Best Safety Contractor of the Year award with Appreciation certificate from JSW Steel in HSM3 site
- Best safety champion award with Appreciation certificate from Leighton for best safety performance in Equinox site
- Certification of Appreciation from Earth client for best safety performance in Earth Enclave site
- Best Safety Champion of the year award from JSW Client in Barbil site, Odissa.
- Certificate of appreciation from MFar client for best safety performance in MFar project
- Best Safety performer of the year award from JSWBPSL client in Jharsuguda site, Odissa
- Best Contractor award with Appreciation certificate from Adani client for best safety performance in Adaniconnex Data center project.

Further, Four staff and Nine erectors have received the best safety performance award from various clients for their health & safety contribution for the year 2022-23.

Total Safe man-hours without LTI in 2022/23 are:

Factory – 3,284,544 (3.2 million)  
 Erection – 2,672,730 (2.6 million)  
 Total – 5,957,276 (5.9 million)

Safe days since last LTI (Factory) - 3139  
 Safe days since last LTI (Erection) - 1005

## 20. AWARDS AND ACCREDITATIONS

On Health and Safety grounds, the Company received a Certificate of Appreciation for continual improvement and excellent performance in Occupational Health, Safety & Environment from JSW for JSW Vidyanagar works and Phoenix appreciated during their audit for valuable contribution & commitment in implementation of HSE Standard in Phoenix Project and Seven JSSL employees got certificate with appreciation from Phoenix client until now.

The Company had also bagged First prize in the category of "Safe employer of the year" from OSHAI (Occupational Safety & Health Association India).

Further, Mr. Fakruddin Sab has been awarded the Best Health & Safety Manager in the JSW Vidyanagar works by JSW Safety Head and Nameswar Sahu has been awarded with certification for best safety performance at Varanasi site by Client.

## 21. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134 sub-section 3(c) and sub-section 5 of the Companies Act, 2013, your Directors hereby state and confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- ii. Such accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023, and of the Company's profit for the year ended on that date.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts have been prepared on a going concern basis.
- v. Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 22. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, five Board Meetings, as follows, were convened and held with requisite quorum. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

|            |            |            |            |            |
|------------|------------|------------|------------|------------|
| 04.05.2022 | 14.07.2022 | 13.10.2022 | 12.01.2023 | 16.02.2023 |
|------------|------------|------------|------------|------------|



## 23. AUDIT COMMITTEE

The Audit Committee of the Company comprises of Mrs. Anuradha Ambar Bajpai, Mr. Jugal Kishore Tandon and Mr. Alan Dunsmore.

Mrs. Anuradha Ambar Bajpai is the Chairperson of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit and Finance, among others.



#### 24. **NOMINATION & REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Company comprises of Mr. Jugal Kishore Tandon, Mrs. Anuradha Ambar Bajpai and Dr. Derek Randall.

Mr. Jugal Kishore Tandon is the Chairman of the Nomination and Remuneration Committee.

#### 25. **PUBLIC DEPOSITS**

The Company has not invited or accepted deposits from the Public covered under section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014.

#### 26. **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The CSR Committee of the Company comprises of Mr. Jugal Kishore Tandon, Mr. Rajeev Pai and Mr. Ranjit Kumar Pillai. Mr. Rajeev Pai is the Chairman of the CSR Committee. Pursuant to section 134(3)(o) of the Companies Act, 2013 the brief details about the Companies CSR policy by the company and initiatives taken by the company during the year is annexed (Annexure D")

#### 27. **WEB LINK OF ANNUAL RETURN**

The Company is having website, i.e., [www.jssl.in](http://www.jssl.in) and the annual return of Company has been published on such website.

#### 28. **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a vigil mechanism named Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any as per Section 177(9) of the Companies Act, 2013.

#### 29. **REMUNERATION POLICY**

In determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the Company, a Remuneration Policy has been framed by the Nomination & Remuneration Committee and approved by the Board with the following broad objectives:

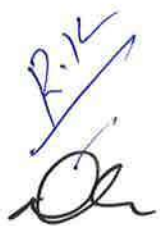
(i) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

(ii) Motivate KMP and other employees and to stimulate excellence in their performance.

(iii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

(iv) Ensuring that the remuneration to Directors, KMP and other employees achieve a balance between components fixed & incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(v) Retain, motivate and promote talent and to ensure long term association and loyalty of talented employees.



Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**33. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

**34. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, is given in the statement annexed (Annexure "C") hereto and forms a part of this report.

**35. APPRECIATION**


Your Directors take this opportunity to express their appreciation for the cooperation and assistance received from the Government of India, the financial institutions, banks and Shareholders during the period under review.

The Directors also wish to place on record their appreciation for the valuable services rendered by employees of the Company and look forward to their continued support in the future as well.

For and on behalf of the Board of Directors



**Dr. Derek Randall**  
Managing Director  
(DIN: 02433966)



**Ranjit Pillai**  
Whole Time Director  
(DIN: 0008915833)

Place : Mumbai  
Date: 03.05.2023





*S. Srinivasan & Co.,*  
Company Secretaries

Office No. 8, 4<sup>th</sup> floor,  
AC Market Building CHS Ltd.,  
Tardeo Road, Mumbai- 400 034  
Tel no.: 022- 4979 0842  
Mobile: +91 93210 25730  
E-mail: mumbaissandco@yahoo.com

**FORM NO. MR- 3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**JSW SEVERFIELD STRUCTURES LIMITED**  
05-08, B-wing, Lower Ground Floor,  
Art Guild House, Phoenix Market City,  
L.B.S Marg, Kurla (West), Mumbai,  
**Maharashtra- 400 070**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JSW SEVERFIELD STRUCTURES LIMITED** bearing CIN: U28112MH2009PLC191045 (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 by and large appears to have complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023, according to the provisions of:

- i. The Companies Act, 2013, (the Act) and the rules made there under.
- ii. The Securities Contracts (Regulation) Act, 1956, ('SCRA') and the rules made there under (**Not Applicable to the Company during the period under review**).



**Registered office address:** "Hari Krupa" Building, Ground Floor, 71/1, McNicholas Road, (off Poonamallee High Road), Chetpet, Chennai- 600 031, Tamil Nadu, India  
Mobile: +91 9841092661 | E-mail: [ssrini50@gmail.com](mailto:ssrini50@gmail.com)



- iii. The Depositories Act, 1996, and the Regulations and Byelaws framed there under.
- iv. Foreign Exchange Management Act, 1999, and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992; ('SEBI Act') are not applicable to the Company during the period under review as the Company is an unlisted company.
- vi. All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes are in place to monitor and ensure compliance with those laws.

**We have also examined compliance with the applicable clauses of the following Secretarial Standards:**

The Secretarial Standards issued and notified by the Institute of Company Secretaries of India SS- 1 & SS- 2 has been generally complied with by the Company during the financial year under review.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the meetings of the Board of Directors were carried through based on majority and there were no dissenting views by any Member of the Board during the year under review.



**We further report that,**

Based on the information provided and the representation made by the Company and on the review of the compliance reports of Company Secretary/ Chief Financial Officer/ Whole-time Director taken on record by the Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

**We further report that,** during the audit period, there are no specific events/ actions occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards etc.

Place: Chennai  
Date: 27-04-2023



For *S. Srinivasan & Co.,*  
Company Secretaries

SRINIVASAN Digitally signed by  
SATHYAMU SATHYAMU  
RTHY Date: 2023.04.27  
16:17:58 +05'30'

S. Srinivasan

Practicing Company Secretary

FCS: 2286 | CP. No.: 748

UDIN: F002286E000198317



To,  
The Members,  
**JSW SEVERFIELD STRUCTURES LIMITED**  
05-08, B-wing, Lower Ground Floor,  
Art Guild House, Phoenix Market City,  
L.B.S Marg, Kurla (West), Mumbai,  
**Maharashtra- 400 070**

Our Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For *S. Srinivasan & Co.*,  
Company Secretaries



SRINIVASAN Sathyamurthy  
SATHYAMURTHY Srinivasan  
Y Srinivasan

S. Srinivasan

Practicing Company Secretary

FCS: 2286 | CP. No.: 748

UDIN: F002286E000198317

Place: Chennai  
Date: 27-04-2023

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023, which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:-**

| S.r No.   | Name of the Related Party           | Nature of Relationship   | Date of Approval | Duration of Contract | Salient Terms                       | Amount (Rs. in crores) |
|---|-------------------------------------|--|------------------|----------------------|-------------------------------------|------------------------|
| Reimbursement of expenses incurred on our behalf by |                                     |  |                  |                      |                                     |                        |
| 1   | JSW Steel Ltd.                      | The Investing party or Venturer in respect of which the reporting Enterprise is a joint venture  | 03.05.2022       | -                    | Reimbursement of expenses at actual | 0                      |
| 2   | Severfield Reeve International Ltd. | Enterprises over which the investing party or venturer in respect of which the reporting enterprise is a joint venture exercise control or significant influence | 03.05.2022       | -                    | Reimbursement of expenses at actual | 0                      |
| Purchase of Metal Decking Sheets                    |                                     |  |                  |                      |                                     |                        |
| 3   | JSW Structural Metal Decking Ltd.   | Subsidiary of the company  | 03.05.2022       | Ongoing              | Ex Works Delivery basis             | 70.46                  |
| Purchase of Steel                                   |                                     |  |                  |                      |                                     |                        |
| 4   | JSW Steel Ltd.                      | The Investing party or Venturer in respect of which the reporting Enterprise is a joint venture  | 03.05.2022       | Ongoing              | FOR site basis/Delivery basis       | 191.79                 |
| Sale of Scrap                                       |                                     |  |                  |                      |                                     |                        |
| 5   | JSW Steel Ltd.                      | The Investing party or Venturer in respect of which the reporting Enterprise is a joint venture  | 03.05.2022       | Ongoing              | FOR site basis/Delivery basis       | 0                      |
| Contract Revenue                                    |                                     |  |                  |                      |                                     |                        |
| 6   | JSW Steel Ltd.                      | The Investing party or Venturer in respect of which the reporting Enterprise is a joint venture  | 03.05.2022       | Ongoing              | FOR site basis/Delivery basis       | 258.94                 |
| 7   | JSW Vijayanagar Metallics Limited   | Subsidiary of JSW Steel Limited  | 03.05.2022       | Ongoing              | FOR site basis/Delivery basis       | 463.38                 |

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|  |  |  |                       |         |                                   |       |
|--|--|--|-----------------------|---------|-----------------------------------|-------|
| 8  | Bhushan Power & Steel Limited                        | The Investing party or Venturer in respect of which the reporting Enterprise is a joint venture  | 03.05.2022            | Ongoing | FOR site basis/Delivery basis     | 28.19 |
| 9  | JSW Paradip Terminal Private Ltd.                    | Enterprises over which the investing party or venturer in respect of which the reporting enterprise is a joint venture exercise control or significant influence | 03.05.2022            | Ongoing | FOR site basis/Delivery basis     | 0     |
| <b>Sale of Traded Goods</b>                                |  |  |                       |         |                                   |       |
| 10   | JSW Structural Metal Decking Ltd.                    | Subsidiary of the company  | 03.05.2022            | Ongoing | At actual                         | 16.29 |
| <b>Expense incurred on behalf of</b>                       |  |  |                       |         |                                   |       |
| 11   | JSW Structural Metal Decking Ltd.                    | Subsidiary of the company  | 03.05.2022            | Ongoing | Incurred expenses at actual       | 0.61  |
| <b>Fabrication and Erection of Pre Engineered Building</b> |  |  |                       |         |                                   |       |
| 12   | JSW Steel Coated Products Ltd.                       |  | 03.05.2022            | Ongoing | FOR site basis/Delivery basis     | 0     |
| <b>Fabrication and Erection of Structures</b>              |  |  |                       |         |                                   |       |
| 13   | JSW Techno Projects Management Ltd.                  |  | 03.05.2022            | Ongoing | FOR site basis/Delivery basis     | 0     |
| <b>Design and Detailing Services</b>                       |  |  |                       |         |                                   |       |
| 14   | Severfield (NI) Ltd.                                 | Enterprises over which the investing party or venturer in respect of which the reporting enterprise is a joint venture exercise control or significant influence | 03.05.2022            | Ongoing | -                                 | 0.15  |
| 15   | Severfield Products and Processing                   | Enterprises over which the investing party or venturer in respect of which the reporting enterprise is a joint venture exercise control or significant influence | 03.05.2022            | Ongoing | -                                 | 0     |
| 16   | Severfield (UK) Limited                              | Enterprises over which the investing party or venturer in respect of which the reporting enterprise is a joint venture exercise control or significant influence | 03.05.2022            | Ongoing | -                                 | 0     |
| <b>Remuneration to KMP</b>                                 |  |  |                       |         |                                   |       |
| 17   | Derek Randall, Ranjit Pillai, Santanu Choudhury & CS | Key Managerial Personnel   | As and when it arises | -       | As per remuneration and HR Policy | 6.06  |

For and on behalf of the Board of Directors



**Dr. Derek Randall**  
Managing Director  
(DIN: 02433966)



**Ranjit Pillai**  
Whole Time Director  
(DIN: 0008915833)

Place : Mumbai  
Date: 03.05.2023

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

#### A. ENERGY CONSERVATION

Energy Conservation measures taken:

Company had initiated various steps to conserve the energy. All efforts were made to maintain the reduced energy consumption level. The Company is now running the plant on mains power and not the diesel generators. During power failure we are using the diesel generator as stand by source.

With the investment of new machinery with the latest technology installed in Fab line 1, 2 & 3 and Indisec line it has allowed the factory to have highly energy efficient machinery.

On 2017-2018 (Wayn's bay) FAB4 and 2018-2019 (Amaravati shed) FAB 5 installed with latest technology welding machine it has allowed the factory to have highly energy efficient machinery.

With the investment of new machinery with the latest technology installed in Fab line 6 & 7, 8 & 9 and Indisec line-2 it has allowed the factory to have highly energy efficient machinery.

The various steps being taken are as under for conservation of Energy:

- Set up of energy efficient LCD Computer Set at Factory and Head Office.
- All outdoor lights are automated with timer control which reduce the power consumption and man power utilization.
- The use of Inverter powered welding sets in our plant which are 30% more energy efficient.
- Power correction units fitted to the 33KV power supply allowing uniformed phase angles thus reducing energy consumption.
- Provision of Transparent Sheets at roof tops at shop floor so as to utilize Sunlight for illumination.
- Gas optimize for each Mig welding set which regulates the shield gas flow and gas surge on initial arc which reduces the Argon gas consumption on each welding machine by 20%.
- Segregation of the factory lighting power distribution has allowed us to split the roof lighting into specific areas allowing us to only have the lights on in the area which is required.
- To reduce the running temperature and energy efficiency of our air compressors, place to install a ducting system to remove the excess temperature from the compressor house and bring down running temperature which in turn should make them more energy efficient.

- FAB Line 6&7,8&9,Indisec line2 Indoor lights are automated with timer control, which reduce the power consumption and manpower utilization.
- FAB Line 6&7,8&9,Indisec line2 Indoor and outdoor we installed LED lamps which reduce the power consumption and better illumination.
- FAB Line 6&7,8&9,Indisec line2 incoming 33KV/433V, 2000KVA X 2 nos. energy efficient Transformer installed which reduce the power consumption.
- On FEB 2021 we charged the JSW energy supply and disconnected GESCO supply.
- On NOV 2022 Existing plant metal halide lamps replace with energy efficient LED lamps for power saving and better illumination.

Energy consumed from JSW energy and diesel used in Generator during the FY 2022-23 is as follows:

| Type of Energy     | FY2022-23 Consumption |
|--------------------|-----------------------|
| Electricity (KWHr) | 8008500 Kw/hr         |
| Diesel (Litre)     | Nil                   |

#### B. TECHNOLOGY ABSORPTION

A new type grade of Tungsten carbide drill insert is now being used in our CNC machines to reduce running costs. This new grade of insert is a pressed to size insert rather than a ground to size insert which is not only 30% cheaper but due to the surface finish gives 30% longer tool life also.

State of the art light curtain safety guard system being installed to bring our safety on the machines to European standards. To improve our safety standards in the CNC machines we have developed a safety light curtain system. This system uses infrared light beams to create an invisible light curtain which if passed through automatically stops the machine. This access control is incorporated into the machines CNC running system.

#### C. RESEARCH AND DEVELOPMENT (R & D)

Continued research into ways to save energy continues such as automatic light switching when certain light levels are achieved and Smart box timers for street light reduce running time and thus save energy.

10 Ton side loaders 15 Ton side loader OEM engine (Deutz engine) got failed, we provided same capacity Ashok Leyland engine instead of Deutz for that we have saved 10 times cost in each engine.

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*[Signature]*



- 7 side loader OEM engine (Perkins engine) got failed, we provided same capacity Simpson engine instead of Perkins engine for that we have saved 2.5 times cost.
- Indisec line portable Single torch beveling machine we converted in to double torch arrangement to bevel the web plate to single pass, due to this arrangement we saved the beveling time.
- We made bitshop bit shifter bogie for shift the bits from line 1 shot blasting machine out feed conveyor to fabrication area. Reduced crane handling in that area.
- FAB3 welding area devolved and 12 nos of welding boom installed like line1 and line 2.
- Indisec line double flange straightening machine in-feed and out-feed conveyor capacity increased by modifying the chain sprocket.
- Submerged arc welding technology from ESAB Sweden uses 1500 amp welding machines allowing us to weld large sections in a single pass with the specified weld size requested.
- This development of Indisec technology allows us to meet our customers' requirements using the most up to date technology.
- FAB1&2, 60 mtr welding and fabrication area increased and welding boom installed to increase our production capacity.
- In-house made 4 nos of portable circular gas cutting machine capable to cut up to 250mm used in FAB lines.
- Continuous developments for the different machines have been done to increase the productivity and performance of the machines.
- Bit shop in-house made number punching machine which capable to punch 7 character with 50% of cost compare to OEM price.
- Modification of shot blasting dust collector filtration unit at FABline2and Indisec line is carried out to improve performance of the machine and dust emission control.
- Modification of shot blasting dust collector filtration unit at FABline3 is carried out to improve performance of the machine and dust emission control.
- Introduced VFD drive at Indisec line 20-ton EOT crane long travel to reduce the breakdown and smooth operation.
- Introduced VFD drive at FAB line 4 no's of 15-ton EOT crane long travel to reduce the breakdown and smooth operation.
- Existing plant inside metal halide lamps replaced with LED lamps for better illumination and power saving.
- Office area fluorescent lamps replaced with LED lamps with motion sensor for better illumination and power saving.

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- 15 ton side loader OEM engine (Perkins engine) got failed, we provided same capacity Cummins engine instead of Perkins engine for that we have saved 2 times cost.

#### D. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Foreign Exchange Earnings and Outgo during the year under review is furnished as under:-

- (i) Foreign Exchange Earnings for the year ended 31.03.2023 is Rs. 14,99,839 (Previous Year Rs. 26,08,023)

- (ii) Foreign Exchange Outgo

| Particulars                 | For the year ended 31 <sup>st</sup><br>March 2023 | For the year ended 31 <sup>st</sup><br>March 2022 |
|-----------------------------|---|---|
| Employee benefits expense   | 3,32,32,950.34                                    | 3,25,96,496                                       |
| Legal and professional fees | -   | -   |
| Travelling                  | 37,95,750.17                                      | 21,26,037   |
| License fees                | -   | -   |
| Insurance                   | -   | -   |
| Others                      | 5,37,82,137.14                                    | 1,32,61,994                                       |
| <b>Total</b>                | <b>9,08,10,837.65</b>                             | <b>4,79,84,527</b>                                |

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**Annual Report on Corporate Social Responsibility Activities**

(Pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline on CSR policy of the Company: Kindly refer the details of the Corporate Social Responsibility Policy, forming part of this Annual Report as Annexure D (1)
2. The composition of the CSR Committee: -

| Sl. No | Name of the Director     | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|--------------------------|--------------------------------------|--|--|
| 1.     | Mr. Rajeev Pai           | Chairman                             | 1  | 1  |
| 2.     | Mr. Jugal Kishore Tandon | Member                               | 1  | 1  |
| 3.     | Mr. Ranjit Kumar Pillai  | Member                               | 1  | 1  |

3. Provide the web-link where the CSR Policy etc. approved by the Board are disclosed on the website of the Company: [www.jsjl.in](http://www.jsjl.in)
4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not applicable since no project was due for impact assessment.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil
6. Average Net Profit of the company as per section 135(5): Rs. 1,869.86 Lacs
7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 37.40 Lacs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: Not applicable  
 (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 37.40 Lacs

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial year | Amount Unspent (in Rs)      |  |
|---|-----------------------------|--|
|   | Total Amount transferred to | Amount transferred to any fund specified under |
|   |                             |  |




| (Rs. in Lacs.) | Unspent CSR Account as per section 135(6) |                  | Schedule VII as per second proviso to section 135(5) |        |                  |
|----------------|---|------------------|--|--------|------------------|
|                | Amount                                    | Date of transfer | Name of the Fund                                     | Amount | Date of transfer |
| Rs. 38.20 Lacs | Not applicable                            |                  |  |        |                  |

(b) Details of CSR amount spent against ongoing projects for the financial year : NOT APPLICABLE

| Sr. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (yes/ No) | Location of the project |          | Project duration (in months) | Amount allocated for the project (Rs. in Lacs) | Amount spent in the current financial year (in Rs) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs) | Mode of implementation - Direct (Yes/ No) | Mode of implementation-Through Implementing Agency |
|--------|---------------------|---|----------------------|-------------------------|----------|------------------------------|--|--|---|---|--|
|        |                     |   |                      | State                   | District |                              |  |  |   |   |  |
|        |                     |   |                      |                         |          |                              |  |  |   |   |  |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| Sr. No | Name of the Project   | Item from the list of activities in Schedule VII to the Act   | Local area (yes/ No) | Location of the project |                  | Project duration (in months) | Amount allocated for the project (Rs. in Lacs) | Amount spent in the current financial year (in Rs) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs) | Mode of implementation - Direct (Yes/ No) | Mode of implementation-Through Implementing Agency |
|--------|---|---|----------------------|-------------------------|------------------|------------------------------|--|--|---|---|--|
|        |   |   |                      | State                   | District         |                              |  |  |   |   |  |
| 1      | Building School Infrastructure Like Library, EDP Centre, Sports facilities                                  | Education   | No                   | Karnataka               | Bellary          |                              | Rs. 10 lacs                                    | Rs. 10 lacs  | --  | Yes                                       |  |
| 2      | Providing sources for clean water and improving living conditions by building infra support for Sanitation. | Healthcare  | Yes                  | Karnataka/ Maharashtra  | Bellary / Mumbai |                              | Rs 10 Lacs                                     | Rs 10 Lacs   | --  | Yes                                       |  |
| 3      | Sponsorship of inter school tournament for poor children from unaided schools                               | Education including Sports events for school children for potential assessment for higher platforms | Yes                  | Maharashtra / Karnataka | Mumbai / Bellary |                              | Rs 10 Lacs                                     | Rs 10 Lacs   | --  | Yes                                       |  |
| 4      | Infra Support/ Coaching Inputs  | Entrepreneurship for Socio  | Yes                  | Maharashtra             | Mumbai           |                              | Rs. 2.20 Lacs                                  | Rs. 2.20 Lacs                                      | --  | Yes                                       |  |

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|   |  |                      |     |           |           |  |                       |                       |    |     |  |
|---|--|----------------------|-----|-----------|-----------|--|-----------------------|-----------------------|----|-----|--|
|   | to children of non-aided schools   | Economic improvement |     |           |           |  |                       |                       |    |     |  |
| 5 | Promoting and enhancing Vocational skills through implementing agencies. | Education            | Yes | PAN India | PAN India |  | Rs. 6 Lacs            | Rs. 6 Lacs            | -- | Yes |  |
|   | <b>Total</b>   |                      |     |           |           |  | <b>Rs. 38.20 Lacs</b> | <b>Rs. 38.20 Lacs</b> |    |     |  |

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 38.20 Lacs

(g) Excess amount for set off, if any: Not applicable

| Sl. No | Particulars   | Amount (Rs. In Lacs) |
|--------|---|----------------------|
| 1      | Two percent of average net profit of the company as per section 135(5)                                      | Rs. 37.40 Lacs       |
| 2      | Total amount spent for the Financial Year   | Rs. 38.20 Lacs       |
| 3      | Excess amount spent for the financial year [(ii)-(i)]   | Rs. 0.8 Lacs         |
| 4      | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | --                   |
| 5      | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | Rs. 0.8 Lacs         |

9. (a) Details of Unspent CSR amount for the preceding three financial years: NOT APPLICABLE

| Sl. No | Preceding Financial year | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs) | Amount spent in the reporting Financial year | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any |                |                  | Amount remaining to be spent in succeeding financial years |
|--------|--------------------------|---|--|---|----------------|------------------|--|
|        |                          |   |  | Name of the Fund  | Amount (in Rs) | Date of transfer |  |
|        |                          |   |  |   |                |                  |  |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable






10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Nil

(a) Date of creation or acquisition of the capital asset(s): -

(b) Amount of CSR spent for creation or acquisition of capital asset: -

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: -

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

We hereby confirm that the implementation and monitoring of CSR Policy is in compliance with CSR Objective and Policy of the Company.

