

# JSW Steel Coated Products Limited

Financial statements for the year ended March 31, 2017

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of JSW Steel Coated Products Limited

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of JSW Steel Coated Products Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose 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 Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) 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:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 34 to the Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;



# **S R B C & CO LLP**

Chartered Accountants

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- iv. The Company has provided requisite disclosures in Note 10 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

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

  
per Vikram Mehta  
Partner  
Membership Number: 105938  
Place of Signature: Mumbai  
Date: April 28, 2017



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**Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**

**Re: JSW Steel Coated Products Limited ("the Company")**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company, except for the immovable properties which were transferred to the Company by virtue of scheme of amalgamation approved by high court and these are in process of being registered in the name of Company. Details of the same is as below;

Total Number of Cases	Nature of immovable Property	As at March 31, 2017 (Rs. in Crore)	
		Gross Block	Net block
2	Free hold land	4.85	4.85

- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31 March 2017 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors or to a Company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. In respect of loans and advances given, investments made and, guarantees, and securities given provisions of section 186 of the Companies Act 2013 have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of steel coils and sheets, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.



- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	1.77	2002-04	Bombay High Court
		6.40	2002-14	Custom, Excise and Service Tax Appellate Tribunal, Mumbai
		80.59	1993-2013	Commissioner of Central Excise, Mumbai
		0.01	2007-09	The Commissioner of Central Excise (Appeals), Mumbai
		3.15	2003-15	The Commissioner of Central Excise (Appeals), Nagpur
		14.54	2002-14	Additional Commissioner of Central Excise, Nagpur
The Customs Act, 1962	Customs Duty	0.37	1994-95	Bombay High Court
		7.19	2012-13	Custom, Excise and Service Tax Appellate Tribunal, Mumbai
		0.19	2009	Commissioner of Customs (Appeals), Mumbai
		0.43	1993-94	Commissioner of Customs (Export), Mumbai
		0.63	1993-96	Commissioner of Customs (Adjudication), Mumbai
The Bombay Sales Tax Act, 1959	Sales Tax	3.62	2000-03	The Sales Tax Tribunal, Mumbai



Name of the Statute	Nature of Dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Value Added Tax, 2003	Sales Tax	3.28	2003-05	The Sales Tax Tribunal, Mumbai
		4.88	2013-2017	Asst. Commissioner, Sales Tax, Mumbai
		69.09	2008-09	Jt. Commissioner (Appeals), Sales Tax, Mumbai
Chapter V of the Finance Act, 1994	Service Tax	36.84	2004-13	Custom, Excise and Service Tax Appellate Tribunal, Mumbai
		0.80	2009-14	The Commissioner of Service Tax, Mumbai
		1.86	2006-11	The Commissioner, Central Excise, Nagpur
		0.85	2011-15	The Joint Commissioner, Central Excise, Nagpur
		0.07	2006-13	Dy. Commissioner, Central Excise, Kalyan.
The Income Tax Act, 1961	Income Tax	0.16	2013-15	Commissioner Appeals, CIT (Appeals), Nagpur
		0.36	2014-15	CIT (Appeals), Mumbai

- (viii) According to the information and explanations given by the management, the Company has defaulted in repayment of loan to government. Loan from Government amounting to Rs. 75,46,833/- became due for payment on 30 September 2016 which were paid by the Company on 5 October 2016. The Company has not defaulted in repayment of borrowing to a bank and did not have any outstanding dues in respect of financial institution or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer/debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.



JSW Steel Coated Products Limited

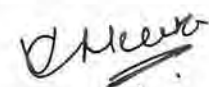
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- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C &amp; CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vikram Mehta  
Partner

Membership Number: 105938



Place: Mumbai

Date: April 28, 2017

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**ANNEXURE '2' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF JSW STEEL COATED PRODUCTS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the  
Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of JSW Steel Coated Products Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.