For and on behalf of the  
Board of Directors of JSW Severfield Structures Limited.

Dr. Derek Randall  
Managing Director  
(DIN: 02433966)

Rajeev Pai  
Chairman of CSR Committee  
(DIN: 00045604)

## CSR Policy

Under this policy, JSW Severfield Structures Limited (JSSL) is committed to supporting selected causes for the social and economic development of primarily, but not exclusively, the surrounding communities of its offices and factories in which it operates in India.

Its Corporate Social Responsibility, reviewed and implemented by its CSR Committee, which operates, reports to and is guided by the Company's JV Board, will engage *inter alia* in activities that will help foster and improve standards in such areas as:

- **Education**

By way of access to quality education, training, teachers' capacity building and skill enhancement and support for education at all levels from pre-primary to tertiary education and improve employability which would include activities, whether urban, semi-urban and/ or rural in all aspects irrespective of locations.

- **Health Care**

By focusing on affordable solutions, improved access, awareness and health seeking behavior and helping causes which reduce poverty, hunger, malnutrition and improve living conditions such as sanitation, clean water etc.

- **Water & Environment**

By way of support to flora and fauna sustainability and improved overall sanitation with efficient waste management

- **Entrepreneurship for Socio Economic improvement**

By way of promotion for overall socio-economic improvement and empowerment of the communities including:

- ✓ Promoting art and setting up libraries including their maintenance.
- ✓ Ensuring that measures are in places for the welfare and wellbeing of war veterans, ex-servicemen and retired police force, whether set up under the aegis of the Central or the State Governments, whether local or otherwise in all their activities including for the benefit of their dependents, widows and orphans.
- ✓ Encouraging and promoting rural sports including paralympic and Olympic sports which may involve monetary incentives to mentors, trainers and coaches.
- ✓ Contributing to all funds initiated by the Government as relief to the down trodden including Schedule Castes and Schedule Tribes for all rural, urban, semi-urban development projects.



- ✓ Contributions to research establishments in the field of science, technology, engineering, medicine, etc. through Government agencies or otherwise and all institutes which are funded or encouraged by the Government, Central or State.

### **Impact Assessment**

The Company strives to capture the impact (social/economic and developmental) of its various initiatives through multiple mediums. The Company shall undertake Impact assessment of programs wherever applicable. The impact assessment studies shall be conducted in such manner as may be prescribed under applicable provisions of the Act and the Rules made thereunder, as amended, from time to time.

The reports of Impact assessments, if applicable, shall be put up for review to the CSR Committee and Board of Directors of the Company and shall be annexed to the annual report on CSR.

### **Board and its Commitments**

The Board of JSSL has constituted Corporate Social Responsibility Committee for implementing the CSR policies and is committed to comply with all the relevant provisions as envisaged under the Companies Act, 2013 and its relevant rules which Committee will monitor and govern all CSR activities within the parameters set out under the Act and Rules.

The Board shall ensure that the administrative overheads shall not exceed five percent of the total CSR expenditure of the Company for any financial year.

The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer of the Company or the person responsible for financial management shall certify to this effect.

### **Corporate Social Responsibility (CSR) Committee**

The CSR Committee will ensure that the company complies and meets its obligations under the Companies Act 2013 and the (Corporate Social Responsibility Policy) Rules, 2014, and that worthy causes are validated by it prior to support being selected, approved and given by the Board. The CSR Committee shall be fully empowered to revise, add and lay emphasis on specific areas for interventions based on the needs assessed. The Committee is further committed to ensure absolute financial discipline as required under the Act, Rules and the Schedule.

The CSR Committee shall formulate and recommend to the Board, an annual action plan consisting of the following:

- The list of CSR programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
- The manner of execution of such programs.
- The modalities of utilization of funds and implementation schedules for the programs.
- Monitoring and reporting mechanism for the programs; &
- Details of need and impact assessment, if any, for the programs undertaken by the Company Provided that Board may alter the Annual Action plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

The CSR Committee shall meet regularly to review the implementation of CSR programs/ programs and give suitable direction.

In case of an ongoing program, the Board of the Company shall monitor the implementation of the program with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the program within the overall permissible time. "Ongoing Program" here means a multi-year program undertaken by the Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such program that was initially not approved as a multi-year program but whose duration has been extended beyond one year by the board based on reasonable justification.

## **Budget**

The Board of Directors of the Company shall ensure that minimum of 2% of the average net profits of the company made during the three immediately preceding financial years is spent on CSR initiatives undertaken by the Company. The "net profit" shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013.

All expenditure towards the programs shall be diligently documented.

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same/similar program or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Where a Company spends an amount more than requirement provided under Section 135 of the Companies Act, 2013, such excess amount may be set off against the requirement to spend under Section 135, up to immediate succeeding three financial years subject to the conditions that –

- the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any; and
- the Board of the Company shall pass a resolution to that effect.

### **Treatment with respect to unspent CSR amount**

If the Company fails to spend prescribed CSR amount, the Board shall, in its report specify the reasons for not spending the amount and unless the unspent amount relates to any ongoing project and transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Any prescribed CSR amount remaining unspent pursuant to any ongoing project, undertaken by a Company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

The details of the CSR programs shall be communicated through the Company's website to the relevant stakeholders and feedback received, if any, shall be used for further refinement of the CSR programs.

Overall the Board is committed to comply with all related provisions of the Companies Act, 2013 along with Schedule VII and (Corporate Social Responsibility Policy) Rules, 2014, and all their amendments on an on-going basis.

## NOTICE

**NOTICE** is hereby given that the 14<sup>th</sup> (Fourteenth) Annual General Meeting of the Members of **JSW Severfield Structures Limited** will be held on Friday, July 14, 2023, at 17:00 hours at Office No. 05-08, B-wing, Lower Ground Floor, Art Guild House Phoenix Market City, L.B.S Marg, Kurla (West) Mumbai - 400070 to transact the following business: -

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended March 31, 2023, and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pawan Kumar Kedia (DIN- 00020570), who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

3. To fix remuneration of the cost auditor

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 1,60,000/- (Rupees One Lakh Sixty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses, to be paid to M/s G. R & Co., (Registration No. 101504), Cost Auditor of the Company, for the financial year 2023-24, as approved by the Board of Directors of the Company, be and is hereby ratified.”

**By Order of the Board of Directors  
For JSW Severfield Structures Limited**



Place: Mumbai  
Date: 03.05.2023

**Swatika Gupta  
Company Secretary**

**NOTES:**

- (1) A Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of business under Item Nos. 3 as set out in the Notice is annexed hereto.
- (2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.**
- (3) Corporate Members intending to send their authorized representatives to attend the Meeting under Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of its Board Resolution authorizing its representative to attend and vote on their behalf at the Meeting.
- (4) Relevant documents referred to in the Notice and the accompanying statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
- (5) Prominent landmark for the venue of the meeting is Phoenix Market City Mall. The route map of the venue of the Meeting is annexed hereto.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 3**

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on May 3, 2023, had considered, and approved the appointment of M/s G. R & Co. as the Cost Auditor of the Company for the financial year 2023-24 at a remuneration of Rs. 1,60,000/- (Rupees One Lakh Sixty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company.

Accordingly, ratification by the members is sought of the remuneration payable to the Cost Auditors for the financial year 2023-24 by passing an Ordinary Resolution as set out in Item No. 3 of the Notice.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the proposed resolution.



The Board commends the Ordinary Resolution set out in Item No. 3 of the Notice for approval by the members.

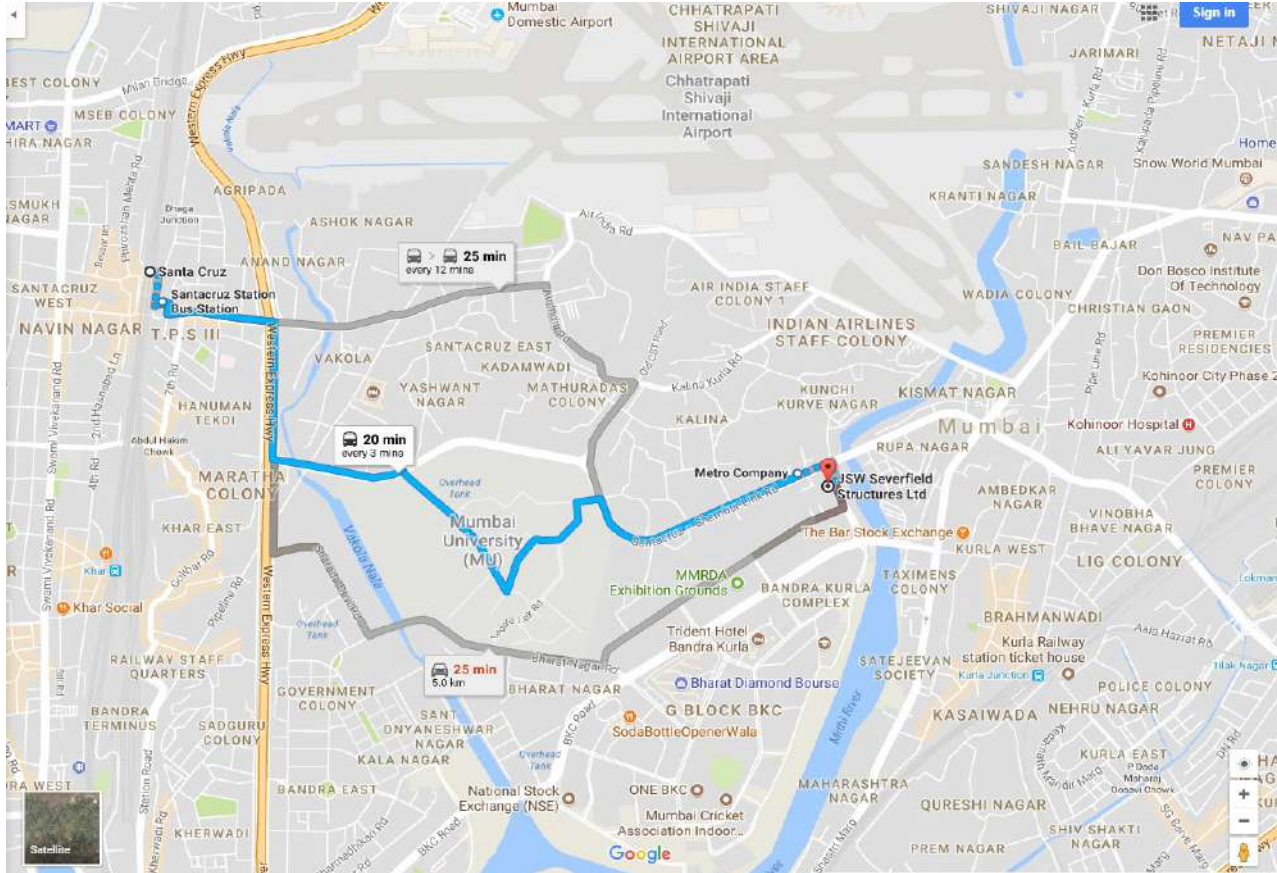
**By Order of the Board of Directors  
For JSW Severfield Structures Limited**

A handwritten signature in blue ink that reads "Swatika Gupta".

Place: Mumbai  
Date: 03.05.2023

**Swatika Gupta  
Company Secretary**

### Venue of the AGM



**JSW Severfield Structures Limited**  
Office No. 05-08, B-wing, Lower  
Ground Floor, Art Guild House  
Phoenix Market City, L.B.S Marg,  
Kurla (West) Mumbai - 400070





**JSW Severfield Structures Limited**

**CIN : U28112MH2009PLC191045**

**Registered Office :** Office No. 05-08, Lower Ground Floor, B-Wing, Art Guild House, Phoenix Market City, L.B.S. Marg, Kurla (West), Mumbai 400070

**Website :** [www.jssl.in](http://www.jssl.in), **Email:** [swatika.gupta@jssl.in](mailto:swatika.gupta@jssl.in)

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of Companies (Management and Administration) Rules, 2014]

|                          |  |
|--------------------------|--|
| CIN :                    | <b>U28112MH2009PLC191045</b>   |
| Name of the Company :    | <b>JSW Severfield Structures Limited</b>   |
| Registered Office :      | Office No. 05-08, Lower Ground Floor, B-Wing, Art Guild House, Phoenix Market City, L.B.S. Marg, Kurla (West), Mumbai 400070 |
| Name of the Members(s) : |  |
| Registered address :     |  |
| Email Id :               |  |
| Folio No. :              |  |

I/We, being the Member (s) of ..... shares of the above-named Company, hereby appoint

|    |                  |
|----|------------------|
| 1. | Name :           |
|    | Address :        |
|    | E-mail Id :      |
|    | Signature :      |
|    | or failing him : |
| 2. | Name :           |
|    | Address :        |
|    | E-mail Id :      |
|    | Signature :      |
|    | or failing him : |
| 3. | Name :           |
|    | Address :        |
|    | E-mail Id :      |
|    | Signature :      |

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fourteenth Annual General Meeting of the Company, to be held on Friday, July 14, 2023, at 17:00 hours at Office No. 05-08, B-wing, Lower Ground Floor, Art Guild House Phoenix Market City, L.B.S Marg, Kurla (West) Mumbai – 400070 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Ordinary Business |  | Vote (Optional)<br>(See Note no. 3) |         |
|-------------------|--|-------------------------------------|---------|
| Resolution No.    | Resolution   | For                                 | Against |
| 1.                | ADOPTION OF ACCOUNTS FOR THE YEAR ENDED 31.03.2023 ALONG WITH AUDITORS' REPORT AND DIRECTORS' REPORT (Ordinary Resolution)                               |                                     |         |
| 2.                | APPOINTMENT OF MR. PAWAN KUMAR KEDIA (DIN-00020570) WHO RETIRES BY ROTATION, AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT (Ordinary Resolution) |                                     |         |
| SPECIAL BUSINESS  |  |                                     |         |
| 3.                | FIXING THE REMUNERATION OF COST AUDITORS (Ordinary Resolution)   |                                     |         |

Signed this ..... day of ..... 2023.

Signature of the Shareholder: .....

|                           |
|---------------------------|
| Affix<br>Revenue<br>Stamp |
|---------------------------|

Signature of Proxy holder(s): .....

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Any alternation or correction made to this Proxy form must be initialled by the signatory/ signatories
3. If you wish to vote for a Resolution, place a tick in the corresponding box under the column marked "For". If you wish to vote against a Resolution, place a tick in the corresponding box under the column marked "Against". If no direction is given, your proxy may vote or abstain as he/she think fit.



ATTENDANCE SLIP

REGD. FOLIO NO.  
NO. OF SHARE(S) HELD

|  |
|--|
|  |
|  |

I hereby record my presence at the Fourteenth Annual General Meeting of the Company, to be held on Friday, July 14, 2023, at 17:00 hours at Office No. 05-08, B-wing, Lower Ground Floor, Art Guild House Phoenix Market City, L.B.S Marg, Kurla (West) Mumbai – 400070.

Full name of Shareholder/Proxy .....  
(In block letters)

\_\_\_\_\_  
Signature of the Shareholder/Proxy

# BSR & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
Western Express Highway,  
Goregaon (East), Mumbai – 400063, India  
Telephone: +91 (22) 6257 1000  
Fax: +91 (22) 6257 1010

## 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.

Registered Office:

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

Page 1 of 11

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



## 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.:101248WW-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,





B S R & Co. LLP

**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.:101248WW-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     | March 31, 2022     |
| <b>ASSETS</b>  |       |                    |                    |
| <b>(1) Non-current assets</b>  |       |                    |                    |
| (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             |
| <b>Total non-current assets</b>  |       | <b>27,643.24</b>   | <b>28,856.59</b>   |
| <b>(2) Current assets</b>  |       |                    |                    |
| (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          |
| <b>Total current assets</b>  |       | <b>1,05,508.09</b> | <b>90,342.87</b>   |
| <b>Total assets</b>  |       | <b>1,33,151.33</b> | <b>1,19,199.46</b> |
| <b>EQUITY AND LIABILITIES</b>  |       |                    |                    |
| <b>(1) Equity</b>  |       |                    |                    |
| (a) Equity share capital   | 12    | 39,587.59          | 39,587.59          |
| (b) Other equity   | 13    | (5,483.44)         | (8,245.47)         |
| <b>Total equity</b>  |       | <b>34,104.15</b>   | <b>31,342.12</b>   |
| <b>Liabilities</b>   |       |                    |                    |
| <b>(2) Non-current liabilities</b>   |       |                    |                    |
| (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             |
| <b>Total non-current liabilities</b>   |       | <b>1,190.82</b>    | <b>2,226.55</b>    |
| <b>(3) Current liabilities</b>   |       |                    |                    |
| (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 |       | 55,359.34          | 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             | -                  |
| <b>Total current liabilities</b>   |       | <b>97,856.37</b>   | <b>85,630.79</b>   |
| <b>Total liabilities</b>   |       | <b>99,047.18</b>   | <b>87,857.34</b>   |
| <b>Total equity and liabilities</b>  |       | <b>1,33,151.33</b> | <b>1,19,199.46</b> |

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     | 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 <b>Total Income (I+II)</b>                                   |               | <b>1,34,635.04</b> | <b>1,00,919.34</b> |
| IV <b>Expenses:</b>  |               |                    |                    |
| 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           |
| <b>Total expenses (IV)</b>                                       |               | <b>1,31,563.51</b> | <b>99,833.06</b>   |
| V <b>Profit before tax (III-IV)</b>                              |               | <b>3,071.53</b>    | <b>1,086.28</b>    |
| VI Tax expense:  |               |                    |                    |
| Current tax  |               | -                  | -                  |
| Deferred tax assets /(liabilities)                               |               | (323.74)           | -                  |
| VII <b>Profit for the year (V-VI)</b>                            |               | <b>2,747.79</b>    | <b>1,086.28</b>    |
| VIII <b>Other comprehensive income/(loss)</b>                    |               |                    |                    |
| 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               |
| <b>Total other comprehensive income/( loss)</b>                  |               | <b>14.24</b>       | <b>(42.46)</b>     |
| IX <b>Total comprehensive income for the year (VII+VIII)</b>     |               | <b>2,762.03</b>    | <b>1,043.82</b>    |
| 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

For and on behalf of the Board of Directors

  
**AMAR SUNDER**  
Partner  
Membership No.078305

  
**PAWAN KEDIA**  
Chairman  
DIN No: 00020570

  
**DEREK RANDALL**  
Managing Director  
DIN No: 02433966

  
**SANTANU CHOUDHURY**  
Chief Financial Officer

  
**SWATIKA GUPTA**  
Company Secretary  
Membership No. A28582

Place: Mumbai  
Date: 3 May 2023



**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)         |
| <b>Total comprehensive (loss) for the year</b>       | <b>1,086.28</b>      | <b>2.86</b>  | <b>(45.32)</b>                                  | <b>1,043.82</b> |
| 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           |
| <b>Total comprehensive income for the year</b>       | <b>2,747.79</b>      | <b>(3.07)</b>  | <b>17.31</b>                                    | <b>2,762.03</b> |
| 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)**

|   | <b>For the year ended<br/>March 31, 2023</b> | <b>For the year ended<br/>March 31, 2022</b> |
|---|--|--|
| <b>A. Cash flows from operating activities</b>  |  |  |
| Profit before tax   | 3,071.53                                     | 1,086.28                                     |
| <b>Adjustments for :</b>  |  |  |
| 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   |
| <b>Operating profit before working capital changes</b>                                  | <b>9,168.99</b>                              | <b>5,121.62</b>                              |
| <b>Adjustments for movement in working capital:</b>                                     |  |  |
| (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                                       |
| <b>Cash generated from operations</b>   | <b>(6,989.40)</b>                            | <b>7,531.53</b>                              |
| Income taxes refund/(paid) (net)  | (626.02)                                     | 141.74                                       |
| <b>Net cash flow (used in) /generated from operating activities</b>                     | <b>(7,615.43)</b>                            | <b>7,673.27</b>                              |
| <b>B. Cash flows from Investing activities</b>  |  |  |
| 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  |
| <b>Net cash (used in) investing activities</b>  | <b>(249.76)</b>                              | <b>(685.85)</b>                              |
| <b>C. Cash flows from financing activities</b>  |  |  |
| (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)                                   |
| <b>Net cash generated from (used in)/ financing activities</b>                          | <b>6,663.96</b>                              | <b>(4,711.29)</b>                            |
| <b>Net increase in cash and cash equivalents</b>  | <b>(1,201.23)</b>                            | <b>2,276.13</b>                              |
| Cash and cash equivalents at the start of the year                                      | 2,322.32                                     | 46.19  |
| <b>Cash and cash equivalents at the end of the year</b>                                 | <b>1,121.09</b>                              | <b>2,322.32</b>                              |

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<br>March 31, 2022 | Cash flows       | Non-cash changes<br>Amortised cost /<br>Fair value changes | As at<br>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                  |
| <b>Total liabilities from financing activities</b> | <b>13,483.56</b>        | <b>10,125.44</b> | <b>269.75</b>  | <b>23,876.76</b>        |

(Rupees in Lakhs)

| Particulars                             | As at<br>March 31, 2021 | Cash flows        | Non-cash changes<br>Amortised cost /<br>Fair value changes | As at<br>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                  |
| <b>Total liabilities from financing</b> | <b>15,964.79</b>        | <b>(2,558.14)</b> | <b>76.91</b>   | <b>13,483.56</b>        |


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**

##### **1. 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.





**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.



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### 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.