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**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

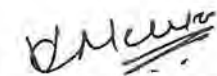
**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C &amp; CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vikram Mehta  
Partner

Membership Number: 105938

Place of Signature: Mumbai

Date: April 28, 2017



**JSW STEEL COATED PRODUCTS LIMITED**  
CIN - U27100MH1985PLC037346  
BALANCE SHEET AS AT MARCH 31, 2017

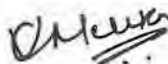
				(Rupees in crore)
	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>I. ASSETS</b>				
(1) Non-current assets				
Property, plant and equipment	4	1,799.56	1,900.06	1,941.77
Capital work-in-progress	4	39.97	42.91	74.63
Intangible Assets	5	4.84	6.03	4.04
Financial Assets	6			
Investments		31.50	34.31	52.17
Deposits		10.70	6.15	6.27
Loans		4.50	3.63	-
Other non-current assets	7	88.14	40.72	54.17
		<b>1,979.21</b>	<b>2,033.81</b>	<b>2,133.05</b>
(2) Current assets				
Inventories	8	1,010.99	716.16	963.91
Financial assets				
Trade receivables	9	264.60	128.87	146.99
Cash and cash equivalent	10	11.77	6.50	13.57
Derivative Instruments	6	56.49	9.17	5.53
Loans	6	0.61	-	-
Other Financial Assets	6	4.38	3.11	16.98
Other current assets	11	497.58	555.26	580.62
Non current asset classified as held for Sale	4	10.69	-	-
		<b>1,857.11</b>	<b>1,417.07</b>	<b>1,727.60</b>
<b>TOTAL</b>		<b>3,836.32</b>	<b>3,450.88</b>	<b>3,860.65</b>
<b>II. EQUITY AND LIABILITIES</b>				
(1) Equity				
Equity Share capital		50.05	50.05	50.05
Other Equity				
Retained earnings		139.20	(135.47)	(208.40)
Other reserves		1,284.85	1,256.66	1,278.97
<b>Total Equity</b>		<b>1,474.10</b>	<b>1,171.24</b>	<b>1,120.62</b>
<b>Liabilities</b>				
(1) Non-current liabilities				
Financial Liabilities				
Borrowings	12	650.62	738.83	827.55
Long-term provisions	17	1.80	2.31	2.36
Deferred tax liabilities (net)	14	345.66	351.36	353.67
		<b>998.08</b>	<b>1,092.50</b>	<b>1,183.58</b>
(2) Current liabilities				
Financial Liabilities				
Borrowings	12	0.21	271.77	533.34
Trade payables	15A	980.17	552.23	690.40
Other payables	15B	42.35	40.60	86.89
Derivative Liabilities	13	22.06	6.76	4.36
Other financial liabilities	13	95.95	129.89	67.99
Other current liabilities	16	161.75	132.97	128.47
Net employee defined benefit liabilities	31	37.85	35.79	29.71
Liabilities for current tax (net)		6.07	0.53	-
Short-term provisions	17	17.73	16.60	15.29
		<b>1,364.14</b>	<b>1,187.14</b>	<b>1,556.45</b>
<b>TOTAL</b>		<b>3,836.32</b>	<b>3,450.88</b>	<b>3,860.65</b>

**Significant Accounting Policies**

The accompanying notes are an integral part of the financial statements

2


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


  
per Vikram Mehta  
Partner  
Membership No. 105938




Place: Mumbai  
Date: April 28, 2017

For and on behalf of the Board of Directors  
of JSW Steel Coated Products Limited

  
Rajeev Pai  
Director

  
Nileep Bhatt  
Whole Time Director  
President (Coated Products)