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### 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



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### 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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### Notes to the Standalone Financial Statements

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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Notes to the Standalone Financial Statements

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

**Note 2(a) Property, plant and equipment**

(Rupees in lakhs)

| Particulars                           | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Total     |
|---------------------------------------|-----------|---------------------|------------------------|----------|------------------|-----------|
| <b>At cost / deemed cost</b>          |           |                     |                        |          |                  |           |
| Balance as at April 1, 2021           | 13,445.57 | 19,079.86           | 426.80                 | 314.28   | 309.64           | 33,576.15 |
| Disposals                             | -         | -                   | -                      | (14.58)  | -                | (14.58)   |
| 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 |
| <b>Accumulated depreciation</b>       |           |                     |                        |          |                  |           |
| 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.



**JSW SEVERFIELD STRUCTURES LIMITED**

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

**Note 2(b) Right -of-use assets**

| Particulars                                | Rupees.in lakhs<br>Right -of-use<br>assets |
|--|--|
| <b>At cost</b>                             |  |
| <b>Balance as at April 01, 2021</b>        | <b>3,073.38</b>                            |
| Additions                                  | -  |
| Deletion                                   | -  |
| <b>Balance as at March 31, 2022</b>        | <b>3,073.38</b>                            |
| Additions                                  | <b>212.39</b>                              |
| Deletion                                   | -  |
| <b>Balance as at March 31, 2023</b>        | <b>3,285.77</b>                            |
| <b>Accumulated amortisation</b>            |  |
| <b>Balance as at April 01, 2021</b>        | <b>687.92</b>                              |
| Amortisation expenses                      | 360.94                                     |
| <b>Balance as at March 31, 2022</b>        | <b>1,048.86</b>                            |
| Amortisation expenses                      | 350.22                                     |
| <b>Balance as at March 31, 2023</b>        | <b>1,399.08</b>                            |
| <b>Balance as at March 31, 2022</b>        | <b>2,024.52</b>                            |
| <b>Balance as at March 31, 2023</b>        | <b>1,886.69</b>                            |
| 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).



**JSW SEVERFIELD STRUCTURES LIMITED**

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

**Note 2(c) Intangible assets**

(Rupees in lakhs)

| Particulars                                  | Computer software | Licence fees               | Total  |
|--|-------------------|----------------------------|--------|
| <b>At cost / deemed cost</b>                 |                   |                            |        |
| 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 |
| <b>Accumulated amortisation</b>              |                   |                            |        |
| 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 |
| <b>Carrying amounts as at March 31, 2022</b> | 0.47              | 5.77                       | 6.24   |
| <b>Carrying amounts as at March 31, 2023</b> | 24.19             | 2.62                       | 26.81  |
| Useful life of the assets (range)            | 3-5               | Over the period of license |        |
| Method of amortisation                       | SLM               | SLM                        |        |



**JSW SEVERFIELD STRUCTURES LIMITED**  
Notes to the Standalone Financial Statements

| Particulars   | (Rupees in lakhs)       |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Note 3</b>   |                         |                         |
| <b>Investments (non-current)</b>  |                         |                         |
| Unquoted investment in equity instruments of a subsidiary (at deemed cost)  |                         |                         |
| 6,965,850 equity shares (31st March 2022: 6,965,850) 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                   |
| <b>Total</b>  | <b>908.63</b>           | <b>911.70</b>           |
| 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                   |
| <b>Note 4</b>   |                         |                         |
| <b>Other financial assets (non-current)</b>   |                         |                         |
| Security deposits   | 245.49                  | 245.49                  |
| Margin money deposits (under lien with banks)   | 151.54                  | 102.00                  |
| <b>Total</b>  | <b>397.03</b>           | <b>347.49</b>           |
| <b>Note 5</b>   |                         |                         |
| <b>Other non-current assets</b>   |                         |                         |
| 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                    |
| <b>Total</b>  | <b>156.56</b>           | <b>141.87</b>           |
| <b>Note 6</b>   |                         |                         |
| <b>Inventories (at lower of cost and net realisable value)</b>  |                         |                         |
| Construction material   | 3,550.99                | 957.03                  |
| Consumables, stores and spares  | 770.10                  | 648.18                  |
| <b>Total</b>  | <b>4,321.09</b>         | <b>1,605.21</b>         |



**JSW SEVERFIELD STRUCTURES LIMITED**  
Notes to the Standalone Financial Statements

(Rupees in lakhs)

| Particulars  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--|-------------------------|-------------------------|
| <b>Note 7</b>  |                         |                         |
| <b>Trade receivables</b>   |                         |                         |
| (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)                |
| <b>Total</b>   | <b>44,984.22</b>        | <b>26,046.83</b>        |

| 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)



**JSW SEVERFIELD STRUCTURES LIMITED**  
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            |
|------------------------------|------------------|--------------------|-----------------|---------------|---------------|-------------------|------------------|
| <b>Undisputed:</b>           |                  |                    |                 |               |               |                   |                  |
| 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           |
| <b>Disputed:</b>             |                  |                    |                 |               |               |                   |                  |
| Considered Good              | -                | -                  | -               | -             | -             | -                 | -                |
| Considered Doubtful          | -                | -                  | -               | -             | -             | -                 | -                |
| <b>Gross Carrying Amount</b> | <b>26,331.05</b> | <b>13,710.38</b>   | <b>3,300.28</b> | <b>761.51</b> | <b>206.03</b> | <b>1,337.56</b>   | <b>45,646.80</b> |
| Less: Provision              | -                | 23.03              | 1.27            | -             | 71.31         | 566.97            | 662.58           |
| <b>Net carrying amount</b>   | <b>26,331.05</b> | <b>13,687.35</b>   | <b>3,299.01</b> | <b>761.51</b> | <b>134.72</b> | <b>770.59</b>     | <b>44,984.22</b> |

**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            |
|------------------------------|------------------|--------------------|-----------------|-----------------|---------------|-------------------|------------------|
| <b>Undisputed:</b>           |                  |                    |                 |                 |               |                   |                  |
| 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           |
| <b>Disputed:</b>             |                  |                    |                 |                 |               |                   |                  |
| Considered Good              | -                | -                  | -               | -               | -             | -                 | -                |
| Considered Doubtful          | -                | -                  | -               | -               | -             | 210.20            | 210.20           |
| <b>Gross Carrying Amount</b> | <b>13,374.32</b> | <b>6,387.75</b>    | <b>3,131.69</b> | <b>1,945.43</b> | <b>817.04</b> | <b>859.55</b>     | <b>26,515.78</b> |
| Less: Provision              | -                | -                  | 1.27            | -               | 71.31         | 396.36            | 468.94           |
| <b>Net carrying amount</b>   | <b>13,374.32</b> | <b>6,387.75</b>    | <b>3,130.42</b> | <b>1,945.42</b> | <b>745.73</b> | <b>463.19</b>     | <b>26,046.84</b> |





**JSW SEVERFIELD STRUCTURES LIMITED**  
Notes to the Standalone Financial Statements

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



**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   | March 31, 2022   |
| <b>Note 11</b>   |                  |                  |
| <b>Other current assets</b>  |                  |                  |
| <b>Unbilled revenue</b>  |                  |                  |
| 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           |
|  | <b>45,583.36</b> | <b>52,291.93</b> |
| 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            |
| <b>Total</b>   | <b>54,619.33</b> | <b>59,801.82</b> |

**Note 12**
**Equity share capital**

|  |           |           |
|--|-----------|-----------|
| <b>a Authorised :</b>  |           |           |
| 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>b Issued, subscribed and fully paid up:</b>   |           |           |
| 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            |                | As at           |                |
|--|------------------|----------------|-----------------|----------------|
|  | March 31, 2023   | March 31, 2022 | March 31, 2023  | 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                |          | As at                |          |
|---|----------------------|----------|----------------------|----------|
|   | March 31, 2023       |          | March 31, 2022       |          |
| <b>Name of the holder</b>                     | <b>No. of Shares</b> | <b>%</b> | <b>No. of Shares</b> | <b>%</b> |
| 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                |          | As at                |          |
|---|----------------------|----------|----------------------|----------|
|   | March 31, 2023       |          | March 31, 2022       |          |
| <b>Name of the holder</b>                     | <b>No. of Shares</b> | <b>%</b> | <b>No. of Shares</b> | <b>%</b> |
| JSW Steel Limited and its nominees            | 19,79,37,940         | 50%      | 19,79,37,940         | 50%      |
| Severfield Mauritius Limited and its nominees | 19,79,37,940         | 50%      | 19,79,37,940         | 50%      |



**JSW SEVERFIELD STRUCTURES LIMITED**  
Notes to the Standalone Financial Statements

| Particulars                       | (Rupees in lakhs)       |                         |
|-----------------------------------|-------------------------|-------------------------|
|                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Note 13</b>                    |                         |                         |
| <b>Other equity</b>               |                         |                         |
| Retained earnings                 | (5,389.27)              | (8,137.06)              |
| Other comprehensive Income/(loss) | (94.17)                 | (108.41)                |
| <b>Total</b>                      | <b>(5,483.44)</b>       | <b>(8,245.47)</b>       |

|   |               |                 |
|---|---------------|-----------------|
| <b>Note 14 (a)</b>  |               |                 |
| <b>Borrowings (secured) (Non-current)</b>                     |               |                 |
| 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          |
| <b>Total</b>  | <b>211.28</b> | <b>1,017.43</b> |

**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.

|   |               |               |
|---|---------------|---------------|
| <b>Note 14 (b)</b>                          |               |               |
| <b>Lease Liabilities</b>                    |               |               |
| Lease Liabilities                           | 642.99        | 815.36        |
| Less: Current Maturity of lease liabilities | (393.13)      | (326.41)      |
| <b>Total</b>                                | <b>249.86</b> | <b>488.95</b> |

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   |

|                                    |               |               |
|------------------------------------|---------------|---------------|
| <b>Note 14 (c)</b>                 |               |               |
| Security deposits (refer note -32) | 300.00        | 300.00        |
| <b>Total</b>                       | <b>300.00</b> | <b>300.00</b> |

|  |               |               |
|--|---------------|---------------|
| <b>Note 15</b>                                     |               |               |
| <b>Provisions (non-current)</b>                    |               |               |
| 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        |
| <b>Total</b>                                       | <b>429.68</b> | <b>420.17</b> |

|  |                  |                  |
|--|------------------|------------------|
| <b>Note 16</b>                           |                  |                  |
| <b>Borrowings (current)</b>              |                  |                  |
| Secured                                  |                  |                  |
| Working capital loans from banks         | 22,179.30        | 10,836.62        |
| Current maturity of long term borrowings | 845.18           | 813.96           |
| <b>Total</b>                             | <b>23,024.48</b> | <b>11,650.78</b> |

**Details of security**

Working capital loans (repayable on demand) from banks aggregating to Rs. 22,179.30 lakhs (31 March 2022:10,836.62 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.

|  |                  |                  |
|--|------------------|------------------|
| <b>Note 17</b>   |                  |                  |
| <b>Trade payables</b>  |                  |                  |
| 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        |
| <b>Total</b>   | <b>57,387.02</b> | <b>44,798.88</b> |



## 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            |
|---------------------------------|------------------|------------------|------------------|-----------------|---------------|-------------------|------------------|
| <b>As at March 31, 2023</b>     |                  |                  |                  |                 |               |                   |                  |
| <b>Disputed:</b>                |                  |                  |                  |                 |               |                   |                  |
| MSME (applicable to Indian cos) | -                | -                | 88.06            | -               | -             | -                 | 88.06            |
| Others                          | -                | -                | -                | -               | -             | -                 | -                |
| <b>Others:</b>                  |                  |                  |                  |                 |               |                   |                  |
| 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        |
| <b>Total</b>                    | <b>13,154.65</b> | <b>35,604.28</b> | <b>6,538.00</b>  | <b>1,368.26</b> | <b>417.00</b> | <b>304.83</b>     | <b>57,387.02</b> |

## 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            |
|---------------------------------|---------------|------------------|------------------|---------------|---------------|-------------------|------------------|
| <b>As at March 31, 2022</b>     |               |                  |                  |               |               |                   |                  |
| <b>Disputed:</b>                |               |                  |                  |               |               |                   |                  |
| MSME (applicable to Indian cos) | -             | -                | -                | -             | -             | -                 | -                |
| Others                          | -             | -                | -                | -             | -             | -                 | -                |
| <b>Others:</b>                  |               |                  |                  |               |               |                   |                  |
| 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        |
| <b>Total</b>                    | <b>558.15</b> | <b>35,494.05</b> | <b>8,249.05</b>  | <b>170.43</b> | <b>149.75</b> | <b>177.46</b>     | <b>44,798.88</b> |



**JSW SEVERFIELD STRUCTURES LIMITED**  
Notes to the Standalone Financial Statements

(Rupees in lakhs)

| Particulars  | As at            |                  |
|--|------------------|------------------|
|  | March 31, 2023   | March 31, 2022   |
| <b>Note 18</b>   |                  |                  |
| <b>Other current financial liabilities</b>   |                  |                  |
| Accrued Salary   | 811.98           | 761.08           |
| Payables for capital projects  | 97.59            | 98.88            |
| Interest accrued   | 1,060.26         | 1,011.51         |
| <b>Total</b>   | <b>1,969.23</b>  | <b>1,871.47</b>  |
| <b>Note 19</b>   |                  |                  |
| <b>Other current liabilities</b>   |                  |                  |
| 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        | 78,568.87        |
| 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        |
| <b>Total</b>   | <b>14,581.98</b> | <b>26,729.12</b> |
| * 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) |                  |                  |
| <b>Note 20</b>   |                  |                  |
| <b>Provisions (current)</b>  |                  |                  |
| <b>Provision for employee benefits</b>   |                  |                  |
| <b>(a) Provision for employee benefits:</b>  |                  |                  |
| Provision for gratuity (refer note 29)   | 126.51           | 126.47           |
| Provision for compensated absences (refer note 29)   | 21.61            | 24.43            |
|  | <b>148.12</b>    | <b>150.90</b>    |
| <b>(b) Provision - others:</b>   |                  |                  |
| Provision for estimated losses on contracts  | 28.67            | 103.23           |
| <b>Total</b>   | <b>176.80</b>    | <b>254.12</b>    |

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<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
| <b>Note 21</b>   |                                      |                                      |
| <b>Revenue from operations (refer note 34 and 38)</b>  |                                      |                                      |
| <b>Contracted revenue</b>  |                                      |                                      |
| Value of completed contracts   | 1,29,820.79                          | 124.39                               |
| <b>Work in progress</b>  |                                      |                                      |
| 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                             |
| <b>Other operating revenue</b>   |                                      |                                      |
| Sale of scrap material   | 3,972.37                             | 3,406.78                             |
| Income from design services  | 15.00                                | 26.08                                |
| <b>Total</b>   | <b>1,34,320.27</b>                   | <b>1,00,631.29</b>                   |
| <b>Note 22</b>   |                                      |                                      |
| <b>Other income</b>  |                                      |                                      |
| 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                                 |
| <b>Total</b>   | <b>314.77</b>                        | <b>288.05</b>                        |
| <b>Note 23</b>   |                                      |                                      |
| <b>Cost of construction (including material)</b>   |                                      |                                      |
| 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                             |
| <b>Total</b>   | <b>1,14,562.96</b>                   | <b>80,417.59</b>                     |
| <b>Note 24</b>   |                                      |                                      |
| <b>Employee benefits expense</b>   |                                      |                                      |
| 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                               |
| <b>Total</b>   | <b>6,069.98</b>                      | <b>5,361.79</b>                      |
| <b>Note 25</b>   |                                      |                                      |
| <b>Finance costs</b>   |                                      |                                      |
| 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                             |
| <b>Total</b>   | <b>5,293.24</b>                      | <b>3,488.06</b>                      |
| <b>Note 26</b>   |                                      |                                      |
| <b>Other expenses</b>  |                                      |                                      |
| 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                               |
| <b>Total</b>   | <b>1,683.68</b>                      | <b>1,187.55</b>                      |
| <b>Payments to auditors comprise :</b>   |                                      |                                      |
| 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                                 |
| <b>Total</b>   | <b>66.57</b>                         | <b>82.74</b>                         |





**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       |                      |
| <b>Financial assets</b>                                       |                      |                      |
| Measured at amortised cost                                    |                      |                      |
| Non-current   |                      |                      |
| Other financial assets  | 197.03               | 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                |
| <b>Total financial assets</b>                                 | <b>46,964.70</b>     | <b>29,283.33</b>     |
| <b>Financial liabilities</b>                                  |                      |                      |
| 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             |
| <b>Total financial liabilities measured as amortised cost</b> | <b>89,535.00</b>     | <b>60,453.92</b>     |

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  |
|---|----------------------|-------------------|----------------|--|
|   |                      | Fair value as at  |                |  |
|   |                      | 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 |                 |                   | Total              |
|--|------------------|------------------------|-----------------|-------------------|--------------------|
|  |                  | Less than 1 year       | 1-5 years       | More than 5 years |                    |
| (Rupees in lakhs)                                  |                  |                        |                 |                   |                    |
| <b>Financial Assets</b>                            |                  |                        |                 |                   |                    |
| <b>Non current</b>                                 |                  |                        |                 |                   |                    |
| Other financial assets                             | 397.03           | -                      | 397.03          | -                 | 397.03             |
| <b>Current</b>                                     |                  |                        |                 |                   |                    |
| 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              |
| <b>Total</b>                                       | <b>93,096.60</b> | <b>92,699.57</b>       | <b>397.03</b>   | -                 | <b>93,096.60</b>   |
| <b>Financial Liabilities</b>                       |                  |                        |                 |                   |                    |
| <b>Non current</b>                                 |                  |                        |                 |                   |                    |
| Borrowings   | 211.28           | -                      | 211.28          | -                 | 211.28             |
| Lease Liabilities                                  | 249.86           | -                      | 249.86          | -                 | 249.86             |
| Other financial liabilities                        | 300.00           | -                      | 300.00          | -                 | 300.00             |
| <b>Current</b>                                     |                  |                        |                 |                   |                    |
| 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           |
| <b>Total</b>                                       | <b>83,534.99</b> | <b>82,773.86</b>       | <b>761.14</b>   | -                 | <b>83,534.99</b>   |
| (Rupees in lakhs)                                  |                  |                        |                 |                   |                    |
| As at March 31, 2022                               | Carrying amount  | Contractual cash flows |                 |                   | Total              |
|  |                  | Less than 1 year       | 1-5 years       | More than 5 years |                    |
| (Rupees in lakhs)                                  |                  |                        |                 |                   |                    |
| <b>Financial Assets</b>                            |                  |                        |                 |                   |                    |
| <b>Non current</b>                                 |                  |                        |                 |                   |                    |
| Other financial assets                             | 347.49           | -                      | 347.49          | -                 | 347.49             |
| <b>Current</b>                                     |                  |                        |                 |                   |                    |
| 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          |
| <b>Total</b>                                       | <b>81,575.26</b> | <b>1,33,519.69</b>     | <b>347.49</b>   | -                 | <b>1,33,867.19</b> |
| <b>Financial Liabilities</b>                       |                  |                        |                 |                   |                    |
| <b>Non Current</b>                                 |                  |                        |                 |                   |                    |
| 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             |
| <b>Current</b>                                     |                  |                        |                 |                   |                    |
| 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           |
| <b>Total</b>                                       | <b>60,453.92</b> | <b>58,647.54</b>       | <b>1,806.38</b> | -                 | <b>60,453.92</b>   |

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 an obligation to release the pledge once these banking facilities are surrendered. (Refer note 2(a), 14 (a) and 16).



**ISW 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:

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

|                               | (Rupees in lakhs)     |                        |                       |
|-------------------------------|-----------------------|------------------------|-----------------------|
|                               | March 31, 2022<br>USD | March 31, 2022<br>EURO | March 31, 2022<br>GBP |
| <b>Financial assets</b>       |                       |                        |                       |
| <b>Current</b>                |                       |                        |                       |
| Trade receivables             | 72.19                 | -                      | 15.13                 |
|                               | 72.19                 | -                      | 15.13                 |
| <b>Financial liabilities</b>  |                       |                        |                       |
| <b>Current</b>                |                       |                        |                       |
| 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.

| INR | Year-end spot rate |                |
|-----|--------------------|----------------|
|     | 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) | Profit / (loss)  |                       |                  |                       |
|---------------------------------|------------------|-----------------------|------------------|-----------------------|
|                                 | Strengthening    |                       | Weakening        |                       |
| March 31, 2023                  | 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) | Profit / (loss)  |                       |                  |                       |
|---------------------------------|------------------|-----------------------|------------------|-----------------------|
|                                 | Strengthening    |                       | Weakening        |                       |
| March 31, 2022                  | 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)                |



**JSW SEVERFIELD STRUCTURES LIMITED**  
Notes to the Standalone Financial Statements

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

**vi. Interest rate risk**

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

**Exposure to interest rate risk**

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

|                          | Nominal amount in INR (Rupees in lakhs) |                  |
|--------------------------|---|------------------|
|                          | March 31, 2023                          | March 31, 2022   |
| <b>Borrowings</b>        |   |                  |
| Variable rate borrowings | 23,235.76                               | 12,668.21        |
| <b>Total</b>             | <b>23,235.76</b>                        | <b>12,668.21</b> |

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 |
| <b>March 31, 2023</b>              |   |                 |
| Variable-rate instruments          | (232.36)                                  | 232.36          |
| <b>Cash flow sensitivity (net)</b> | <b>(232.36)</b>                           | <b>232.36</b>   |
| <b>March 31, 2022</b>              |   |                 |
| Variable-rate instruments          | (126.68)                                  | 126.68          |
| <b>Cash flow sensitivity (net)</b> | <b>(126.68)</b>                           | <b>126.68</b>   |



**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)             |
| <b>Adjusted net debt</b>  | <b>22,327.01</b>     | <b>10,627.28</b>     |
| Total equity  | 34,104.15            | 31,342.12            |
| Gearing ratio   | 0.65                 | 0.50                 |





**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 absence 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. K.A.Pandit, Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

|  | (Rupees in lakhs) |                |
|--|-------------------|----------------|
|  | March 31, 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            | <b>398.32</b>     | <b>362.12</b>  |

**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          |
|   | <b>481.62</b>              | <b>403.65</b>  | <b>42.03</b>              | <b>39.92</b>   | <b>439.58</b>                           | <b>363.73</b>  |
| 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           |
|   | <b>462.91</b>              | <b>448.37</b>  | <b>40.63</b>              | <b>39.32</b>   | <b>422.29</b>                           | <b>409.05</b>  |
| Other :-  |                            |                |                           |                |   |                |
| Benefits paid                                   | (23.97)                    | (46.93)        | -                         | -              | (23.97)                                 | (46.93)        |
| Closing balance (refer note 15 and 20)          | <b>438.94</b>              | <b>401.44</b>  | <b>40.63</b>              | <b>39.32</b>   | <b>398.32</b>                           | <b>362.12</b>  |

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        |
|  | <b>398.32</b> | <b>362.12</b> |



**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 Lives 2012-14 (Urban) | Assured Mortality 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.

|   | (Rupees in lakhs) |          |                |          |
|---|-------------------|----------|----------------|----------|
|   | 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<br>March 31, 2023 | Year ended<br>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         |
| One to five years  | 260.00             | 521.82         |
| More than five years   |                    |                |
| <b>Total undiscounted lease liabilities</b>                      | <b>698.00</b>      | <b>914.54</b>  |

**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, cherrypickers 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 Metallica 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

(Rupees in lakhs)

| Particulars   | March 31, 2023  |                           |   | March 31, 2022 |   |                           |   |          |
|---|---|---------------------------|---|----------------|---|---------------------------|---|----------|
|   | 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 | Total    |
| <b>B. Reimbursement of expenses incurred on our behalf by</b> |   |                           |   |                |   |                           |   |          |
| 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 Expenses   | -   | 7,046.22                  | -   | 7,046.22       | -   | 9,226.22                  | -   | 9,226.22 |
| Severfield PIC  | -   | -                         | -   | -              | -   | -                         | -   | -        |
| 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    |
| <b>Sale of goods</b>  |   |                           |   |                |   |                           |   |          |
| JSW Structural Metal Decking Limited including GST            | -   | 1,629.15                  | -   | 1,629.15       | -   | 1,252.13                  | -   | 1,252.13 |
| <b>Contract revenue/ (loss)</b>                               |   |                           |   |                |   |                           |   |          |
| 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      | -   | -                         | -   | -        |
| Bhushan Power and steel limited                               | -   | -                         | 2,818.75  | 2,818.75       | -   | -                         | 7,326.34  | 7,326.34 |
| 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, 2023    |          | March 31, 2022 |          |
|--------------------------|-------------------|----------|----------------|----------|
|                          | (Rupees in lakhs) |          |                |          |
| Short term benefits      | 609.11            | -        | 576.37         | -        |
| Post employment benefits | 7.23              | -        | 6.58           | -        |
| <b>Total</b>             | <b>616.35</b>     | <b>-</b> | <b>582.94</b>  | <b>-</b> |



**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Standalone Financial Statements

| Particulars                                  | (Rupees in lakhs)   |                           |   |                  |
|--|---|---------------------------|---|------------------|
|  | March 31, 2023  |                           | March 31, 2022  |                  |
|  | 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            |
| <b>C. Closing balance of related parties</b> |   |                           |   |                  |
| <b>Trade payables</b>                        |   |                           |   |                  |
| JSW Steel Limited                            | 43.49   | -                         | -   | 43.49            |
| Severfield Reeve International Limited       | -   | -                         | 153.68  | 153.68           |
| Severfield (NI) limited                      | -   | 1,301.26                  | -   | 1,301.26         |
| JSW Structural Metal Decking Limited         | 43.49   | 1,301.26                  | 153.68  | 1,498.45         |
| <b>Total</b>                                 |   |                           |   |                  |
| <b>Deposits received</b>                     |   |                           |   |                  |
| JSW Structural Metal Decking Limited         | -   | 300.00                    | -   | 300.00           |
| <b>Trade receivables</b>                     |   |                           |   |                  |
| JSW Steel Limited                            | 12,998.17   | -                         | -   | 12,998.17        |
| JSW Steel Coated Products Limited            | -   | -                         | 4.25  | 4.25             |
| Bhushan power and steel limited              | -   | -                         | 650.39  | 650.39           |
| JSW Paradip Terminal Private Limited         | -   | -                         | 217.04  | 217.04           |
| JSW Vijaynagar Metallics Ltd                 | -   | -                         | 9,034.02  | 9,034.02         |
| Severfield (NI) Limited                      | -   | -                         | 14.15   | 14.15            |
| Severfield Products and Processing ltd       | -   | -                         | 7.26  | 7.26             |
| Severfield (UK) Limited                      | -   | -                         | 8.71  | 8.71             |
| <b>Total</b>                                 | <b>12,998.17</b>  |                           | <b>9,935.81</b>   | <b>22,933.98</b> |
| <b>Advances given</b>                        |   |                           |   |                  |
| JSW Steel Limited                            | -   | -                         | -   | -                |
| Severfield Reeve International Limited       | -   | -                         | -   | -                |
| <b>Total</b>                                 |   |                           |   |                  |
| <b>Advances received</b>                     |   |                           |   |                  |
| JSW Steel Limited                            | -   | -                         | -   | -                |
| JSW Vijaynagar Metallics Ltd                 | -   | -                         | -   | -                |
| Bhushan power and steel limited              | -   | -                         | -   | -                |
| <b>Total</b>                                 |   |                           |   |                  |
|  | 1,164.76  | -                         | -   | 1,164.76         |
|  | 269.93  | -                         | -   | 269.93           |
|  | 269.93  | -                         | 84.23   | 354.16           |
|  | 10,381.04   | -                         | 83.55   | 10,381.04        |
|  | 38.80   | -                         | -   | 38.80            |
|  | 38.80   | -                         | 89.25   | 3,768.46         |
|  | 38.80   | 3,768.46                  | 89.25   | 3,807.26         |
|  | -   | 300.00                    | -   | 300.00           |
|  | 10,381.04   | -                         | -   | 10,381.04        |
|  | -   | -                         | 83.55   | 83.55            |
|  | -   | -                         | 267.20  | 267.20           |
|  | -   | -                         | 2,055.08  | 2,055.08         |
|  | -   | -                         | (0.84)  | (0.84)           |
|  | -   | -                         | 7.26  | 7.26             |
|  | -   | -                         | 8.71  | 8.71             |
|  | 10,381.04   | -                         | 2,420.95  | 12,801.99        |
|  | 269.93  | -                         | -   | 269.93           |
|  | 269.93  | -                         | 84.23   | 354.16           |
|  | 1,164.76  | -                         | -   | 1,164.76         |
|  | 1,164.76  | -                         | 5,171.72  | 5,171.72         |
|  | 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 |
| <b>Contingent liabilities</b>  |                   |                |
| 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         |
| <b>Commitments</b>   |                   |                |
| 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 |
|--|----------------|----------------|
| <b>Dues to micro enterprises and small enterprises (refer note 17)</b>   |                |                |
| 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 |
| <b>Financial assets</b>           |          |                            |                 |                            |                 |
| Trade Receivable                  | USD      | 98,209                     | 79.93           | 98,209                     | 72.19           |
|                                   | GBP      | 28,442                     | 30.13           | 13,042                     | 15.13           |
| <b>Total</b>                      |          |                            | <b>110.05</b>   |                            | <b>87.32</b>    |
| <b>Financial liabilities</b>      |          |                            |                 |                            |                 |
| 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          |
| <b>Total</b>                      |          |                            | <b>726.92</b>   |                            | <b>764.48</b>   |



**ISW SEVERFIELD STRUCTURES LIMITED**  
Notes to the Standalone Financial Statements

**Note 37**

| Particulars  | (Rupees in Lakhs)                    |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
| <b>Income tax expenses / ( benefits )</b>                                |                                      |                                      |
| 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                | -                                    | -                                    |
| <b>Total tax expenses</b>  | <b>(323.74)</b>                      | <b>-</b>                             |

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:

| Particulars  | (Rupees in Lakhs)                    |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2023 | For the year ended<br>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)                             | -                                    |
| <b>Effective tax rate</b>  | <b>-</b>                             | <b>-</b>                             |

**Deferred tax assets / ( liabilities )**

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

| Deferred tax balance in relation to                        | (Rupees in Lakhs)          |   |  |  |
|--|----------------------------|---|--|--|
|  | As at<br>March 31,<br>2022 | Recognised /<br>reversed through<br>profit and loss | Recognised in /<br>reclassified from other<br>comprehensive income | For the period ended<br>March 31, 2023 |
| Property, plant and equipment                              | (2,297.33)                 | 199.70  | -  | (2,097.63)                             |
| Carried forward business loss /<br>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                                 |
| <b>Total</b>   | <b>-</b>                   | <b>(323.74)</b>                                     | <b>-</b>   | <b>(323.74)</b>                        |

| Deferred tax balance in relation to                        | (Rupees in Lakhs)          |   |  |  |
|--|----------------------------|---|--|--|
|  | As at<br>April 01,<br>2021 | Recognised /<br>reversed through<br>profit and loss | Recognised in /<br>reclassified from other<br>comprehensive income | For the period ended<br>March 31, 2022 |
| Property, plant and equipment                              | (1,973.56)                 | (323.77)  | -  | (2,297.33)                             |
| Carried forward business loss /<br>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                                   |
| <b>Total</b>   | <b>-</b>                   | <b>-</b>  | <b>-</b>   | <b>-</b>                               |

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<br>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<br>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   |
| <b>Details of contract asset</b>  |                   |                  |
| <b>Unbilled Revenue:</b>  |                   |                  |
| 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       | 1,98,469.96      |
| Less: Due from contract customers impaired during the reporting period  | -                 | -                |
| Balance as on March 31, 2023  | <b>45,583.36</b>  | <b>52,291.92</b> |
| <b>Details of contract liabilities</b>  |                   |                  |
| <b>Advances received from the customers:</b>  |                   |                  |
| 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  | <b>3,452.47</b>   | <b>2,947.61</b>  |

|  | (Rupees in lakhs)  |                    |
|--|--------------------|--------------------|
|  | March 31, 2023     | March 31, 2022     |
| <b>Particulars</b>   |                    |                    |
| Within India   | 1,34,305.28        | 1,00,605.21        |
| Outside India  | 15.00              | 26.08              |
| Total revenue from contracts with customers                            | <b>1,34,320.27</b> | <b>1,00,631.29</b> |
| <b>Timing of revenue recognition</b>                                   |                    |                    |
| <b>At a point in time</b>  |                    |                    |
| 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.) | <b>1,34,320.27</b> | <b>1,00,631.29</b> |
| <b>Product wise</b>  |                    |                    |
| <b>Design, Fabricated and Erection of Structural Steel Structures</b>  |                    |                    |
| 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              |
| Total  | <b>1,34,320.27</b> | <b>1,00,631.29</b> |

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                                     | <b>1,34,320.27</b> | <b>1,00,631.29</b> |

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

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

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

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



**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<br>31st March 2023                       | Year ended<br>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<br>construction/acquisition of<br>assets | Other then<br>construction/acquisition<br>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   | 1.06      | 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


- i. The Company has no transactions with the Companies struck off under Section 248 of the Companies Act, 2013.
- ii. 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.
- iii. The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- iv. 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.
- v. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- vi. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- vii. The Company have not advanced or loaned or invested funds to any other person(s) or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- viii. The Company have not received any fund from any person(s) or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- ix. 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





# BSR & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
Western Express Highway,  
Goregaon (East), Mumbai – 400063, India  
Telephone: +91 (22) 6257 1000  
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## Independent Auditor's Report

### To the Members of JSW Severfield Structures Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of JSW Severfield Structures Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

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

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BSR & Co. (a partnership firm with Registration No. BA81223) converted into BSR & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013



## Independent Auditor's Report (Continued)

### JSW Severfield Structures Limited

this regard.

#### Management's and Board of Directors Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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



## Independent Auditor's Report (Continued)

### JSW Severfield Structures Limited

basis of accounting in preparation of consolidated 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 appropriateness of this assumption. 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors 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, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India 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 Holding Company and its subsidiary 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:



**Independent Auditor's Report (Continued)**

**JSW Severfield Structures Limited**

- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 34 to the consolidated financial statements.
- b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.
- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2023.
- d (i) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements has been audited under the Act has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 42(vii) to the consolidated 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 Holding Company or its subsidiary 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 manner whatsoever by or on behalf of the Holding Company or its subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(ii) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements has been audited under the Act has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 42(viii) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary 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 Holding Company and its subsidiary company incorporated in India 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 Holding Company or its subsidiary company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.



**Independent Auditor's Report (Continued)**

**JSW Severfield Structures Limited**

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 during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company 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.:101248WW-100022



**Amar Sunder**

*Partner*

Place: Mumbai

Date: 03 May 2023

Membership No.: 078305

ICAI UDIN:23078305BGWOKN3296



**Annexure A to the Independent Auditor's Report on the Consolidated 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)**

(xxi) In our opinion and according to the information and explanations given to us, following Company incorporated in India and included in the consolidated financial statements, has unfavourable remarks given by in the report under the Companies (Auditor's Report) Order, 2020 (CARO):

| Sr. No. | Name of the entities                 | CIN                   | Holding Company/Subsidiary/ JV/ Associate | Clause number of the CARO report which is unfavourable or qualified or adverse |
|---------|--------------------------------------|-----------------------|---|--|
| 1       | JSW Structural Metal Decking Limited | U28112MH2009PLC197954 | Subsidiary                                | Clause (vii)(b)  |

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: 23078305BGWOKN3296



**Annexure B to the Independent Auditor's Report on the consolidated 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 consolidated 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**

In conjunction with our audit of the consolidated financial statements of JSW Severfield Structures Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary 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 such companies considering the essential components of such internal controls 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 respective 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 respective 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 the respective 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 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 consolidated 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 internal financial controls with reference to financial statements.



**Annexure B to the Independent Auditor's Report on the consolidated 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 consolidated 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 consolidated 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 consolidated 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.:101248WW-100022



**Amar Sunder**

*Partner*

Place: Mumbai

Date: 03 May 2023

Membership No.: 078305

ICAI UDIN:23078305BGWOKN3296

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

| Particulars  | Notes | (Rupees in lakhs)       |                         |
|--|-------|-------------------------|-------------------------|
|  |       | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>ASSETS</b>  |       |                         |                         |
| <b>(1) Non-current assets</b>  |       |                         |                         |
| (a) Property, plant and equipment  | 2(a)  | 22,772.25               | 24,657.22               |
| (b) Right-of-use assets  | 2(b)  | 1,959.04                | 2,123.95                |
| (c) Capital work-in-progress   | 2(c)  | 34.70                   | -                       |
| (d) Intangible assets  | 2(d)  | 46.21                   | 6.96                    |
| (e) Financial assets:  |       |                         |                         |
| (i) Investments  | 3     | 12.09                   | 15.16                   |
| (ii) Other financial assets  | 4     | 408.05                  | 357.53                  |
| (f) Income tax assets (net)  |       | 1,768.56                | 1,130.15                |
| (g) Deferred Tax assets (net)  |       | 8.69                    | 0.10                    |
| (h) Other non-current assets   | 5     | 506.91                  | 141.87                  |
| <b>Total non-current assets</b>  |       | <b>27,516.50</b>        | <b>28,432.94</b>        |
| <b>(2) Current assets</b>  |       |                         |                         |
| (a) Inventories  | 6     | 8,211.56                | 3,371.24                |
| (b) Financial assets:  |       |                         |                         |
| (i) Trade receivables  | 7     | 45,976.57               | 26,952.09               |
| (ii) Cash and cash equivalents   | 8(a)  | 1,122.01                | 2,336.16                |
| (iii) Bank balances other than (ii) above  | 8(b)  | 871.08                  | 994.05                  |
| (iv) Other Financial assets  | 9     | 33.42                   | 34.31                   |
| (c) Other current assets   | 10    | 55,116.19               | 59,971.24               |
| <b>Total current assets</b>  |       | <b>1,11,330.83</b>      | <b>93,659.09</b>        |
| <b>Total assets</b>  |       | <b>1,38,847.33</b>      | <b>1,22,092.03</b>      |
| <b>EQUITY AND LIABILITIES</b>  |       |                         |                         |
| <b>(1) Equity</b>  |       |                         |                         |
| (a) Equity share capital   | 11    | 39,587.59               | 39,587.59               |
| (b) Other equity   | 12    | (4,026.12)              | (7,084.05)              |
| <b>Equity attributable to owners of the group</b>  |       | <b>35,561.47</b>        | <b>32,503.54</b>        |
| (2) Non controlling interest   |       | 1,173.22                | 1,028.46                |
| <b>Total equity</b>  |       | <b>36,734.69</b>        | <b>33,532.00</b>        |
| <b>Liabilities</b>   |       |                         |                         |
| <b>(3) Non-current liabilities</b>   |       |                         |                         |
| (a) Financial liabilities  |       |                         |                         |
| (i) Borrowings   | 13    | 352.94                  | 1,017.43                |
| (ii) Lease liabilities   | 14    | 305.97                  | 571.85                  |
| (b) Provisions   | 15    | 456.22                  | 445.69                  |
| <b>Total non-current liabilities</b>   |       | <b>1,115.13</b>         | <b>2,034.97</b>         |
| <b>(4) Current liabilities</b>   |       |                         |                         |
| (a) Financial liabilities  |       |                         |                         |
| (i) Borrowings   | 16    | 24,629.65               | 12,861.92               |
| (ii) Lease Liabilities   |       | 419.92                  | 348.73                  |
| (iii) Trade payables   | 17    |                         |                         |
| (a) total outstanding dues of micro enterprises and small enterprises; and                 |       | 1,045.83                | 3,756.22                |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises |       | 57,658.50               | 40,489.99               |
| (iv) Other Financial Liabilities   | 18    | 1,969.23                | 1,871.47                |
| (b) Other current liabilities  | 19    | 14,767.20               | 26,900.77               |
| (c) Provisions   | 20    | 177.51                  | 255.33                  |
| (d) Current tax liabilities (net)  |       | 329.67                  | 40.63                   |
| <b>Total current liabilities</b>   |       | <b>1,00,997.51</b>      | <b>86,525.06</b>        |
| <b>Total liabilities</b>   |       | <b>1,02,112.64</b>      | <b>88,560.03</b>        |
| <b>Total equity and liabilities</b>  |       | <b>1,38,847.33</b>      | <b>1,22,092.03</b>      |

See accompanying notes to the Consolidated Financial Statements

In terms of our report attached

For B S R & Co. LLP

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

Chartered Accountants

*Amar Sunder*  
AMAR SUNDER  
Partner  
Membership No-078305

*Pawan Kedia*  
PAWAN KEDIA  
Chairman  
DIN No: 00020570

*Derek Randall*  
DEREK RANDALL  
Director  
DIN No:02433966

*Santanu Choudhury*  
SANTANU CHOUDHURY  
Chief Financial Officer

*Swatika Gupta*  
SWATIKA GUPTA  
Company Secretary  
Membership no. A28582

Place: Mumbai

Date : 03 May 2023



**JSW SEVERFIELD STRUCTURES LIMITED**

Consolidated statement of profit and loss for the year ended March 31, 2023

(Rupees in lakhs, except per share data and as stated otherwise)

| PARTICULARS   | Notes            | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|---|------------------|--------------------------------------|--------------------------------------|
| I Revenue from operations   | 21               | 1,38,392.46                          | 1,04,383.05                          |
| II Other income   | 22               | 361.63                               | 325.45                               |
| III Total revenue (I+II)  |                  | <u>1,38,754.08</u>                   | <u>1,04,708.50</u>                   |
| IV Expenses:  |                  |                                      |                                      |
| Cost of construction (including materials)                                    | 23               | 1,13,658.40                          | 79,035.36                            |
| Cost of material consumed   |                  | 4,563.85                             | 3,978.48                             |
| Purchase of stock-in-trade  |                  | 41.41                                | 6,349.20                             |
| Changes in Inventories of finished goods, work-in-progress and stock-in-trade | 24               | 7.51                                 | (37.00)                              |
| Employee benefits expense   | 25               | 6,271.72                             | 5,534.53                             |
| Finance costs   | 26               | 5,668.45                             | 3,814.73                             |
| Depreciation and amortization expense   | 2 (a), (b) & (c) | 2,681.53                             | 2,093.26                             |
| Other expenses  | 27               | 2,203.77                             | 1,609.46                             |
| Total expenses (IV)   |                  | <u>1,35,096.64</u>                   | <u>1,02,378.02</u>                   |
| V (Loss) / Profit before tax (III-IV)   |                  | <u>3,657.44</u>                      | <u>2,330.48</u>                      |
| VI Taxes expense:   |                  |                                      |                                      |
| Current tax   | 38               | 158.79                               | 315.15                               |
| Deferred tax  | 38               | 315.60                               | (3.89)                               |
| Excess provision reversal of earlier years                                    | 38               | (0.21)                               | -                                    |
| VII (Loss) / Profit for the year (V-VI)                                       |                  | <u>3,183.26</u>                      | <u>2,019.22</u>                      |
| Total (Loss) / Profit for the year attributable to:                           |                  |                                      |                                      |
| - Owners of the group   |                  | 3,038.26                             | 1,708.13                             |
| - Non-controlling interests   |                  | 145.00                               | 311.09                               |
|   |                  | <u>3,183.26</u>                      | <u>2,019.22</u>                      |
| VIII Other comprehensive (loss) / Income                                      |                  |                                      |                                      |
| Items that will not be reclassified to profit or loss                         |                  |                                      |                                      |
| i) Remeasurements of the net defined benefit plans                            |                  | 16.36                                | (44.86)                              |
| ii) Change in fair value of investments in equity shares                      |                  | 3.07                                 | 2.86                                 |
| Income tax relating to items that will not be reclassified to profit or loss  |                  | 0.24                                 | (0.12)                               |
|   |                  | <u>19.67</u>                         | <u>(42.12)</u>                       |
| Other comprehensive (loss) / Income for the year attributable to:             |                  |                                      |                                      |
| - Owners of the group   |                  | 19.91                                | (42.23)                              |
| - Non-controlling interests   |                  | (0.24)                               | 0.11                                 |
| IX Total comprehensive (loss) / Income for the year (VII+VIII)                |                  | <u>3,202.92</u>                      | <u>1,977.10</u>                      |
| Total comprehensive (loss) / income for the year attributable to:             |                  |                                      |                                      |
| - Owners of the group   |                  | 3,058.17                             | 1,665.90                             |
| - Non-controlling interests   |                  | 144.76                               | 311.20                               |
| X Earnings per equity share of Rs 10 each                                     |                  |                                      |                                      |
| Basic   | 31               | 0.77                                 | 0.43                                 |
| Diluted   | 31               | 0.77                                 | 0.43                                 |