  
Deepti Walawalkar  
Company Secretary

  
Hemant Shete  
Chief Financial Officer

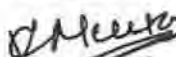
Place: Mumbai  
Date: April 28, 2017



JSW STEEL COATED PRODUCTS LIMITED  
CIN - U27100MH1985PLC037346  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

		(Rupees in crore)	
	Note no.	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Revenue from operations	18	9,752.63	7,698.68
Other income	19	1.78	3.39
Finance income	20	20.47	32.12
<b>Total income</b>		<b>9,774.88</b>	<b>7,734.19</b>
Expenses:			
Cost of materials consumed	21	7,424.83	5,444.04
Changes in inventories of Finished goods and semi finished goods	22	(166.97)	180.99
Excise duty expense		681.67	577.91
Employee benefits expense	23	241.88	223.16
Depreciation and amortization expense	24	151.37	146.37
Finance costs	25	120.05	142.24
Other expenses	26	941.55	924.41
<b>Total expenses</b>		<b>9,394.38</b>	<b>7,639.12</b>
<b>Profit before Tax</b>		<b>380.50</b>	<b>95.07</b>
Tax expense:			
Current tax		125.13	34.88
Deferred tax		(21.14)	(14.53)
		<b>103.99</b>	<b>20.35</b>
<b>Profit for the year</b>		<b>276.51</b>	<b>74.72</b>
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		47.41	(1.53)
Income tax effect		(16.41)	0.53
<b>Net Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>		<b>31.00</b>	<b>(1.00)</b>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		(2.81)	(2.74)
Income tax effect		0.97	0.95
		<b>(1.84)</b>	<b>(1.79)</b>
Net (loss)/ gain on fair value of equity securities		(2.81)	(21.26)
Income tax effect		(0.00)	(0.05)
		<b>(2.81)</b>	<b>(21.31)</b>
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>		<b>(4.65)</b>	<b>(23.10)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>26.35</b>	<b>(24.10)</b>
<b>Total comprehensive income for the year, net of tax attributable to equity shareholders:</b>			
Profit for the year		276.51	74.72
Total comprehensive income for the year		302.86	50.62
<b>Earnings per equity share:</b>			
Basic and Diluted (Face value per share Rs.10)	30	<b>55.25</b>	<b>14.93</b>
<b>Significant Accounting Policies</b>	2		
The accompanying notes are an integral part of the financial statements			

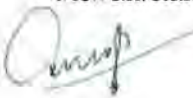
As per our report of even date  
For S R B C & CO LLP  
Chartered Accountants  
ICAI Registration No : 324982E/ E300003

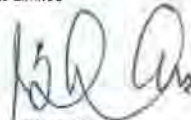
  
per Vikram Mehta  
Partner  
Membership No : 105938





Place: Mumbai  
Date : April 28, 2017

For and on behalf of the Board of Directors  
of JSW Steel Coated Products Limited

  
Rajeev Pai  
Director

  
Dileep Bhatt  
Whole Time Director  
President (Coated Products)

  
Deepthi Walawalkar  
Company Secretary

  
Hemant Shete  
Chief Financial Officer

Place: Mumbai  
Date : April 28, 2017



**JSW STEEL COATED PRODUCTS LIMITED**  
**CIN - U27100MH1985PLC037346**  
**Cash Flows for the Year Ended March 31, 2017**

	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>A. Cash Flow From Operating Activities</b>		
Profit Before Tax	380.50	95.07
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	151.37	146.37
Profit on sale of Property, Plant and Equipments (net)	(0.50)	(1.30)
Interest Income	(20.47)	(32.12)
Dividend Income from Non current investment	(0.88)	(0.88)
Interest Expenses	120.05	142.24
Unrealised exchange (gain) / loss	39.62	4.75
Government grant	(0.40)	(1.21)
	<u>288.79</u>	<u>257.85</u>
Operating profit before working capital changes	<b>669.29</b>	<b>352.92</b>
Movements in working capital :		
Decrease/ (Increase) in Inventories	(294.83)	247.75
Decrease/ (Increase) in Trade Receivables	(142.80)	22.22
Decrease/ (Increase) in Derivative assets	0.09	(5.18)
Decrease/ (Increase) in Other Non Current Assets	(15.04)	(2.93)
Decrease/ (Increase) in Non Current Deposits	(4.56)	0.12
Decrease/ (Increase) in Other Current Assets	57.68	25.36
Decrease/ (Increase) in Other Financial Assets	(1.27)	13.84
(Decrease)/ Increase in Other Payables	(1.61)	11.84
(Decrease)/ Increase in Long Term Provisions	(0.50)	(0.06)
(Decrease)/ Increase in Trade Payables	415.59	(136.36)
(Decrease)/ Increase in Net employee defined benefit liabilities	(0.75)	3.34
(Decrease)/ Increase in Other Current Liabilities	28.78	4.49
(Decrease)/ Increase in Derivative Liabilities	(6.76)	(4.36)
(Decrease)/ Increase in Short Term Provisions	1.13	(4.44)
	<u>35.15</u>	<u>175.63</u>
Cash generated from / (used in) operations	<b>704.44</b>	<b>528.55</b>
Direct Taxes Paid (net of refunds)	(114.67)	(20.72)
Net cash flow from/ (used in) operating activities (A)	<b>589.77</b>	<b>507.83</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Property, Plant and Equipments and capital advances	(125.30)	(56.13)
Purchase of Non current Investments (Net)	-	(38.75)
Proceeds from sale of Property, Plant and Equipments	4.23	2.00
Loan to related parties	(1.48)	(3.63)
Interest received	20.48	32.15
Dividend received	0.88	0.88
Net cash flow from/ (used in) investing activities (B)	<b>(101.19)</b>	<b>(63.48)</b>
<b>C. Cash Flow From Financing Activities</b>		
Repayment of Long term borrowings	(88.82)	(44.87)
Proceeds from Short term borrowings	-	270.00
Repayment of Short term borrowings	(270.00)	(533.47)
Interest Paid	(122.93)	(144.85)
Net cash flow from/ (used in) in financing activities (C)	<b>(481.75)</b>	<b>(453.19)</b>
Net Increase/ (Decrease) In Cash and Cash Equivalents (A+B+C)	<b>6.83</b>	<b>(8.84)</b>
Cash and Cash Equivalents at the beginning of the year	4.73	13.57
Cash and Cash Equivalents at the end of the year	<b>11.56</b>	<b>4.73</b>
Components of cash and cash equivalents		
Cash on hand	0.06	0.10
With banks		
- on cash credit account	10.56	1.04
- on current account	1.14	5.36
Cash and Cash Equivalents - Closing Balance	<b>11.76</b>	<b>6.50</b>
Add: Margin deposit account (earmarked money)	0.01	-
Less: Working Capital Loan	(0.21)	(1.77)
Cash and Cash Equivalents (As per note 10)	<b>11.56</b>	<b>4.73</b>