See accompanying notes to the Consolidated Financial Statements

In terms of our report attached

For B S R & Co. LLP

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

Chartered Accountants

*Amar Sunder*  
AMAR SUNDER  
Partner  
Membership No-078305

*Pawan Kedia*  
PAWAN KEDIA  
Chairman  
DIN No: 00020570

*Derek Randall*  
DEREK RANDALL  
Director  
DIN No:02433966

*Santanu Choudhury*  
SANTANU CHOUDHURY  
Chief Financial Officer

*Swatika Gupta*  
SWATIKA GUPTA  
Company Secretary  
Membership no. A28582

Place: Mumbai

Date : 03 May 2023



**JSW SEVERFIELD STRUCTURES LIMITED**

**Consolidated statement of changes in equity for the year ended March 31, 2023**

(Rupees in lakhs)

| (a) Equity share capital                         | As at March 31, 2023 |           | As at March 31, 2022 |           |
|--|----------------------|-----------|----------------------|-----------|
|  | No. of Shares        | Amount    | No. of Shares        | Amount    |
| Outstanding at the beginning and end of the year | 39,58,75,880         | 39,587.59 | 39,58,75,880         | 39,587.59 |

**(b) Other equity**

| Particulars  | Reserves and surplus | Items of other comprehensive income                 |   | Attributable to owners of the parent | Non-controlling interest | Total      |
|--|----------------------|---|---|--------------------------------------|--------------------------|------------|
|  | Retained earnings    | Change in fair value of investment in equity shares | Remeasurements of the net defined benefit plans |                                      |                          |            |
| Balance as at April 1, 2021                            | (8,695.16)           |   | (54.89)   | (8,750.05)                           | 717.32                   | (8,032.73) |
| Profit for the year                                    | 1,708.13             |   | -   | 1,708.13                             | 311.09                   | 2,019.22   |
| Other comprehensive income for the year (net of taxes) | -                    | 2.86  | (44.99)   | (42.13)                              | 0.04                     | (42.09)    |
| Movement during the year                               |                      |   |   | -                                    |                          | -          |
| Balance as at March 31, 2022                           | (6,987.03)           | 2.86  | (99.88)   | (7,084.05)                           | 1,028.46                 | (6,055.60) |
| Profit for the year                                    | 3,038.26             |   | -   | 3,038.26                             | 145.00                   | 3,183.26   |
| Other comprehensive loss for the year (net of taxes)   | -                    | 3.07  | 16.60   | 19.67                                | (0.24)                   | 19.43      |
| Total comprehensive income for the year                | 3,038.26             | 3.07  | 16.60   | 3,057.93                             | 144.76                   | 3,202.69   |
| Balance as at March 31, 2023                           | (3,948.77)           | 5.93  | (83.28)   | (4,026.12)                           | 1,173.22                 | (2,852.91) |

**Footnotes:**

**a. Retained earnings:**

Retained earnings are the profits that the Group has earned till date. The amount that can be distributed by the Group as a dividends 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 the Consolidated Financial Statements

In terms of our report attached

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

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

Chartered Accountants

*Amar Sunder*  
AMAR SUNDER  
Partner

Membership No-078305

For and on behalf of the Board of Directors

*Pawan Kedia*  
PAWAN KEDIA  
Chairman

DIN No: 00020570

*Santanu Choudhury*  
SANTANU CHOUDHURY  
Chief Financial Officer

*Derek Randall*

DEREK RANDALL

Director

DIN No:02433966

*Swatika Gupta*

SWATIKA GUPTA

Company Secretary

Membership no. A28582

Place: Mumbai

Date : 03 May 2023





**JSW SEVERFIELD STRUCTURES LIMITED**
**Consolidated statement of cash flows for the year ended March 31, 2023**
**(Rupees in lakhs)**

|   | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| <b>A. Cash flows from operating activities</b>  |                                      |                                      |
| Profit before tax   | 3,657.44                             | 2,330.48                             |
| <b>Adjustments for :</b>  |                                      |                                      |
| Depreciation and amortization expense   | 2,681.53                             | 2,093.26                             |
| Net unrealized exchange loss  | 35.72                                | 34.28                                |
| Loss on sale of property, plant and equipment net                                     | 11.31                                | 2.88                                 |
| Interest income   | (141.58)                             | (128.97)                             |
| Finance costs   | 3,894.02                             | 2,556.74                             |
| Bad debts written off/(Recovered)   | -                                    | 42.17                                |
| Provision / liabilities no longer required written back                               | (140.87)                             | (195.08)                             |
| Provision for doubtful debts and unbilled receivable                                  | 217.04                               | 24.97                                |
| Gain on lease modification  | -                                    | -                                    |
| Indirect Tax provision  | (21.21)                              | -                                    |
| (Gain)/loss on foreign currency forward contract                                      | -                                    | 0.18                                 |
| <b>Operating cash flows before working capital changes</b>                            | <b>10,193.40</b>                     | <b>6,760.90</b>                      |
| <b>Adjustments for movement in working capital:</b>                                   |                                      |                                      |
| Decrease /(Increase) in inventories   | (4,840.33)                           | 3,844.61                             |
| (Increase)/ Decrease in trade receivables   | (16,627.82)                          | (14,590.70)                          |
| (Increase) / Decrease in other assets   | 4,811.19                             | (21,604.84)                          |
| Increase / (Decrease) in trade payable  | 11,968.50                            | 23,717.58                            |
| Increase / (Decrease) in other liabilities  | (12,060.94)                          | 9,504.48                             |
| Increase / (Decrease) in provisions   | (50.52)                              | 166.53                               |
| <b>Cash generated from operations</b>   | <b>(6,606.49)</b>                    | <b>7,798.57</b>                      |
| Income taxes refund/(paid) (net)  | (802.61)                             | (132.78)                             |
| <b>Net cash used in operating activities</b>  | <b>(7,409.11)</b>                    | <b>7,665.78</b>                      |
| <b>B. Cash flows from investing activities</b>  |                                      |                                      |
| Purchase of property, plant & equipment, intangible assets including capital advances | (854.30)                             | (793.52)                             |
| Proceeds from sale of property, plant and equipment                                   | -                                    | 0.93                                 |
| Purchase of equity shares.  | -                                    | (12.25)                              |
| Bank deposits (placed)/ matured (net)   | 122.96                               | (91.43)                              |
| Interest income received  | 111.38                               | 59.01                                |
| <b>Net cash used in investing activities</b>  | <b>(619.96)</b>                      | <b>(837.26)</b>                      |
| <b>C. Cash flows from financing activities</b>  |                                      |                                      |
| (Repayment of)/ Proceeds from working capital borrowings (net)                        | 11,701.94                            | (1,637.98)                           |
| Lease liability paid-Principal Portion  | (394.24)                             | (357.43)                             |
| Proceeds of non current borrowings  | 68.81                                | 762.62                               |
| Repayment of Term loan  | (667.58)                             | (749.37)                             |
| Finance charges paid  | (3,894.02)                           | (2,556.74)                           |
| <b>Net cash used in financing activities</b>  | <b>6,814.91</b>                      | <b>(4,538.90)</b>                    |
| <b>Net increase/ (decrease) in cash and cash equivalents</b>                          | <b>(1,214.16)</b>                    | <b>2,289.63</b>                      |
| Cash and cash equivalents at the beginning of the year                                | 2,336.16                             | 46.53                                |
| <b>Cash and cash equivalents at the end of the year</b>                               | <b>1,122.00</b>                      | <b>2,336.16</b>                      |

**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 the Consolidated Financial Statements





**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

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

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

(Rupees in lakhs)

| Particulars  | As at<br>March 31, 2022 | Cash flows       | Non-cash changes<br>Amortised cost /<br>Fair value changes | As at<br>March 31,<br>2023 |
|--|-------------------------|------------------|--|----------------------------|
| Long-term borrowings                               | 1,831.39                | (598.77)         | -  | 1,232.62                   |
| Short-term borrowings                              | 12,047.96               | 11,702.01        | -  | 23,749.97                  |
| Lease liabilities                                  | 920.58                  | (274.69)         | 80.00  | 725.89                     |
| <b>Total liabilities from financing activities</b> | <b>14,799.93</b>        | <b>10,828.55</b> | <b>80.00</b>   | <b>25,708.48</b>           |

(Rupees in lakhs)

| Particulars                             | As at<br>March 31, 2021 | Cash flows        | Non-cash changes<br>Amortised cost /<br>Fair value changes | As at<br>March 31,<br>2022 |
|---|-------------------------|-------------------|--|----------------------------|
| Long-term borrowings                    | 1,818.14                | 13.25             | -  | 1,831.39                   |
| Short-term borrowings                   | 13,684.09               | (1,636.13)        | -  | 12,047.96                  |
| Lease liabilities                       | 1,278.00                | (446.25)          | 88.83  | 920.58                     |
| <b>Total liabilities from financing</b> | <b>16,780.23</b>        | <b>(2,069.13)</b> | <b>88.83</b>   | <b>14,799.93</b>           |

In terms of our report attached

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

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

Chartered Accountants

*Amar Sunder*

**AMAR SUNDER**

Partner

Membership No-078305

*Pawan Kedia*

**PAWAN KEDIA**

Chairman

DIN No: 00020570

*Santanu Choudhury*

**SANTANU CHOUDHURY**

Chief Financial Officer

**For and on behalf of the Board of Directors**

*Derek Randall*

**DEREK RANDALL**

Director

DIN No:02433966

*Swatika Gupta*

**SWATIKA GUPTA**

Company Secretary

Membership no. A28582

Place: Mumbai

Date : 03 May 2023



**JSW SEVERFIELD STRUCTURES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1**

**1.1 General Information**

JSW Severfield Structures Limited ("the Company or "the parent") 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 subsidiary of the Company namely, JSW Structural Metal Decking Limited (the Company and its subsidiary together referred to as "the group") also carry on the business of design, roll-forming and installation of structural metal decking. The fabrication facilities of the group 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 Group 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 Group does not expect this amendment to have any significant impact in its financial statements.
- b. **Ind AS 12 – Income Taxes** The amendments clarify how Group 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 Group 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 Group does not expect this amendment to have any significant impact in its financial statements.

**1.3 Statement of compliance**

The Consolidated financial statements of the Group 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 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



**JSW SEVERFIELD STRUCTURES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter ("Ind AS") and the provisions of the Companies Act, 2013 ("the Act"). The consolidated 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 Consolidated 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 Group's normal operating cycle.

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

**1.5 Basis of consolidation**

The Consolidated Financial Statements incorporate the financial statements of the Company and its subsidiary. Control is achieved where the Company:

- has power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**1.6 Significant Accounting Policies**

**I. Revenue recognition**

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

**Construction contracts**

The Group'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 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



**JSW SEVERFIELD STRUCTURES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

requirements and accordingly, an asset / 'construction work in progress' created upon Group's performance is not readily available for an alternative use to the Group, and the Group 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 Group 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 Group expects to recover the costs incurred in satisfying the performance obligation, then revenue is recognised only to the extent of the cost incurred until such time the outcome of the performance obligation can be reasonably measured.

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

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

**Sale of goods**

The Group recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The Group recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is the point of time when the control over product is transferred to the customer.

In contracts where freight is arranged by the Group and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognised when such freight services are rendered.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items in a contract when they are highly probable to be provided.

The amount of revenue excludes any amount collected on behalf of third parties or government such as goods and service tax levied on sales.

**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.





**JSW SEVERFIELD STRUCTURES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**III. Leasing**

**Identifying a lease**

Under Ind AS 116, the Group 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 Group as a lessee**

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

The Group recognises 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 Group is reasonably certain to exercise that option. The Group'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 measurements 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

The lease liability is measured at amortised 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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group 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 Group has elected to apply the practical expedient not to recognise 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 recognised as an expense on a straight-line basis over the lease term.

**The Group as a lessor**

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

**IV. Foreign currencies**

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



**JSW SEVERFIELD STRUCTURES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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 Consolidated Statement of Profit and Loss in the period in which they arise except for:

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

**V. Cash and cash equivalents**

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

**VI. Earnings per share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group 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 Consolidated Statement of Profit and Loss in the period in which they are incurred.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the 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 Group borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

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





**JSW SEVERFIELD STRUCTURES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**VIII. Government grants**

Government grants are not recognised until there is reasonable assurance that the Group 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 Group 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 Group pays specified contributions towards Provident Fund, Employee State Insurance and Pension Scheme. The Group'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 Group pays gratuity to the employees whoever has completed five years of service with the Group 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 Group'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 recognised in the Statement of Profit and Loss except to the extent it relates to items directly recognised 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.



**JSW SEVERFIELD STRUCTURES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Deferred tax

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

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

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

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

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

**XI. Property, plant and equipment**

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

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

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

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

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 recognised in Statement of Profit and Loss.



JSW SEVERFIELD STRUCTURES LIMITED  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**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 Group depreciates them separately based on their specific useful lives.

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

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

The Group 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.

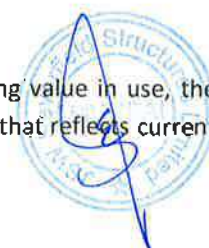
Estimated useful lives of the intangible assets are as follows:

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

**XIV. Impairment of Property, plant and equipment and intangible assets other than goodwill**

At the end of each reporting period, the Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current



**JSW SEVERFIELD STRUCTURES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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 Consolidated Statement of Profit and Loss.

Any reversal of the previously recognised 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 recognised.

**XV. 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.

**XVI. Provisions, contingencies and commitments**

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

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

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

A disclosure for contingent liabilities is made where there is-

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognised 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.





**JSW SEVERFIELD STRUCTURES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

**XVII. Financial Instruments**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

**A. Financial assets**

**a) 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.

**b) 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.



**JSW SEVERFIELD STRUCTURES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Equity Investments:

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

**c) Impairment**

The Group 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.

The Group's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

For financial assets other than trade receivables, the Group 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 Group reverts to recognising impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

**d) Derecognition of financial assets**

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group 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 Group retains an option to repurchase part of a transferred asset), the Group 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





**JSW SEVERFIELD STRUCTURES LIMITED**  
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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**

**a) Classification as debt or equity**

Debt and equity instruments issued by a Group 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.

**b) Equity instruments**

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

Repurchase of the Group'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 Group's own equity instruments.

**c) Initial recognition and measurement**

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

**d) 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

**e) Derecognition:**

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

**C. Derivative financial instruments**

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

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.



**JSW SEVERFIELD STRUCTURES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**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 Group 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 Group.

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 Group 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 consolidated 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 Group 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.

**1.7 Key sources of estimation uncertainty**

In the course of applying the policies outlined in all notes under section 1.6 above, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.



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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 unagreed 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. Based on the above, management believes it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from these assumptions could require a material adjustment.

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 assessment 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, aged analysis of the outstanding amounts and management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these amounts, including creditworthiness and the past collection history of each customer. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

v) Taxes

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



**Note 2(a) Property, plant and equipment for the year ended 31st March 2023**

(Rupees in lakhs)

| Particulars                                  | Buildings        | Plant and equipment | Furniture and fixtures | Vehicles      | Office equipment | Total            |
|--|------------------|---------------------|------------------------|---------------|------------------|------------------|
| <b>At cost</b>                               |                  |                     |                        |               |                  |                  |
| Balance as at April 1, 2021                  | 13,445.57        | 19,895.14           | 430.44                 | 315.16        | 329.65           | 34,415.95        |
| Additions                                    | 569.13           | 447.21              | 10.33                  | 14.54         | 0.84             | 1,042.06         |
| Disposals                                    | -                | -                   | -                      | (14.58)       | -                | (14.58)          |
| <b>Balance as at March 31, 2022</b>          | <b>14,014.70</b> | <b>20,342.35</b>    | <b>440.77</b>          | <b>315.12</b> | <b>330.49</b>    | <b>35,443.43</b> |
| Additions                                    | 92.14            | 295.03              | 7.96                   | 14.20         | 18.04            | 427.37           |
| Disposals                                    | -                | (84.69)             | -                      | -             | -                | (84.69)          |
| <b>Balance as at March 31, 2023</b>          | <b>14,106.84</b> | <b>20,552.69</b>    | <b>448.74</b>          | <b>329.32</b> | <b>348.53</b>    | <b>35,786.11</b> |
| <b>Accumulated depreciation</b>              |                  |                     |                        |               |                  |                  |
| Balance as at April 1, 2021                  | 1,940.51         | 6,652.62            | 134.35                 | 158.95        | 229.78           | 9,116.22         |
| Depreciation expense                         | 457.01           | 1,124.48            | 40.91                  | 27.75         | 30.62            | 1,680.78         |
| Disposals                                    | -                | -                   | -                      | (10.75)       | -                | (10.75)          |
| <b>Balance as at March 31, 2022</b>          | <b>2,397.52</b>  | <b>7,777.10</b>     | <b>175.26</b>          | <b>175.95</b> | <b>260.40</b>    | <b>10,786.25</b> |
| Depreciation expense                         | 466.05           | 1,719.84            | 39.96                  | 28.98         | 34.05            | 2,288.88         |
| Disposals                                    | -                | (61.25)             | -                      | -             | -                | (61.25)          |
| <b>Balance as at March 31, 2023</b>          | <b>2,863.57</b>  | <b>9,435.68</b>     | <b>215.24</b>          | <b>204.93</b> | <b>294.44</b>    | <b>13,013.88</b> |
| <b>Carrying amounts as at March 31, 2022</b> | <b>11,617.17</b> | <b>12,565.27</b>    | <b>265.52</b>          | <b>139.17</b> | <b>70.10</b>     | <b>24,657.22</b> |
| <b>Carrying amounts as at March 31, 2023</b> | <b>11,243.27</b> | <b>11,117.01</b>    | <b>233.51</b>          | <b>124.39</b> | <b>54.09</b>     | <b>22,772.28</b> |
| 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 has been changed for 15 years based on the increase in number of shifts of usage.

Note : Property, plant and equipments (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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Notes to the Consolidated Financial Statements

**Note 2(b) Right -of-use assets**

(Rupees in lakhs)

| Particulars                                | Right -of-use assets |
|--|----------------------|
| <b>At cost</b>                             |                      |
| <b>Balance as at April 01, 2021</b>        | <b>3,214.98</b>      |
| Addition                                   | -                    |
| Deletion                                   | -                    |
| <b>Balance as at March 31, 2022</b>        | <b>3,214.98</b>      |
| Additions                                  | 212.39               |
| Deletion                                   | -                    |
| <b>Balance as at March 31, 2023</b>        | <b>3,427.37</b>      |
| <b>Accumulated amortisation</b>            |                      |
| <b>Balance as at April 01, 2021</b>        | <b>703.01</b>        |
| Amortisation expenses                      | 388.02               |
| Deletion                                   | -                    |
| <b>Balance as at March 31, 2022</b>        | <b>1,091.03</b>      |
| Amortisation expenses                      | 377.30               |
| Deletion                                   | -                    |
| <b>Balance as at March 31, 2023</b>        | <b>1,468.33</b>      |
|  |                      |
| <b>Balance as at March 31, 2022</b>        | <b>2,123.95</b>      |
| <b>Balance as at March 31, 2023</b>        | <b>1,959.04</b>      |
|  |                      |
| Useful life of the assets (range in years) | 3-5                  |
| Method of amortization                     | Period of lease      |

The above consists of Leasehold Land of Rs.1,319.50 lakhs and office premises and Guest house Rs.639.54 lakhs. (31 March 2022 Leasehold Land of Rs.1,319.50 lakhs and office premises and Guest house Rs.804.45 lakhs).



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Notes to the Consolidated Financial Statements

**Note 2(c) Capital Work in progress**

(Rupees in lakhs)

| Particulars                         | Capital Work in progress |
|-------------------------------------|--------------------------|
| <b>Balance as at March 31, 2021</b> | 368.31                   |
| Additions                           | 200.82                   |
| Capitalisations                     | 569.13                   |
| <b>Balance as at March 31, 2022</b> | -                        |
| Additions                           | 34.70                    |
| Capitalisations                     | -                        |
| <b>Balance as at March 31, 2023</b> | <b>34.70</b>             |

**Amounts in CWIP as at 31st March 2023**

| Particulars                    | Less than 1 year | 1-2 years | Total        |
|--------------------------------|------------------|-----------|--------------|
| Projects in progress           | 34.70            | -         | <b>34.70</b> |
| Projects temporarily suspended | -                | -         | -            |
| <b>Total</b>                   | <b>34.70</b>     | <b>-</b>  | <b>34.70</b> |

**Amounts in CWIP as at 31st March 2022**

| Particulars                    | Less than 1 year | 1-2 years | Total    |
|--------------------------------|------------------|-----------|----------|
| Projects in progress           | -                | -         | -        |
| Projects temporarily suspended | -                | -         | -        |
| <b>Total</b>                   | <b>-</b>         | <b>-</b>  | <b>-</b> |





**Note 2(d) Intangible assets**

(Rupees in lakhs)

| Particulars                           | Computer software | Licence fees               | Total  |
|---------------------------------------|-------------------|----------------------------|--------|
| <b>At cost /deemed cost</b>           |                   |                            |        |
| Balance as at April 1, 2021           | 130.19            | 299.93                     | 430.12 |
| Additions                             | 0.00              | -                          | 0.00   |
| Balance as at March 31, 2022          | 130.20            | 299.93                     | 430.12 |
| Additions                             | 53.28             | -                          | 53.28  |
| Balance as at March 31, 2023          | 183.47            | 299.93                     | 483.40 |
| <b>Accumulated amortisation</b>       |                   |                            |        |
| Balance as at April 1, 2021           | 127.25            | 271.45                     | 398.70 |
| Amortisation expenses                 | 2.40              | 22.06                      | 24.46  |
| Balance as at March 31, 2022          | 129.65            | 293.51                     | 423.16 |
| Amortisation expenses                 | 10.89             | 3.15                       | 14.03  |
| Balance as at March 31, 2023          | 140.55            | 296.66                     | 437.19 |
|                                       |                   |                            |        |
| Carrying amounts as at March 31, 2022 | 0.54              | 6.42                       | 6.96   |
| Carrying amounts as at March 31, 2023 | 42.93             | 3.27                       | 46.21  |
|                                       |                   |                            |        |
| Useful life of the assets (range)     | 3-5               | Over the period of license |        |
| Method of amortization                | SLM               | SLM                        |        |



**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

| Particulars   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---|-------------------------|-------------------------|
| <b>Note 3</b>   |                         |                         |
| <b>Investments (Non-current)</b>  |                         |                         |
| <b>Quoted investment in equity instruments (at market value)</b>                                |                         |                         |
| 5,000 Equity shares (31st March 2022: 5,000) of Rs 10 each, fully paid up of JSW Energy limited | 12.04                   | 15.11                   |
| <b>Investment in Government securities (Unquoted) (at amortised cost)</b>                       |                         |                         |
| National saving certificate (Pledged with commercial tax department)                            | 0.05                    | 0.05                    |
| <b>Total</b>  | <b>12.09</b>            | <b>15.16</b>            |
| <b>Aggregate amount of quoted investments (at cost)</b>   | <b>12.25</b>            | -                       |
| <b>Aggregate amount of quoted investments (at market value)</b>                                 | <b>12.04</b>            | -                       |
| <b>Aggregate amount of impairment in value of investments</b>                                   | -                       | -                       |
| <b>Note 4</b>   |                         |                         |
| <b>Other financial assets (non-current)</b>   |                         |                         |
| Security Deposits   | 256.51                  | 255.53                  |
| Margin money deposits (under lien with banks)   | 151.54                  | 102.00                  |
| <b>Total</b>  | <b>408.05</b>           | <b>357.53</b>           |
| <b>Note 5</b>   |                         |                         |
| <b>Other non-current assets</b>   |                         |                         |
| Capital advances  | 369.12                  | 16.91                   |
| Prepayments and others  | 62.80                   | 76.22                   |
| Indirect tax balances with government authorities ( amount paid under protest)                  | 68.00                   | 41.41                   |
| Security deposits   | 6.99                    | 7.33                    |
| <b>Total</b>  | <b>506.91</b>           | <b>141.87</b>           |
| <b>Note 6</b>   |                         |                         |
| <b>Inventories (at lower of cost and net realisable value)</b>                                  |                         |                         |
| Consumables Stores and Spares   | 770.10                  | 648.18                  |
| Raw Materials   | 3,617.15                | 1,485.20                |
| Construction Materials (refer note 42)  | 3,550.99                | 957.03                  |
| Work-in -Progress   | 22.32                   | 14.99                   |
| Finished goods [including Goods-in-transit of Rs. 12.49 lakhs (previous year Rs. 67.62 lakhs)]  | 217.49                  | 250.45                  |
| Traded goods  | 33.51                   | 15.39                   |
| <b>Total</b>  | <b>8,211.56</b>         | <b>3,371.24</b>         |
| <b>Note 7</b>   |                         |                         |
| <b>Trade receivables</b>  |                         |                         |
| (a) Trade receivables considered good - Secured   | -                       | -                       |
| (b) Trade receivables considered good - Unsecured   | 45,976.57               | 26,952.09               |
| (c) Trade receivables which have significant increase in credit risk                            | -                       | -                       |
| (d) Trade receivables - credit impaired   | 683.18                  | 489.54                  |
| Less : Bad Debt Written off   | -                       | -                       |
| Less : Allowance for doubtful receivables   | (683.18)                | (489.54)                |
| <b>Total</b>  | <b>45,976.57</b>        | <b>26,952.09</b>        |

**Movement in allowance for expected credit loss:**

(Rupees in lakhs)

|  |               |
|--|---------------|
| Balance as at April 1, 2021                                    | 484.45        |
| Allowances for doubtful debts (expected credit loss allowance) | 5.09          |
| Bad debts w/off  | -             |
| <b>Balance as at March 31, 2022</b>                            | <b>489.54</b> |
| Allowances for doubtful debts (expected credit loss allowance) | 217.04        |
| Bad debts w/off  | 23.40         |
| <b>Balance as at March 31, 2023</b>                            | <b>683.18</b> |

(Refer note 28 for other relevant notes)



**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

**Amounts of trade receivable as at at 31st March 2023**

| Particulars                  | Less than6 Months | 6 Months-1 Year | 1 - 2 Year    | 2-3 Years     | More than3 Years | Not due          | Total            |
|------------------------------|-------------------|-----------------|---------------|---------------|------------------|------------------|------------------|
| <b>Undisputed:</b>           |                   |                 |               |               |                  |                  |                  |
| Considered Good              | 13,793.79         | 3,305.13        | 761.51        | 134.72        | 770.59           | 27,210.84        | 45,976.57        |
| Considered Doubtful          | 23.03             | 1.27            | -             | 91.28         | 588.20           | -                | 703.78           |
| <b>Disputed:</b>             |                   |                 |               |               |                  |                  |                  |
| Considered Good              | -                 | -               | -             | -             | -                | -                | -                |
| Considered Doubtful          | -                 | -               | -             | -             | -                | -                | -                |
| <b>Gross Carrying Amount</b> | <b>13,816.82</b>  | <b>3,306.40</b> | <b>761.51</b> | <b>226.00</b> | <b>1,358.79</b>  | <b>27,210.84</b> | <b>46,680.35</b> |
| Less: Provision              | 23.03             | 1.27            | -             | 91.28         | 588.20           | -                | 703.78           |
| <b>Net carrying amount</b>   | <b>13,793.79</b>  | <b>3,305.13</b> | <b>761.51</b> | <b>134.72</b> | <b>770.59</b>    | <b>27,210.84</b> | <b>45,976.57</b> |

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

| Particulars                  | Less than6 Months | 6 Months-1 Year | 1 - 2 Year      | 2-3 Years     | More than3 Years | Not due          | Total            |
|------------------------------|-------------------|-----------------|-----------------|---------------|------------------|------------------|------------------|
| <b>Undisputed:</b>           |                   |                 |                 |               |                  |                  |                  |
| Considered Good              | 6,412.86          | 3,132.14        | 1,945.43        | 748.35        | 463.19           | 14,250.13        | 26,952.09        |
| Considered Doubtful          | -                 | 1.27            | -               | 91.28         | 186.79           | -                | 279.34           |
| <b>Disputed:</b>             |                   |                 |                 |               |                  |                  |                  |
| Considered Good              | -                 | -               | -               | -             | -                | -                | -                |
| Considered Doubtful          | -                 | -               | -               | -             | 210.20           | -                | 210.20           |
| <b>Gross Carrying Amount</b> | <b>6,412.86</b>   | <b>3,133.41</b> | <b>1,945.43</b> | <b>839.63</b> | <b>860.18</b>    | <b>14,250.13</b> | <b>27,441.63</b> |
| Less: Provision              | -                 | 1.27            | -               | 91.28         | 396.99           | -                | 489.54           |
| <b>Net carrying amount</b>   | <b>6,412.86</b>   | <b>3,132.14</b> | <b>1,945.43</b> | <b>748.35</b> | <b>463.19</b>    | <b>14,250.13</b> | <b>26,952.09</b> |



**JSW SEVERFIELD STRUCTURES LIMITED**

## Notes to the Consolidated Financial Statements

(Rupees in lakhs)

| Particulars  | (Rupees in lakhs)       |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Note 8 (a)</b>  |                         |                         |
| <b>Cash and cash equivalents</b>                           |                         |                         |
| Cash on hand   | 0.38                    | 0.61                    |
| Balance with banks in current accounts                     | 690.19                  | 73.21                   |
| Term Deposit with maturity less than 3 months at inception | 431.44                  | 2,262.34                |
| <b>Total</b>   | <b>1,122.01</b>         | <b>2,336.16</b>         |
| <b>Note 8 (b)</b>  |                         |                         |
| <b>Bank balances other than cash and cash equivalents</b>  |                         |                         |
| Margin money deposits (under lien with banks)              | 871.08                  | 994.05                  |
| <b>Total</b>   | <b>871.08</b>           | <b>994.05</b>           |
| <b>Note 9</b>  |                         |                         |
| <b>Other Financial Assets</b>                              |                         |                         |
| <b>(Unsecured, considered good)</b>                        |                         |                         |
| Security deposits  | 33.42                   | 33.82                   |
| Forward contract assets                                    | -                       | 0.49                    |
| <b>Total</b>   | <b>33.42</b>            | <b>34.31</b>            |



**JSW SEVERFIELD STRUCTURES LIMITED**  
Notes to the Consolidated Financial Statements

(Rupees in lakhs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | March 31, 2023   | March 31, 2022   |
| <b>Note 10</b>   |                  |                  |
| <b>Other current assets</b>  |                  |                  |
| <b>Unbilled revenue</b>  |                  |                  |
| 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        | 52,291.92        |
| Indirect tax balances/credits  | 4,463.64         | 5,016.26         |
| Less : Allowance for doubtful indirect tax balances  | -                | (21.21)          |
|  | 4,463.64         | 4,995.05         |
| Advance to suppliers   | 3,317.21         | 1,584.60         |
| Advance to Employees   | 1.13             | 1.06             |
| Prepayment and others  | 1,727.35         | 1,070.22         |
| Security deposits  | 23.50            | 28.39            |
| <b>Total</b>   | <b>55,116.19</b> | <b>59,971.24</b> |

**Note 11**

**Equity share capital**

**a Authorised :**

4000,000,000 equity shares of Rs.10 each

40,000.00 40,000.00

Total

40,000.00 40,000.00

**b Issued, subscribed and fully paid up:**

395,875,880 (as at March 31, 2022: 395,875,880) equity shares of Rs.10 each fully paid up

39,587.59 39,587.59

Total

39,587.59 39,587.59

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

| Particulars                   | As at            | As at          | As at           | As at          |
|-------------------------------|------------------|----------------|-----------------|----------------|
|                               | March 31, 2023   | March 31, 2022 | March 31, 2023  | March 31, 2022 |
|                               | Number of shares |                | Amount in lakhs |                |
| 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 Group 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 Group after distribution of all preferential amounts, in proportion to their shareholding.

**e Shares in respect of each class in the Group held by its holding company and Shareholders holding more than 5% shares in the Group**

| Particulars                                   | As at          |     | As at          |     |
|---|----------------|-----|----------------|-----|
|   | March 31, 2023 |     | March 31, 2022 |     |
| <b>Name of the holder</b>                     | 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**

| Particulars                                   | As at          |     | As at          |     |
|---|----------------|-----|----------------|-----|
|   | March 31, 2023 |     | March 31, 2022 |     |
| <b>Name of the holder</b>                     | 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% |



Handwritten signature and blue circular stamp of a Chartered Accountant.

**JSW SEVERFIELD STRUCTURES LIMITED**

## Notes to the Consolidated Financial Statements

(Rupees in lakhs)

| Particulars                        | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|------------------------------------|-------------------------|-------------------------|
| <b>Note 12</b>                     |                         |                         |
| <b>Other equity</b>                |                         |                         |
| Retained Earnings                  | (3,948.77)              | (6,987.03)              |
| Other comprehensive income /(loss) | (77.35)                 | (97.02)                 |
| <b>Total</b>                       | <b>(4,026.12)</b>       | <b>(7,084.05)</b>       |

**Note 13****Borrowings (secured) (Non-current)****Term loan from bank**

|  |               |                 |
|--|---------------|-----------------|
| Rupee term loan at amortized cost                              | 1,232.62      | 1,831.39        |
| Less: current maturity of long term borrowings (refer note 19) | 879.68        | 813.96          |
| <b>Total</b>   | <b>352.94</b> | <b>1,017.43</b> |

**Details of security:**

Rupee term loan from bank aggregating to Rs.1,232.62 lakhs (31 March 2022: Rs.1,831.39 lakhs) was secured by first charge by way of hypothecation on property, plant and equipment (excluding land and building) of the Group and second charge by way of hypothecation on entire current assets (present and future) of the Company. The loan was bearing floating interest rate of bank plus 2.75%. Repayment of term loan in 16 quarterly installments.

**Note 14****Lease Liabilities**

|   |               |               |
|---|---------------|---------------|
| Lease Liabilities                           | 725.89        | 920.58        |
| Less: Current Maturity of lease liabilities | (419.92)      | (348.73)      |
| <b>Total</b>                                | <b>305.97</b> | <b>571.85</b> |

The details of lease liabilities are mentioned below:

| Particulars                     | March 31, 2023 | March 31, 2022 |
|---------------------------------|----------------|----------------|
| Opening balance of IND AS 116   | 920.58         | 1,278.00       |
| Addition                        | 199.55         | -              |
| Deletion                        | -              | -              |
| Interest expense                | 80.00          | 88.83          |
| Cash Outflow                    | (474.24)       | (446.24)       |
| Cancellation of Lease Agreement | -              | -              |
| <b>Closing balance</b>          | <b>725.89</b>  | <b>920.58</b>  |





**JSW SEVERFIELD STRUCTURES LIMITED**

## Notes to the Consolidated Financial Statements

(Rupees in lakhs)

| Particulars  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--|-------------------------|-------------------------|
| <b>Note 15</b>   |                         |                         |
| <b>Provision (non-current)</b>   |                         |                         |
| Provision for gratuity (refer note 30)   | 290.42                  | 250.38                  |
| Provision for compensated absences (refer note 30)   | 165.80                  | 195.31                  |
| <b>Total</b>   | <b>456.22</b>           | <b>445.69</b>           |
| <b>Note 16</b>   |                         |                         |
| <b>Borrowings (current)</b>  |                         |                         |
| <b>Secured</b>   |                         |                         |
| Working capital loans from banks   | 23,749.97               | 12,047.96               |
| Current maturity of long term borrowings   | 879.68                  | 813.96                  |
| <b>Total</b>   | <b>24,629.65</b>        | <b>12,861.92</b>        |
| <b>Details of security</b>   |                         |                         |
| Working capital loans (repayable on demand) from banks aggregating to Rs. 23,749.97 lakhs (31 March 2022 12,047.96 lakhs) is secured by first charge by way of hypothecation on all current assets including stock (present and future) of the Group, second charge on property, plant and equipment (excluding land and building) of the Group. The working capital loans are bearing floating interest rate of bank plus 0.80% to 3.65%. (31st March 2022: 0.80% to 3.65%) |                         |                         |
| Quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.   |                         |                         |
| <b>Note 17</b>   |                         |                         |
| <b>Trade and other payables</b>  |                         |                         |
| <b>Dues to micro enterprises and small enterprises</b>   |                         |                         |
| Other than acceptances (refer note 37)   | 1,045.83                | 3,756.22                |
| <b>Dues to creditors other than micro enterprises and small enterprises</b>  |                         |                         |
| Acceptances  | 36,348.68               | 32,449.07               |
| Other than acceptances   | 21,309.82               | 8,040.92                |
| <b>Total</b>   | <b>58,704.33</b>        | <b>44,246.21</b>        |



**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

**Trade Payable Aging Schedule (from the due date of invoice) as at 31 March 2023:**

| Particulars                     | Less than 1 Year | 1 - 2 Year      | 2 - 3 Years   | More than 3 Years | Unbilled         | Not due          | Total            |
|---------------------------------|------------------|-----------------|---------------|-------------------|------------------|------------------|------------------|
| <b>As at March 31, 2023</b>     |                  |                 |               |                   |                  |                  |                  |
| <b>Disputed:</b>                |                  |                 |               |                   |                  |                  |                  |
| MSME (applicable to Indian cos) | 88.06            | -               | -             | -                 | -                | -                | 88.06            |
| Others                          | -                | -               | -             | -                 | -                | -                | -                |
| <b>Others:</b>                  |                  |                 |               |                   |                  |                  |                  |
| MSME(applicable to Indian cos)  | 265.48           | 482.94          | 39.34         | 165.36            | 0.76             | 3.89             | 957.77           |
| Others                          | 5,356.47         | 885.73          | 377.67        | 139.52            | 13,208.11        | 37,690.78        | 57,658.28        |
| <b>Total</b>                    | <b>5,621.95</b>  | <b>1,368.67</b> | <b>417.01</b> | <b>304.88</b>     | <b>13,208.87</b> | <b>37,694.66</b> | <b>58,616.05</b> |

**Trade Payable Aging Schedule (from the due date of invoice) as at 31 March 2022:**

| Particulars                     | Less than 1 Year | 1 - 2 Year    | 2 - 3 Years   | More than 3 Years | Unbilled      | Not due          | Total            |
|---------------------------------|------------------|---------------|---------------|-------------------|---------------|------------------|------------------|
| <b>As at March 31, 2022</b>     |                  |               |               |                   |               |                  |                  |
| <b>Disputed:</b>                |                  |               |               |                   |               |                  |                  |
| MSME (applicable to Indian cos) | -                | -             | -             | -                 | -             | -                | -                |
| Others                          | -                | -             | -             | -                 | -             | -                | -                |
| <b>Others:</b>                  |                  |               |               |                   |               |                  |                  |
| MSME(applicable to Indian cos)  | 893.22           | 75.85         | 103.96        | 125.68            | -             | 2,557.51         | 3,756.22         |
| Others                          | 5,292.92         | 96.43         | 45.82         | 52.02             | 637.76        | 34,365.04        | 40,489.99        |
| <b>Total</b>                    | <b>6,186.14</b>  | <b>172.28</b> | <b>149.78</b> | <b>177.70</b>     | <b>637.76</b> | <b>36,922.55</b> | <b>44,246.21</b> |



**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

| Particulars                                | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--|-------------------------|-------------------------|
| <b>Note 18</b>                             |                         |                         |
| <b>Other current financial liabilities</b> |                         |                         |
| Accrued Salary                             | 811.38                  | 761.08                  |
| Payables for capital projects              | 97.59                   | 98.88                   |
| Interest accrued                           | 1,060.26                | 1,011.51                |
| <b>Total</b>                               | <b>1,969.23</b>         | <b>1,871.47</b>         |

**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         |
| Employee benefits payable  | 17.60            | 15.60            |
| Deferred government Grants *   | 259.54           | 259.54           |
| Statutory liabilities (includes TDS, GST and PF liabilities)   | 448.19           | 219.17           |
| Advances from customers  | 10,589.40        | 23,458.85        |
| <b>Total</b>   | <b>14,767.20</b> | <b>26,900.77</b> |

\* 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 35)

**Note 20**
**Provisions (current)**

|  |               |               |
|--|---------------|---------------|
| <b>(a) Provision for employee benefits:</b>        |               |               |
| Provision for gratuity (refer note 31)             | 127.01        | 126.86        |
| Provision for compensated absences (refer note 31) | 21.83         | 25.24         |
|  | <b>148.84</b> | <b>152.10</b> |
| <b>(b) Provision - others:</b>                     |               |               |
| Provision for estimated losses on contracts        | 28.67         | 103.23        |
| <b>Total</b>                                       | <b>177.51</b> | <b>255.33</b> |

For movement in provisions refer movement schedule below:

| Particulars                 | Provision for estimated<br>losses on contracts |
|-----------------------------|--|
| <b>As at April 01, 2021</b> | -  |
| Recognised during the year  | 103.23   |
| Utilization during the year | -  |
| <b>As at March 31, 2022</b> | 103.23   |
| Recognised during the year  | -  |
| Utilization during the year | (74.56)  |
| <b>As at March 31, 2023</b> | 28.67  |



**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

| Particulars  | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| <b>Note 21</b>   |                                      |                                      |
| <b>Revenue from operations(refer note 36 and 40)</b>                                 |                                      |                                      |
| <b>Contracted Revenue</b>  |                                      |                                      |
| Value of completed contracts   | 1,29,820.79                          | 124.39                               |
| <b>Work in progress.</b>   |                                      |                                      |
| 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)                             | 91,058.31                            |
| <b>Sale of products</b>  |                                      |                                      |
| Manufactured Goods   | 5,350.58                             | 3,412.39                             |
| Traded Goods   | 33.63                                | 6,049.37                             |
|  | 5,384.21                             | 9,461.76                             |
| <b>Sale of services</b>  |                                      |                                      |
| Job work charges   | -                                    | 16.05                                |
| <b>Other operating revenue</b>   |                                      |                                      |
| Sale of scrap  | 4,039.80                             | 3,478.80                             |
| Freight charges  | -                                    | 176.13                               |
| Duty drawback & benefits on exports  | 1.18                                 | 41.53                                |
| Income from design services  | 15.00                                | 26.08                                |
| <b>Total</b>   | <b>1,38,392.46</b>                   | <b>1,04,383.05</b>                   |
| <b>Note 22</b>   |                                      |                                      |
| <b>Other income</b>  |                                      |                                      |
| <b>Interest income earned on financial assets that are not designated as FVTPL</b>   |                                      |                                      |
| a) Interest income from banks on deposits  | 111.37                               | 59.00                                |
| b) Financial assets carried at amortised cost  | 57.30                                | 1.00                                 |
| Interest on income tax refund  | 30.58                                | 68.97                                |
| Reversal of Indirect tax provision   | 21.21                                | -                                    |
| Provision/liabilities no longer required written back                                | 140.86                               | 175.20                               |
| Bad debts recovered(net)   | -                                    | 19.88                                |
| Credit balance written back  | -                                    | 0.18                                 |
| Other miscellaneous Income   | 0.31                                 | 1.22                                 |
| <b>Total</b>   | <b>361.63</b>                        | <b>325.45</b>                        |
| <b>Note 23</b>   |                                      |                                      |
| <b>Cost of construction (including material)</b>                                     |                                      |                                      |
| Purchase of materials and components   | 1,04,645.31                          | 73,795.87                            |
| Equipment hiring charges (refer note 33)   | 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                             |
| <b>Total</b>   | <b>1,13,658.40</b>                   | <b>79,035.36</b>                     |
| <b>Note 24</b>   |                                      |                                      |
| <b>Changes in inventories of finished goods ,work In progress and stock in trade</b> |                                      |                                      |
| <b>Opening Stock :</b>   |                                      |                                      |
| Finished Goods   | 250.45                               | 217.99                               |
| Work-in-progress   | 14.99                                | 7.47                                 |
| Stock in trade   | 15.39                                | 18.37                                |
|  | (a) 280.83                           | 243.83                               |
| <b>Less:</b>   |                                      |                                      |
| <b>Closing Stock:</b>  |                                      |                                      |
| Finished Goods   | 217.49                               | 250.45                               |
| Work-in-progress   | 22.32                                | 14.99                                |
| Stock in trade   | 33.51                                | 15.39                                |
|  | (b) 273.32                           | 280.83                               |
| <b>Changes in inventories of finished goods ,work in progress and stock in trade</b> |                                      |                                      |
| <b>(a)-(b)</b>   | <b>7.51</b>                          | <b>(37.00)</b>                       |



**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

| Particulars   | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| <b>Note 25</b>  |                                      |                                      |
| <b>Employee benefits expense</b>                                    |                                      |                                      |
| Salaries and wages and bonus  | 5,670.92                             | 4,999.12                             |
| Contribution to provident and other funds (refer note 30)           | 217.59                               | 209.07                               |
| Gratuity (refer note 31)  | 80.42                                | 69.47                                |
| Staff welfare expenses  | 302.79                               | 256.87                               |
| <b>Total</b>  | <b>6,271.72</b>                      | <b>5,534.53</b>                      |
| <b>Note 26</b>  |                                      |                                      |
| <b>Finance costs</b>  |                                      |                                      |
| Interest on borrowings from banks                                   | 3,732.74                             | 2,166.59                             |
| Interest on Lease Liabilities                                       | 80.00                                | 88.83                                |
| Interest on Others  | -                                    | 178.56                               |
| Other borrowing costs (includes LC, BG commission and bank charges) | 1,855.71                             | 1,380.75                             |
| <b>Total</b>  | <b>5,668.45</b>                      | <b>3,814.73</b>                      |
| <b>Note 27</b>  |                                      |                                      |
| <b>Other expenses</b>   |                                      |                                      |
| Lease rent (refer note 33)  | 19.49                                | 33.78                                |
| Repairs and maintenance   |                                      |                                      |
| Plant and equipment   | 76.44                                | 54.86                                |
| Buildings   | 91.81                                | 17.00                                |
| Others  | 13.77                                | 5.14                                 |
| Insurance   | 234.33                               | 167.82                               |
| Rates and taxes   | 22.12                                | 9.80                                 |
| CSR Expenditure (refer note no-42)                                  | 56.21                                | 59.75                                |
| Advertising and Business promotion Expenses                         | 5.82                                 | 0.14                                 |
| Travelling and conveyance expenses                                  | 205.39                               | 116.24                               |
| Commission on scrap sales   | 17.73                                | 27.87                                |
| Legal and professional fees   | 276.69                               | 206.79                               |
| Office maintenance expenses   | 151.06                               | 108.28                               |
| Payments to auditors  | 71.40                                | 87.43                                |
| MTM loss on forward contract  | -                                    | -                                    |
| Net loss on foreign currency transactions and translation           | 36.57                                | 26.03                                |
| Provision for doubtful debts  | 217.04                               | 24.97                                |
| Bad debts written off   | -                                    | 42.17                                |
| Miscellaneous expenses  |                                      |                                      |
| Freight Outward   | 240.00                               | 176.20                               |
| Loss on sale of assets  | 11.31                                | 2.88                                 |
| Property plant & equipment written off                              | -                                    | -                                    |
| Miscellaneous expenses  | 456.59                               | 442.31                               |
|   | <b>2,203.77</b>                      | <b>1,609.46</b>                      |
| <b>Payments to the auditors comprise:</b>                           |                                      |                                      |
| For audit (including limited reviews)                               | 61.50                                | 61.50                                |
| For tax audit   | 3.00                                 | 3.00                                 |
| For taxation matters  | 4.29                                 | 20.63                                |
| For certification service   | -                                    | 0.40                                 |
| For out of pocket expenses  | 2.47                                 | 1.90                                 |
| <b>Total</b>  | <b>71.26</b>                         | <b>87.43</b>                         |



**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

**Note 28**

**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 |
|   | <b>Carrying value</b> |                      |
| <b>Financial assets</b>                                       |                       |                      |
| <b>Measured at amortised cost</b>                             |                       |                      |
| <b>Non-current</b>  |                       |                      |
| Investments   | 12.09                 | 15.16                |
| Other financial assets  | 408.05                | 357.53               |
| <b>Current</b>  |                       |                      |
| Trade receivables   | 45,976.57             | 26,952.09            |
| Cash and cash equivalents                                     | 1,122.01              | 2,336.16             |
| Bank balances other than cash and cash equivalents            | 871.08                | 994.05               |
| Other Financial assets  | 33.42                 | 34.31                |
| <b>Total Financial assets</b>                                 | <b>48,423.22</b>      | <b>30,689.30</b>     |
| <b>Financial liabilities</b>                                  |                       |                      |
| <b>Measured at amortised cost</b>                             |                       |                      |
| <b>Non-current</b>  |                       |                      |
| Borrowings  | 352.94                | 1,017.43             |
| Lease Liabilities   | 305.97                | 571.85               |
| <b>Current</b>  |                       |                      |
| Short term borrowings   |                       |                      |
| Borrowings  | 24,629.65             | 12,861.92            |
| Trade payables  | 58,704.33             | 44,246.21            |
| Lease Liabilities   | 419.92                | 348.73               |
| Other financial liabilities                                   | 1,969.23              | 1,871.47             |
| <b>Total financial liabilities measured at amortised cost</b> | <b>86,382.04</b>      | <b>60,917.61</b>     |

The fair value of deposits, loans, trade receivables, cash and cash equivalents, bank balances, investments, trade payables, borrowings 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 |  |
| <b>Financial liability measured at fair value on recurring basis</b> |                      |                   |                |  |
| 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 Group has exposure to the following risks arising from financial instruments:

- Credit risk ; and
- Liquidity risk

**i. Risk management framework**

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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.