\* Figures less than 0.01 crore

**Significant Accounting Policies**

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For S R B C & CO LLP  
Chartered Accountants  
ICAI Registration No : 324982E/ E300003

per Vikram Mehra  
Partner  
Membership No : 105938



Place: Mumbai,  
Date : April 28, 2017

For and on behalf of the Board of Directors  
of JSW Steel Coated Products Limited

Rajeev Pai  
Director

Dileep Chavan  
Whole Time Director  
President (Coated Products)

Deepti Walawalkar  
Company Secretary

Hemant Shete  
Chief Financial Officer

Place: Mumbai,  
Date : April 28, 2017



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Statement of Changes in Equity**
**a) Share Capital**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>a. Authorised shares:</b>			
55,000,000 (March 31, 2016 - 55,000,000, April 1, 2015 - 55,000,000) Equity Shares of the par value of Rs.10 each	55.00	55.00	55.00
	<b>55.00</b>	<b>55.00</b>	<b>55.00</b>
<b>b. Issued, subscribed and fully paid-up shares:</b>			
50,050,000 (March 31, 2016 - 50,050,000, April 1, 2015 - 50,050,000) Equity Shares of 10 each, fully paid-up	50.05	50.05	50.05
	<b>50.05</b>	<b>50.05</b>	<b>50.05</b>
<b>c. Reconciliation of number of shares outstanding at the beginning and end of the year :</b>			
<b>Equity shares</b>			
Outstanding at the beginning of the year	5,00,50,000	5,00,50,000	5,00,50,000
Issued during the year (at par value)	-	-	-
Outstanding at the end of the year	<b>5,00,50,000</b>	<b>5,00,50,000</b>	<b>5,00,50,000</b>

**d. Rights, preferences and restrictions attached to Equity shares**

The Company has one class of equity share having par value of Rs. 10 each. Each holder of equity share is eligible to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**e. Shares held by Holding Company**

Out of equity shares issued by the Company, shares held by its holding Company are as below:

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Equity shares</b>				
JSW Steel Limited (Holding Company)	No of Shares	5,00,50,000	5,00,50,000	5,00,50,000
	Rs. in crore	50.05	50.05	50.05

**f. Shareholders holding more than 5% shares in the Company**

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Equity shares</b>				
JSW Steel Limited (including nominees)	No of Shares	5,00,50,000	5,00,50,000	5,00,50,000
	%	100.00%	100.00%	100.00%

As per the records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

The Company has not declared any dividend during the current year (March 31, 2016 – Nil).



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**b) Other Equity**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Other reserves</b>			
General reserve	2.47	2.47	2.47
Capital reserve	1,263.49	1,263.49	1,263.49
Fair Value Through Other Comprehensive Income reserve	18.89	(9.30)	13.01
<b>Total other reserves</b>	<b>1,284.85</b>	<b>1,256.66</b>	<b>1,278.97</b>

(i) General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to the Statement of Profit and Loss.