## JSW SEVERFIELD STRUCTURES LIMITED

Notes to the Consolidated Financial Statements

### Financial instruments – Fair values and risk management (continued)

#### Note 28

##### ii. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risk. The Group 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. Group's credit risk arises principally from the loans, trade receivables, cash and cash equivalents and bank deposits

##### Trade receivables

The Group'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 Group has an internal risk appraisal process in which the concerned head of departments provide their inputs with reference to the credit policy of the Group. Each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group'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 customer who accounts for more then 10% of total debtors amounting to Rs.36379.31 lakhs which is 80% of total debtors and As at 31 March 2022 three customer who accounts for more then 10% of total debtors amounting to Rs. 14,578.74 lakhs)

##### Impairment

At March 31, 2023 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 | 27,210.83                         | 14,250.13        |
| Past due 1–30 days            | 5,810.07                          | 4,925.95         |
| Past due 31–90 days           | 4,174.64                          | 1,265.51         |
| Past due 91 plus days         | 9,443.63                          | 6,510.50         |
|                               | <b>46,639.17</b>                  | <b>26,952.09</b> |

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, including underlying customers' credit ratings if they are available.

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.

The Group has had no significant history of credit default except as identified in case of specific customers and accordingly no amount has been recognised towards allowance for expected credit loss for other than those specified customers.

##### 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 Group did not have any amounts that were past due but not impaired. The Group has no collateral in respect of these loans.

##### Cash and cash equivalents

The Group 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 Consolidated Financial Statements

**Note 28**
**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 Group 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 Group 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 Group'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 Group is required to pay.

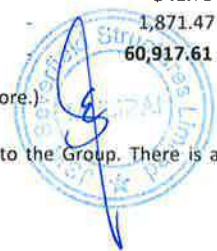
| As at March 31, 2023           | Carrying amount  | Contractual cash flows |               |                   | Total            |
|--------------------------------|------------------|------------------------|---------------|-------------------|------------------|
|                                |                  | Less than 1 year       | 1-5 years     | More than 5 years |                  |
| (Rupees in lakhs)              |                  |                        |               |                   |                  |
| <b>Financial Assets</b>        |                  |                        |               |                   |                  |
| <b>Non current</b>             |                  |                        |               |                   |                  |
| Investments                    | 12.09            | -                      | 12.09         | -                 | 12.09            |
| Other financial assets         | 408.05           | -                      | 408.05        | -                 | 408.05           |
| <b>Current</b>                 |                  |                        |               |                   |                  |
| Trade receivables              | 45,976.57        | 45,976.57              | -             | -                 | 45,976.57        |
| Cash and cash equivalents      | 1,122.01         | 1,122.01               | -             | -                 | 1,122.01         |
| Bank balances other than above | 871.08           | 871.08                 | -             | -                 | 871.08           |
| Other current assets           | 45,583.36        | 45,583.36              | -             | -                 | 45,583.36        |
| Other Financial assets         | 33.42            | 33.42                  | -             | -                 | 33.42            |
| <b>Total</b>                   | <b>94,006.58</b> | <b>93,586.44</b>       | <b>420.14</b> | -                 | <b>94,006.58</b> |
| <b>Financial Liabilities</b>   |                  |                        |               |                   |                  |
| <b>Non current</b>             |                  |                        |               |                   |                  |
| Borrowings                     | 352.94           | -                      | 352.94        | -                 | 352.94           |
| Lease Liabilities              | 305.97           | -                      | 305.97        | -                 | 305.97           |
| <b>Current</b>                 |                  |                        |               |                   |                  |
| Borrowings                     | 24,629.65        | 24,629.65              | -             | -                 | 24,629.65        |
| Trade payables                 | 58,704.33        | 58,704.33              | -             | -                 | 58,704.33        |
| Lease Liabilities              | 419.92           | 419.92                 | -             | -                 | 419.92           |
| Other financial liabilities    | 1,969.23         | 1,969.23               | -             | -                 | 1,969.23         |
| <b>Total</b>                   | <b>86,382.04</b> | <b>85,723.13</b>       | <b>658.91</b> | -                 | <b>86,382.04</b> |

| As at March 31, 2022           | Carrying amount  | Contractual cash flows |                 |                   | Total            |
|--------------------------------|------------------|------------------------|-----------------|-------------------|------------------|
|                                |                  | Less than 1 year       | 1-5 years       | More than 5 years |                  |
| (Rupees in lakhs)              |                  |                        |                 |                   |                  |
| <b>Financial Assets</b>        |                  |                        |                 |                   |                  |
| <b>Non current</b>             |                  |                        |                 |                   |                  |
| Investments                    | 15.16            | -                      | 15.16           | -                 | 15.16            |
| Other financial assets         | 357.53           | -                      | 357.53          | -                 | 357.53           |
| <b>Current</b>                 |                  |                        |                 |                   |                  |
| Trade receivables              | 26,952.09        | 26,952.09              | -               | -                 | 26,952.09        |
| Cash and cash equivalents      | 2,336.16         | 2,336.16               | -               | -                 | 2,336.16         |
| Bank balances other than above | 994.05           | 994.05                 | -               | -                 | 994.05           |
| Other current assets           | 52,291.92        | 52,291.92              | -               | -                 | 52,291.92        |
| Other Financial assets         | 34.31            | 34.31                  | -               | -                 | 34.31            |
| <b>Total</b>                   | <b>82,981.22</b> | <b>82,608.53</b>       | <b>372.69</b>   | -                 | <b>82,981.22</b> |
| <b>Financial Liabilities</b>   |                  |                        |                 |                   |                  |
| <b>Non current</b>             |                  |                        |                 |                   |                  |
| Borrowings                     | 1,017.43         | -                      | 1,017.43        | -                 | 1,017.43         |
| Lease Liabilities              | 571.85           | -                      | 571.85          | -                 | 571.85           |
| <b>Current</b>                 |                  |                        |                 |                   |                  |
| Borrowings                     | 12,861.92        | 12,861.92              | -               | -                 | 12,861.92        |
| Trade payables                 | 44,246.21        | 44,246.21              | -               | -                 | 44,246.21        |
| Lease Liabilities              | 348.73           | 348.73                 | -               | -                 | 348.73           |
| Other financial liabilities    | 1,871.47         | 1,871.47               | -               | -                 | 1,871.47         |
| <b>Total</b>                   | <b>60,917.61</b> | <b>59,328.33</b>       | <b>1,589.28</b> | -                 | <b>60,917.61</b> |

The group also has access to undrawn working capital sanctioned facilities from the bank Rs. 140.21 crore (Previous year 253.63 crore.)

**Collateral:**

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



**Note 28**

**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 Group'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. The Group uses derivatives to manage market risks.

**v. Currency risk**

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

The Group 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 group as at the year end are as follows:

|                               | (Rupees in lakhs)     |                        |                       |
|-------------------------------|-----------------------|------------------------|-----------------------|
|                               | March 31, 2023<br>USD | March 31, 2023<br>EURO | March 31, 2023<br>GBP |
| <b>Financial assets</b>       |                       |                        |                       |
| <b>Current</b>                |                       |                        |                       |
| Trade receivables             | 79.93                 | -                      | 30.13                 |
|                               | <u>79.93</u>          |                        | <u>30.13</u>          |
| <b>Financial liabilities</b>  |                       |                        |                       |
| <b>Current</b>                |                       |                        |                       |
| Payables for capital projects | 9.85                  | 70.98                  | -                     |
| Trade payables                | 9.37                  | 6.17                   | 639.33                |
|                               | <u>19.22</u>          | <u>77.14</u>           | <u>639.33</u>         |

|                               | (Rupees in lakhs)     |                        |                       |
|-------------------------------|-----------------------|------------------------|-----------------------|
|                               | March 31, 2022<br>USD | March 31, 2022<br>EURO | March 31, 2022<br>GBP |
| <b>Financial assets</b>       |                       |                        |                       |
| <b>Current</b>                |                       |                        |                       |
| Trade receivables             | 72.19                 | -                      | 15.13                 |
|                               | <u>72.19</u>          | <u>-</u>               | <u>15.13</u>          |
| <b>Financial liabilities</b>  |                       |                        |                       |
| <b>Current</b>                |                       |                        |                       |
| Payables for capital projects | 8.66                  | *66.71                 | -                     |
| Trade payables                | 197.97                | 36.09                  | 460.22                |
|                               | <u>206.63</u>         | <u>36.09</u>           | <u>460.22</u>         |

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

| INR | Year-end spot rate |                |
|-----|--------------------|----------------|
|     | 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 Group's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. 1% is the sensitivity rate used when reporting foreign currency internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. 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) | Profit / (loss)  |                       |                  |                       |
|---------------------------------|------------------|-----------------------|------------------|-----------------------|
|                                 | Strengthening    |                       | Weakening        |                       |
| <b>March 31, 2023</b>           |                  |                       |                  |                       |
|                                 | 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)           | 6.39                  | 0.30             | (6.39)                |

| Effect in INR (Rupees in lakhs) | Profit / (loss)  |                       |                  |                       |
|---------------------------------|------------------|-----------------------|------------------|-----------------------|
|                                 | Strengthening    |                       | Weakening        |                       |
| <b>March 31, 2022</b>           |                  |                       |                  |                       |
|                                 | 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)           | 4.60                  | 0.15             | (4.60)                |



**Note 28**  
**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 Group 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 Group are principally denominated in rupees. The Group 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 Group's fixed and floating rates borrowings:

|                          | Nominal amount (Rupees in lakhs) |                  |
|--------------------------|----------------------------------|------------------|
|                          | March 31, 2023                   | March 31, 2022   |
| <b>Borrowings</b>        |                                  |                  |
| Variable rate borrowings | 24,982.59                        | 13,879.35        |
| <b>Total</b>             | <b>24,982.59</b>                 | <b>13,879.35</b> |

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.

|                                    | (Rupees in lakhs) |                 |
|------------------------------------|-------------------|-----------------|
|                                    | Profit or (loss)  |                 |
|                                    | 100 bp increase   | 100 bp decrease |
| <b>March 31, 2023</b>              |                   |                 |
| Variable-rate instruments          | (249.83)          | 249.83          |
| <b>Cash flow sensitivity (net)</b> | <b>(249.83)</b>   | <b>249.83</b>   |
| <b>March 31, 2022</b>              |                   |                 |
| Variable-rate instruments          | (138.79)          | 138.79          |
| <b>Cash flow sensitivity (net)</b> | <b>(138.79)</b>   | <b>138.79</b>   |



**JSW SEVERFIELD STRUCTURES LIMITED**

## Notes to the Consolidated Financial Statements

**Note 29****Capital management**

The Group 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 Group 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.725.89 lakhs)(31 March 2022 Rs.920.58 lakhs) | 25,708.48            | 14,799.93            |
| Less - Cash and cash equivalents  | (1,122.01)           | (2,336.16)           |
| Less - Bank balances other than cash and cash equivalents                                 | (871.08)             | (994.05)             |
| <b>Adjusted net debt</b>  | <b>23,715.39</b>     | <b>11,469.72</b>     |
| Total equity  | 35,561.47            | 32,503.54            |
| Gearing ratio   | 0.67                 | 0.35                 |





**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

**Note 30**

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

**(i) Defined Contribution Plans:**

The Group recognised Rs. 217.59 lakhs for 31 March, 2023 ( 31 March 2022 : Rs. 209.07 lakhs) provident fund contributions , Labour Welfare Fund contributions and Employees state insurance corporation contributions in the Statement of Profit and Loss (refer note no.25).

**(ii) Defined Benefit Plan:**
**Gratuity**

The gratuity liability is partly funded and the same is accounted for based on third party 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 group due to retirement, superannuation, resignation or death at the rate of daily salary as per current accumulation of leave days with a ceiling of 180 days.

The plans in India typically expose the group to actuarial risks such as interest rate risk and salary 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. K.A.Pandit, Consultants &amp; 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                       | 457.96            | 416.56         |
| Fair value of Plan Assets at the end of the year | 40.63             | 39.32          |
| Net Obligation at the end of the year            | <b>417.33</b>     | <b>377.24</b>  |

**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)          |                |                           |                |   |                |
|--|----------------------------|----------------|---------------------------|----------------|---|----------------|
|  |                            |                | Gratuity                  |                |   |                |
|  | 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  | 416.56                     | 347.20         | 39.32                     | 37.36          | 377.24                                  | 309.84         |
| <b>Statement of profit and loss :- (refer note 26)</b> |                            |                |                           |                |   |                |
| Current service cost                                   | 53.38                      | 47.45          | -                         | -              | 53.38                                   | 47.45          |
| Past service cost                                      | -                          | -              | -                         | -              | -                                       | -              |
| Transferred to trial run expense                       | -                          | -              | -                         | -              | -                                       | -              |
| Interest cost (Income)                                 | 29.75                      | 24.58          | 2.71                      | 2.56           | 27.04                                   | 22.02          |
|  | <b>499.69</b>              | <b>419.23</b>  | <b>42.04</b>              | <b>39.92</b>   | <b>457.55</b>                           | <b>379.31</b>  |
| <b>Included in OCI :-</b>                              |                            |                |                           |                |   |                |
| Demographic assumptions                                | -                          | 27.90          | -                         | -              | -                                       | 27.90          |
| Financial assumptions                                  | (13.16)                    | 22.41          | -                         | -              | (13.16)                                 | 22.41          |
| Experience adjustment                                  | (4.60)                     | (6.05)         | -                         | -              | (4.60)                                  | (6.05)         |
| Return on plan assets excluding interest income        | -                          | -              | (1.40)                    | (0.60)         | 1.40                                    | 0.60           |
|  | <b>481.93</b>              | <b>463.49</b>  | <b>40.63</b>              | <b>39.32</b>   | <b>441.20</b>                           | <b>424.17</b>  |
| <b>Other :-</b>  |                            |                |                           |                |   |                |
| Contributions paid by the employer                     | -                          | -              | -                         | -              | -                                       | -              |
| Benefits paid  | (23.97)                    | (46.93)        | -                         | -              | (23.97)                                 | (46.93)        |
| <b>Closing balance (refer note 15 and 20)</b>          | <b>457.96</b>              | <b>416.56</b>  | <b>40.63</b>              | <b>39.32</b>   | <b>417.23</b>                           | <b>377.24</b>  |

The current service cost and net interest expense for the year are included in "Employee benefit 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**

|  | (Rupees in lakhs) |               |
|--|-------------------|---------------|
| Net defined benefit asset                            |                   |               |
| Net defined benefit liability (refer note 15 and 20) | 417.23            | 377.24        |
|  | <b>417.23</b>     | <b>377.24</b> |





**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

**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          | 6.90% - 7.41%  | 6.90% - 7.29%  |
| Salary escalation rate | 5.00% - 6.00%  | 5.00% - 6.00%  |
| Attrition rate         | 2% - 10%       | 2% - 10%       |

Assumptions regarding future mortality have been based on published statistics and Indian Assured Lives Mortality (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.

|   | (Rupees in lakhs) |          |                |          |
|---|-------------------|----------|----------------|----------|
|   | March 31, 2023    |          | March 31, 2022 |          |
|   | Increase          | Decrease | Increase       | Decrease |
| Discount rate (1% movement)             | (25.29)           | 28.42    | (24.25)        | 27.37    |
| Future salary growth (1% movement)      | 28.81             | (26.05)  | 27.61          | (24.88)  |
| Rate of employee turnover (1% movement) | 3.99              | (4.47)   | 2.68           | (2.71)   |

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. 130.15 lakhs (March 31, 2022 : Rs. 123.69 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) | 187.63         | 220.56         |
| Expense recognised in the Statement of Profit and Loss      | 54.06          | 76.34          |
| Discount rate (p.a.)  | 6.90% - 7.41%  | 6.90% - 7.29%  |
| Salary escalation (p.a.)                                    | 5.00% - 6.00%  | 5.00% - 6.00%  |
| Attrition rate (p.a.)                                       | 2% - 10%       | 2% - 10%       |

**Note 31****Earnings per share**

| Particulars   |              | Year ended     | Year ended     |
|---|--------------|----------------|----------------|
|   |              | March 31, 2023 | March 31, 2022 |
| Profit attributable to the Owners of the group (Rs.) (A)  | Rs. in lakhs | 3,038.25       | 1,708.13       |
| 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.)   | Rs.          | 10             | 10             |
| Earnings per share - basic and diluted (A/B)  | Rs.          | 0.77           | 0.43           |



**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

**Note 32**

**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)

| <u>Maturity analysis - contractual undiscounted cash flows</u> | <u>March 31, 2023</u> | <u>March 31, 2022</u> |
|--|-----------------------|-----------------------|
| Less than one year   | 471.89                | 424.68                |
| One to five years  | 324.05                | 619.76                |
| More than five years   | -                     | -                     |
| <b>Total undiscounted lease liabilities</b>                    | <b>795.93</b>         | <b>1,044.44</b>       |

**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 group 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, cherrypickers etc which can be cancelled by giving 7 days written notice.



**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

**Note 33**

**Related party disclosure**

**List of related parties with the Group**

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

JSW Steel Limited  
Severfield Plc  
Severfield Mauritius Limited

**Parties with whom the Group has entered into transactions during the year**

**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  
Severfield (NI) Limited (formerly known as Fisher Engineering Limited)  
Severfield Products and processing  
Atlas Ward Structures Limited  
JSW Steel Coated Products Limited  
JSW Cement Limited  
JSW Projects Limited  
JSW Energy limited  
Severfield (UK) Limited  
**Enterprises which exercise significant influence over the subsidiary**  
Structural Metal Decks Limited  
Firth Steels Limited  
SMD Asia LLP

**Key management personnel (KMP)**

Dr. Derek Randall  
Mr. Benedict Pratten (Director)  
Mr. Rajeev Pai  
Mr. Pawan Kedia  
Mr. Jugal Kishore Tandon  
Ms. Anuradha Bajpai  
Mr. Ranjeet Pillai  
Mr. Santanu Choudhury  
Mrs. Swatiika Gupta (Company Secretary)  
Mr. Alan Dunsmore



**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

| Particulars  | March 31, 2023  |  |   |           | March 31, 2022  |  |   |           |
|--|---|--|---|-----------|---|--|---|-----------|
|  | The shareholder or venturer or the holding company of the shareholder or venturer in respect of which the reporting Enterprise is a joint venture | Enterprises which exercise significant influence over the subsidiary | 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 | Enterprises which exercise significant influence over the subsidiary | Enterprises over which the shareholder or venturer in respect of which the reporting Enterprise is a joint venture exercise significant influence | Total     |
| <b>B. Transactions with related parties</b>                |   |  |   |           |   |  |   |           |
| <b>Reimbursement of expenses incurred on our behalf by</b> |   |  |   |           |   |  |   |           |
| JSW Steel Limited  | -   | -  | -   | -         | 29.82   | -  | -   | 29.82     |
| Severfield Reeve International Limited                     | -   | -  | 271.67  | 271.67    | -   | 236.98   | -   | 236.98    |
| <b>Expenses</b>  |   |  |   |           |   |  |   |           |
| Severfield PLC   | -   | -  | -   | -         | -   | -  | -   | -         |
| <b>Repairs and Maintenance-Plant &amp; Machinery</b>       |   |  |   |           |   |  |   |           |
| Firth Steel Limited  | -   | -  | -   | -         | -   | -  | -   | -         |
| <b>Technical Services Fees</b>                             |   |  |   |           |   |  |   |           |
| Structural Metal Decks Limited                             | -   | -  | 13.37   | 13.37     | -   | -  | -   | 13.37     |
| Firth Steel Limited  | -   | -  | 17.77   | 17.77     | -   | -  | -   | 17.77     |
| <b>Purchase of Raw Material</b>                            |   |  |   |           |   |  |   |           |
| JSW Steel Limited  | 28,407.57   | -  | -   | 28,407.57 | 11,578.76   | -  | -   | 11,578.76 |
| JSW Steel Coated Products Limited                          | -   | -  | 1,645.24  | 1,645.24  | -   | -  | 1,425.02  | 1,425.02  |
| <b>Contract revenue/ (loss)</b>                            |   |  |   |           |   |  |   |           |
| JSW Steel Limited  | 25,894.12   | -  | -   | 25,894.12 | 5,362.08  | -  | -   | 5,362.08  |
| JSW Steel Coated Products Limited                          | -   | -  | -   | -         | -   | -  | -   | -         |
| JSW vijayanagar metalics ltd                               | -   | -  | 46,043.30   | 46,043.30 | -   | -  | -   | -         |
| Bhushan Power and steel limited                            | -   | -  | 2,818.75  | 2,818.75  | -   | -  | 7,326.34  | 7,326.34  |
| Severfield (NI) Limited                                    | -   | -  | 15.00   | 15.00     | -   | -  | -   | -         |
| <b>Sale of products</b>                                    |   |  |   |           |   |  |   |           |
| JSW Steel Limited  | 236.88  | -  | -   | 236.88    | -   | -  | -   | -         |
| JSW Vijayanagar metalics limited                           | -   | -  | 7.56  | 7.56      | -   | -  | -   | -         |
| Ambar river coke Limited                                   | -   | -  | 10.67   | 10.67     | -   | -  | -   | -         |
| JSW cements limited  | -   | -  | 9.95  | 9.95      | -   | -  | 26.08   | 26.08     |
|  |   |  |   |           |   |  |   |           |
|  |   |  |   |           |   |  |   |           |
|  |   |  |   |           |   |  |   |           |

The remuneration with related parties (including goods and services tax charges) 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 | March 31, 2023 | March 31, 2023 | March 31, 2022 |
| Short term benefits      | 576.37         | 682.99         | 682.99         | 576.37         |
| Post employment benefits | 6.58           | 7.23           | 7.23           | 6.58           |
| <b>Total</b>             | <b>582.95</b>  | <b>690.23</b>  | <b>690.23</b>  | <b>582.95</b>  |



**JSW SEVERFIELD STRUCTURES LIMITED**

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(Rupees in lakhs)

| Particulars                                  | March 31, 2023  |  |   |           | March 31, 2022  |  |   |           |
|--|---|--|---|-----------|---|--|---|-----------|
|  | The shareholder or venturer or the holding company of the shareholder or venturer in respect of which the reporting Enterprise is a joint venture | Enterprises which exercise significant influence over the subsidiary | Enterprises over which the investing party 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 | Enterprises which exercise significant influence over the subsidiary | Enterprises over which the investing party or venturer in respect of which the reporting enterprise is a joint venture exercise significant influence | Total     |
| <b>C. Closing balance of related parties</b> |   |  |   |           |   |  |   |           |
| <b>Trade payables</b>                        |   |  |   |           |   |  |   |           |
| JSW Steel Limited                            | 1,872.70  | -  | -   | 1,872.70  | 2,398.01  | -  | -   | 2,398.01  |
| Severfield Reeve International Limited       | -   | -  | 153.68  | 153.68    | -   | -  | -   | -         |
| JSW Steel Coated Products Limited            | -   | -  | -   | -         | -   | -  | 581.63  | 581.63    |
| Severfield (NI) limited                      | -   | -  | -   | -         | -   | -  | 89.25   | 89.25     |
| Firth Steel Limited                          | -   | -  | -   | -         | -   | -  | -   | -         |
| Structural Metal Decks Limited               | -   | -  | 3.61  | 3.61      | -   | -  | 5.17  | 5.17      |
| <b>Trade receivables</b>                     |   |  |   |           |   |  |   |           |
| JSW Steel Limited                            | 12,998.17   | -  | -   | 12,998.17 | 10,382.26   | -  | -   | 10,382.26 |
| JSW Steel Coated Products Limited            | -   | -  | 4.25  | 4.25      | -   | -  | 83.55   | 83.55     |
| JSW vijaynagar metallics ltd                 | -   | -  | 9,041.59  | 9,041.59  | -   | -  | 2,055.08  | 2,055.08  |
| JSW Paradip Terminal Private Limited         | -   | -  | 217.04  | 217.04    | -   | -  | 267.20  | 267.20    |
| Severfield (NI) Limited                      | -   | -  | 14.15   | 14.15     | -   | -  | (0.84)  | (0.84)    |
| Severfield Products and Processing           | -   | -  | 7.26  | 7.26      | -   | -  | 7.26  | 7.26      |
| Severfield (UK) Limited                      | -   | -  | 8.71  | 8.71      | -   | -  | 8.71  | 8.71      |
| <b>Advances given</b>                        |   |  |   |           |   |  |   |           |
| Severfield (NI) Limited                      | -   | -  | -   | -         | -   | -  | -   | -         |
| Severfield Reeve International Limited       | -   | -  | -   | -         | -   | -  | 84.23   | 84.23     |
| JSW steel Ltd                                | -   | -  | -   | -         | 269.93  | -  | -   | 269.93    |
| JSW Steel Coated Products Limited            | -   | -  | 41.31   | 41.31     | -   | -  | -   | -         |
| <b>Advances received</b>                     |   |  |   |           |   |  |   |           |
| JSW.cement limited                           | -   | -  | -   | -         | -   | -  | 0.01  | 0.01      |
| JSW vijaynagar metallics ltd                 | -   | -  | -   | -         | -   | -  | 5,171.72  | 5,171.72  |
| JSW Steel Limited                            | -   | -  | -   | -         | 1,164.76  | -  | -   | 1,164.76  |



**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

**Note 34****Contingent liabilities and commitments (to the extent not provided for)**(Rupees in lakhs)  
March 31, 2023    March 31, 2022**Particulars****Contingent liabilities**

Claims against the Group 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 (net of advance)(refer note 21) 600.30                      989.77b. The Group has imported capital goods under the export promotion capital goods scheme to utilise the benefit of zero or concessional customs duty rate. These benefits are subject to future exports. The export obligation aggregates to :(refer note 16 and 21) 1,557.25                      1,557.25**Note 35****Segment reporting**

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

**A. Non - current operating assets**

All non-current assets other than financial instruments of the Group are located in India.

**B. Information about major customers**

Revenue from major customers of the Group was Rs 82,127.69 lakhs as on March 31, 2022 (Previous year March 31 2022: Rs.12,688.42 lakhs.)

**C. Revenue from operations**

|                         | (Rupees in lakhs)                 |               |             |                                   |               |             |
|-------------------------|-----------------------------------|---------------|-------------|-----------------------------------|---------------|-------------|
|                         | 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 | 1,38,302.89                       | 89.57         | 1,38,392.46 | 1,04,300.69                       | 82.36         | 1,04,383.05 |

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

**Note 36****Dues to micro enterprises and small enterprises (refer note no-18)****Particulars**

The amounts remaining unpaid to micro and small suppliers as at the end of the year

|           | (Rupees in lakhs) |                |
|-----------|-------------------|----------------|
|           | March 31, 2023    | March 31, 2022 |
| Principal | 1,034.80          | 3,536.87       |
| Interest  | 198.62            | 219.35         |

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 | 35.48 | 48.62 |
| FY-2020-21 | 30.20 | 41.32 |
| 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





**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

**Note 37**

**Derivatives**

The Group uses foreign currency forward contracts to mitigate its risks associated with foreign currency fluctuations relating to certain firm commitments. The use of foreign currency forward contracts is governed by the Group's strategy approved by the Board of Directors. The Forward Exchange Contracts entered into by the Group and remaining outstanding are as under:

| As at         | No of contracts | Type | Currency | Value  | INR Equivalent in lakhs |
|---------------|-----------------|------|----------|--------|-------------------------|
| March 31,2023 |                 |      |          |        |                         |
| March 31,2022 | 2               | 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 |
| <b>Financial assets</b>           |          |                            |                 |                            |                 |
| Trade receivables                 | USD      | 98,209                     | 79.93           | 98,209                     | 72.19           |
|                                   | GBP      | 28,442                     | 30.13           | 13,042                     | 15.13           |
| <b>Total</b>                      |          |                            | 110.05          |                            | 87.32           |
| <b>Financial liabilities</b>      |          |                            |                 |                            |                 |
| Trade payables - capital projects | Euro     | 79,502                     | 70.98           | 79,502                     | 66.71           |
|                                   | USD      | 12,000                     | 9.85            | 12,000                     | 8.66            |
|                                   | Euro     | 6,910                      | 6.17            | 45,167                     | 36.09           |
| Trade payables                    | USD      | 11,413                     | 9.37            | 2,66,900                   | 197.97          |
|                                   | GBP      | 6,31,263                   | 639.33          | 4,50,470                   | 460.22          |
| <b>Total</b>                      |          |                            | 735.70          |                            | 769.65          |



**JSW SERVERFIELD STRUCTURES LIMITED**

Notes to the Consolidated Financial Statements

**Note 38**
**Income tax expenses / ( benefits )**

(Rupees in lakhs)

| Particulars  | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Profit or loss section:  |                                      |                                      |
| Current tax  | 158.79                               | 315.15                               |
| Deferred tax   | 315.60                               | (3.89)                               |
| Excess provision reversal of earlier years                               | (0.21)                               | -                                    |
| <b>Income tax expense reported in profit or loss</b>                     | <b>474.18</b>                        | <b>311.26</b>                        |
| Other comprehensive income section:                                      |                                      |                                      |
| (i) Items not to be reclassified to profit or loss in subsequent periods | (0.24)                               | 0.12                                 |
| <b>Income tax expense reported in other comprehensive income</b>         | <b>(0.24)</b>                        | <b>0.12</b>                          |
| <b>Total tax expenses</b>  | <b>473.94</b>                        | <b>311.38</b>                        |

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

| Particulars  | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| <b>Profit before tax</b>   | <b>3,657.44</b>                      | <b>2,330.48</b>                      |
| Enacted tax rate in India  | 25.168%                              | 25.168%                              |
| <b>Expected income tax expenses at statutory tax rate</b>              | <b>920.51</b>                        | <b>586.53</b>                        |
| Income exempt from taxation  | -                                    | 10.23                                |
| Deferred tax asset not recognised                                      | -                                    | 273.39                               |
| Expenses not Deductible in determining taxable profit due to permanent | (4.54)                               | (6.52)                               |
| Other Adjustment   | 2.11                                 | (1.83)                               |
| <b>Tax expenses for the year</b>                                       | <b>474.18</b>                        | <b>311.26</b>                        |
| <b>Effective tax rate</b>  | <b>12.96%</b>                        | <b>13.36%</b>                        |

**Deferred tax assets / ( liabilities )**

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

| Deferred tax balance in relation to                        | As at<br>March 31,<br>2022 | Recognised /<br>reversed through<br>profit and loss | Recognised in /<br>reclassified from other<br>comprehensive income | As at<br>March 31, 2023 |
|--|----------------------------|---|--|-------------------------|
| Property, plant & equipments                               | (2,313.54)                 | 206.60  | -  | (2,106.94)              |
| Carried forward business loss /<br>unabsorbed depreciation | 2,150.17                   | (845.60)  | -  | 1,304.57                |
| Provisions for employee benefit                            | 153.39                     | 1.94  | 0.24   | 155.57                  |
| Others   | 10.08                      | (10.08)   | -  | -                       |
| Provision for doubtful debts                               | -                          | 171.94  | -  | 171.94                  |
| Provision for doubtful debts (unbilled)                    | -                          | 138.06  | -  | 138.06                  |
| ROU  | -                          | (160.96)  | -  | (160.96)                |
| Lease  | -                          | 182.70  | -  | 182.70                  |
| <b>Total</b>   | <b>0.10</b>                | <b>(315.39)</b>                                     | <b>0.24</b>  | <b>(315.07)</b>         |

| Deferred tax balance in relation to                        | As at<br>April 1, 2021 | Recognised /<br>reversed through<br>profit and loss | Recognised in /<br>reclassified from other<br>comprehensive income | As at<br>March 31, 2022 |
|--|------------------------|---|--|-------------------------|
| Property, plant & equipments                               | (1,996.21)             | (317.33)  | -  | (2,313.54)              |
| Carried forward business loss /<br>unabsorbed depreciation | 1,853.74               | 296.43  | -  | 2,150.17                |
| Provisions for employee benefit                            | 124.43                 | 29.08   | (0.12)   | 153.39                  |
| Others   | 14.36                  | (4.29)  | -  | 10.08                   |
| <b>Total</b>   | <b>(3.68)</b>          | <b>3.89</b>   | <b>(0.12)</b>  | <b>0.10</b>             |



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

Expiry schedule of below losses on which deferred tax assets have been not recognised: (Rupees in lakhs)  
As at March 31, 2023

| Particulars             | Less than 1<br>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: (Rupees in lakhs)  
As at March 31, 2022

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



Note 39

Disclosure under Ind AS 115, Revenue from Contracts with Customers

|  | (Rupees in lakhs) |                |
|--|-------------------|----------------|
|  | March 31, 2023    | March 31, 2022 |
| <b>Details of contract asset</b>   |                   |                |
| <b>Unbilled Revenue:</b>   |                   |                |
| Balance as on April 1, 2022  | 52,291.92         | 33,211.97      |
| 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   | 45,583.35         | 52,291.91      |
| <b>Details of contract liabilities:</b>  |                   |                |
| Balance as on April 1, 2022  | 2,947.61          | 3,098.62       |
| Add: Advances received from the customers  | 65,753.14         | 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 periods | 839.65            | 3,098.62       |
| Balance as on March 31, 2023   | 3,452.47          | 2,947.61       |

As on March 31, 2023, revenue recognised in the current period from performance obligation satisfied/partially satisfied in previous year is NIL (Previous year NIL).

| Particulars                                   | (Rupees in lakhs) |                |
|---|-------------------|----------------|
|   | March 31, 2023    | March 31, 2022 |
| Sale of products and services (refer note 22) | 1,34,336.48       | 1,00,660.51    |
| Other operating revenue                       | 4,055.98          | 3,722.54       |
| Total revenue from contracts with customers   | 1,38,392.46       | 1,04,383.05    |

| Particulars                                 | (Rupees in lakhs) |                |
|---|-------------------|----------------|
|   | March 31, 2023    | March 31, 2022 |
| Within India                                | 1,38,302.89       | 1,04,300.69    |
| Outside India                               | 89.57             | 82.36          |
| Total revenue from contracts with customers | 1,38,392.46       | 1,04,383.05    |

| Timing of revenue recognition               | (Rupees in lakhs) |                |
|---|-------------------|----------------|
|   | March 31, 2023    | March 31, 2022 |
| At a point in time                          | 9,425.19          | 13,158.22      |
| Over a period of time                       | 1,28,967.27       | 91,224.83      |
| Total revenue from contracts with customers | 1,38,392.46       | 1,04,383.05    |

| Product wise   | (Rupees in lakhs) |                |
|--|-------------------|----------------|
|  | March 31, 2023    | March 31, 2022 |
| Design, Fabricated and Erection of Structural Steel Structures | 1,28,952.27       | 91,182.70      |
| Sale of products (including Traded Goods)                      | 5,384.21          | 9,461.76       |
| Job work charges   | -                 | 16.05          |
| Sale of scrap material   | 4,039.80          | 3,478.80       |
| Freight Charges  | -                 | 176.13         |
| Reversal of Indirect tax provision                             | -                 | -              |
| Duty drawback & benefits on exports                            | 1.18              | 41.53          |
| Income from design services                                    | 15.00             | 26.08          |
|  | 1,38,392.46       | 1,04,383.05    |

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



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

| Revenue                                  | (Rupees in lakhs)  |                    |
|--|--------------------|--------------------|
|  | March 31, 2023     | March 31, 2022     |
| External Customer                        | 1,38,392.46        | 1,04,383.05        |
| Inter-segment                            | -                  | -                  |
| Inter-segment adjustment and elimination | -                  | -                  |
| <b>Total</b>                             | <b>1,38,392.46</b> | <b>1,04,383.05</b> |

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

| Particulars      | 2024            | 2025          | 2026     | Beyond 2026 | Total           |
|------------------|-----------------|---------------|----------|-------------|-----------------|
| Contract Revenue | 1,10,435        | 29,404        | -        | -           | 1,39,839        |
| <b>Total</b>     | <b>1,10,435</b> | <b>29,404</b> | <b>-</b> | <b>-</b>    | <b>1,39,839</b> |

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

| Particulars      | 2023            | 2024          | 2025     | Beyond 2025 | Total           |
|------------------|-----------------|---------------|----------|-------------|-----------------|
| Contract Revenue | 1,25,046        | 40,985        | -        | -           | 1,66,031        |
| <b>Total</b>     | <b>1,25,046</b> | <b>40,985</b> | <b>-</b> | <b>-</b>    | <b>1,66,031</b> |



**JSW SEVERFIELD STRUCTURES LIMITED**

## Notes to the Consolidated Financial Statements

**Note 40**

The Group was required to spend Rs. 55.40 lakh (31 March 2022 Rs. 59.63 lakhs) and has spent Rs. 56.21 lakh (31st March 2022 Rs.59.75 lakhs) towards Corporate Social Responsibility as prescribed under 135 of the Companies Act, 2013. The details are as follows.

| Particulars  | Year ended<br>31st March 2023                                | Year ended<br>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) | 55.40  | 59.63  |
| 2. Amount of expenditure incurred  | -  | -  |
| (i) Construction/acquisition of any asset  | -  | -  |
| (ii) For the purpose other than (i) above  | 56.21  | 59.75  |
| 3. Shortfall at the end of the period/year   | -  | -  |
| 4. Total of previous years shortfall   | -  | -  |
| 5. Reason for shortfall  | -  | -  |
| 6. Nature of CSR activities  | <b>Other than<br/>construction/acquisition of<br/>assets</b> | <b>Other than<br/>construction/acquisition<br/>of assets</b> |
| 7. Details of Related party transactions   | -  | -  |
| 8. Liability incurred by entering into contractual obligatic   | -  | -  |

**Note 41**

The group has receivables of Rs. 72.00 Lakhs from customer related to export of goods and services which are outstanding for more than prescribed period under master circulars issued by Reserve Bank of India with respect to timelines for collection of export proceeds. Management has approached its AD bank for seeking an approval for extension of the timelines for collection of such amount, however no confirmation on extension has been received from Reserve Bank of India yet. This amount has been fully provided in the books of account.





**JSW SEVERFIELD STRUCTURES LIMITED**

Notes to the Standalone Financial Statements

**Note 42**

- i. The Company has no transactions with the Companies struck off under Section 248 of the Companies Act, 2013.
- ii. 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.
- iii. The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- iv. 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, 2017.
- v. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- vi. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- vii. 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:
- viii. 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:
- ix. 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 )



**Note 43**

Disclosure of additional information as required by Division II of Schedule III to the Companies Act, 2013

As at and for the year ended 31st March, 2023

(Rupees in lakhs)

| Name of the entity in the Group                | Net Asset, i.e. total assets minus total liabilities |                  | Share in profit or loss             |                 | Share In other Comprehensive income             |              | Share in total comprehensive income             |                 |
|--|--|------------------|-------------------------------------|-----------------|---|--------------|---|-----------------|
|  | As % of consolidated net assets                      | Amount           | As % of consolidated profit or loss | Amount          | As % of consolidated other Comprehensive income | Amount       | As % of consolidated total comprehensive income | Amount          |
| <b>Parent</b>                                  |  |                  |                                     |                 |   |              |   |                 |
| JSW Severfield Structures Limited              | 92.84%   | 34,104.15        | 86.32%                              | 2,747.83        | 83.17%  | 16.36        | 86.30%  | 2,764.19        |
| <b>Subsidiary</b>                              |  |                  |                                     |                 |   |              |   |                 |
| JSW Structural Metal Decking Limited           | 6.39%  | 2,346.86         | 9.17%                               | 292.03          | -3.66%  | (0.72)       | 9.10%   | 291.31          |
| Non Controlling Interest                       | 3.19%  | 1,173.22         | 4.56%                               | 145.00          | -1.20%  | (0.24)       | 4.52%   | 144.76          |
| <b>Adjustment arising out of consolidation</b> | -2.42%   | (889.54)         | -0.05%                              | (1.61)          | 0.00%   | -            | -0.05%  | (1.61)          |
| <b>Total</b>                                   | <b>100.00%</b>                                       | <b>36,734.69</b> | <b>100.00%</b>                      | <b>3,183.26</b> | <b>78.31%</b>                                   | <b>19.67</b> | <b>99.87%</b>                                   | <b>3,202.92</b> |

As at and for the year ended 31st March, 2022

(Rupees in lakhs)

| Name of the entity in the Group                | Net Asset, i.e. total assets    |                  | Share in profit or loss             |                 | Share In other Comprehensive income             |                | Share in total comprehensive                    |                 |
|--|---------------------------------|------------------|-------------------------------------|-----------------|---|----------------|---|-----------------|
|  | As % of consolidated net assets | Amount           | As % of consolidated profit or loss | Amount          | As % of consolidated other Comprehensive income | Amount         | As % of consolidated total comprehensive income | Amount          |
| <b>Parent</b>                                  |                                 |                  |                                     |                 |   |                |   |                 |
| JSW Severfield Structures Limited              | 93.46%                          | 31,339.26        | 53.80%                              | 1,086.33        | 100.80%   | (42.46)        | 52.80%  | 1,043.87        |
| <b>Subsidiary</b>                              |                                 |                  |                                     |                 |   |                |   |                 |
| JSW Structural Metal Decking Limited           | 6.13%                           | 2,055.38         | 30.86%                              | 623.16          | -0.54%  | 0.23           | 31.53%  | 623.39          |
| Non Controlling Interest                       | 3.07%                           | 1,028.46         | 15.41%                              | 311.09          | -0.27%  | 0.11           | 15.74%  | 311.20          |
| <b>Adjustment arising out of consolidation</b> | -2.66%                          | (891.10)         | -0.07%                              | (1.36)          | 0.00%   | -              | -0.07%  | (1.36)          |
| <b>Total</b>                                   | <b>100.00%</b>                  | <b>33,532.00</b> | <b>100.00%</b>                      | <b>2,019.22</b> | <b>100.00%</b>                                  | <b>(42.12)</b> | <b>100.00%</b>                                  | <b>1,977.10</b> |

**Note 48**

Appropriate adjustments have been made to the prior period comparatives, wherever required, to bring them in line with current period classification and groupings in accordance with amended Schedule III of the Companies Act, 2013, which has been effective from 1 April 2021.

In terms of our report attached

For B S R & Co. LLP

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

Chartered Accountants

*Amar Sunder*  
Amar Sunder  
Partner

Membership No-

For and on behalf of the Board of Directors

PAWAN KEDIA

Chairman

DIN No: 00020570

SANTANU CHOUDHURY

Chief Financial Officer

DEREK RANDALL

Director

DIN No:02433966

SWATIKA GUPTA

Company Secretary

Membership no. A28582

Place: Mumbai

Date : 03 May 2023