(ii) The Honorable High Court of Mumbai, on May 3, 2013 had sanctioned a scheme of amalgamation ("Scheme") under sections 391 to 394 of the Companies Act, 1956. In accordance with the scheme, Downstream Undertakings comprising of Vasind and Tarapur units of JSW Steel Limited and Kalmeshwar Unit of JSW Ispat Steel Limited were transferred to JSW Steel Coated Products Limited with effect from July 1, 2012 and accounted in the year ended March 31, 2014.

The Company had accounted all the assets and liabilities of Kalmeshwar Undertaking and Downstream Undertakings at the appointed date of July 1, 2012 at the respective fair values and had credited an amount equal to the difference in fair values of assets and liabilities of Kalmeshwar Undertaking and Downstream Undertakings to its Capital Reserve account.

(iii) As per Ind AS 109 – Financial instruments, the Company has designated investments in JSW Energy Limited & Tarapur Environment Protection Society at fair value through other comprehensive income.

(iv) The hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognized and accumulated under the heading of cash flow hedging reserve which will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policy.



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2017

Other Reserves

(Rupees in crore)

Particulars	Reserves and Surplus			Items of OCI		Total equity
	Capital Reserve	General Reserve	Retained earnings	Cash flow hedge reserve	FVTOCI reserve	
As at April 1, 2015	1,263.49	2.47	(208.40)	6.94	6.07	1,070.57
Profit for the period	-	-	74.72	-	-	74.72
Other comprehensive income	-	-	(1.79)	(1.00)	(21.31)	(24.10)
Total comprehensive income	-	-	72.93	(1.00)	(21.31)	50.62
As at March 31, 2016	1,263.49	2.47	(135.47)	5.94	(15.24)	1,121.19
Profit for the period	-	-	276.51	-	-	276.51
Other comprehensive income	-	-	(1.84)	31.00	(2.81)	26.35
Total comprehensive income	-	-	274.67	31.00	(2.81)	302.86
As at March 31, 2017	1,263.49	2.47	139.20	36.94	(18.05)	1,424.05



## **JSW STEEL COATED PRODUCTS LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2017**

### **1. General Information**

JSW Steel Coated Products Limited (the 'Company') is a public limited company incorporated in India. It is a wholly owned subsidiary of JSW Steel Limited which is listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

The Company is primarily engaged in the manufacture of value added steel products which mainly consists of Galvanized and Galvalume Coils / Sheets and Colour Coated Coils/ Sheets. The Company caters to both domestic and international markets.

The Company has three manufacturing facilities in the State of Maharashtra at Vasind, Tarapur and Kalmeshwar.

The Financial Statements of JSW Steel Coated Products Limited as at March 31, 2017 were approved and authorized for issue by the Board of Directors on April 28, 2017.

### **2. Significant Accounting policies**

#### **i. Basis of preparation**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements under 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, as amended. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheets as at March 31, 2017, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2017, and significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

For all periods up to and including the year ended March 31, 2016, the Company prepared its Financial statements in accordance with requirements of the Accounting Standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. These are the first Ind AS Standalone Financial Statements of the Company. The date of transition to Ind AS is April 1, 2015. Refer Note 38 for the details of first-time adoption exemptions availed by the Company.

The Financial Statements have been prepared on a historical cost convention and on an accrual basis, except for the derivative financial instruments and certain financial assets and liabilities (refer Accounting policy for Financial Instrument) which have been measured at fair value or revalued amount required by relevant Ind AS at the end of the reporting period.

Comparative Financial information has been regrouped, wherever necessary, to correspond to the figures of the current period.

#### **II. Fair value measurement**

The Company measures financial instruments, such as, derivatives, investments in equity securities 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:

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



## **JSW STEEL COATED PRODUCTS LIMITED**

### **Notes forming part of the Financial Statements for the year ended March 31, 2017**

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

#### **III. Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognitions a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

#### **IV. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, which is when it is earned and no significant uncertainty exists as to its realization or collection. Revenue is reduced for customer returns, rebates and other similar allowances. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether



## **JSW STEEL COATED PRODUCTS LIMITED**

### **Notes forming part of the Financial Statements for the year ended March 31, 2017**

the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized

Hedging Gains/ losses on effective hedges are included in Revenue.

#### Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company recognizes revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable.

Export sales includes export benefits accrued as per the Import and Export Policy in respect of exports made under the said schemes as notified by government and recognised when there is reasonable assurance that the entity will comply with the conditions attached to them and that the benefit will be received.

#### Sale of services

Income from service rendered is recognised on accrual basis based on the terms of agreements and when services are rendered.

#### Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. 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 STEEL COATED PRODUCTS LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2017**

**V. Leasing**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as lessor

Amount due from the lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on straight-line basis over the term of the relevant lease unless either:

- a. Another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis;  
or
- b. The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met.

Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on straight-line basis over the lease term.

The company as lessee

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless either:

- a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.



**JSW STEEL COATED PRODUCTS LIMITED****Notes forming part of the Financial Statements for the year ended March 31, 2017**

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**Arrangements in the nature of lease**

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements on the basis of their relative fair values.

**VI. Foreign currency transactions**

The functional currency of the Company is Indian Rupees which has been determined on the basis of the primary economic environment in which it operates.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized 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 recognized 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;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

**VII. Borrowing costs**

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds including interest on letter of credit discounted by bank and payable to bank.

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 recognized 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 capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings, 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 capitalization are determined by applying a capitalization rate to the expenditures on that asset.



## JSW STEEL COATED PRODUCTS LIMITED

### Notes forming part of the Financial Statements for the year ended March 31, 2017

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

#### VIII. Government grants

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

Government grants are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the balance sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. However, on the date of transition, the Company has decided to continue with the previous GAAP carrying amount of the government loans. The Company shall apply Ind AS 109 to the measurement of such loans after the date of transition to Ind AS.

#### IX. Employee benefits

##### Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item employee benefits expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.



**JSW STEEL COATED PRODUCTS LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2017**

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

**X. Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets on non-depreciable assets, the carrying amounts of such properties are presumed to be recovered entirely through sale.

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.



**JSW STEEL COATED PRODUCTS LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2017**

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**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.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalized as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Assets in the course of construction are capitalized in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed. Revenue generated from production during the trial period is capitalized.

Property, Plant and Equipment except Freehold Land held for use in the production, supply or administrative purpose are stated in the Financial Statement at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS i.e. April 1, 2015, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**XII. Depreciation and amortization**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset as follows:

Sr. No	Particulars	Useful life estimated by the management (years)
1	Factory Buildings	9-40
2	Other Buildings	5-60
3	Railway Siding	15
4	Plant and Equipments	15-30
5	Rolls used in Cold Rolling Mill (included in Plant and equipments)	1
6	Furniture and Fixtures	10
7	Vehicles	8
8	Office Equipments	5
9	Computers	3 or 6

The Company based on technical assessment made by technical experts and management estimate, depreciates certain items over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Intangible assets are amortized over their estimated useful lives on straight line method.

Freehold land is not depreciated. Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.

Where the cost of a part of the asset is significant to total cost of the asset and the useful life of that part is different from the useful life of the remaining asset, useful life of the significant part has been determined separately.

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.

**XIII. Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated Amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and Amortization 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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Computer software is amortized over the useful life of 5 years as estimated by management.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:



## JSW STEEL COATED PRODUCTS LIMITED

### Notes forming part of the Financial Statements for the year ended March 31, 2017

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in the Statement of Profit and Loss in the period in which it is incurred.

Subsequent to Initial recognition, Intangible assets acquired in business combinations are reported at cost less accumulated amortization and accumulated impairment loss, on the same basis as Intangible assets that are acquired separately.

#### Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the Statement of Profit and Loss when the asset is derecognized.

The Company has elected to continue with the carrying value for all of its Intangible assets as recognized in the financial statements as at the date of transition to Ind AS i.e. April 1, 2015, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

#### **XIV. Impairment of non-financial assets**

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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 recognized immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.



## **JSW STEEL COATED PRODUCTS LIMITED**

### **Notes forming part of the Financial Statements for the year ended March 31, 2017**

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **XV. Inventories**

Inventories are stated at the lower of cost and net realizable value. Costs of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Interest charges, if any, on purchases have been recorded as Finance Cost. Cost is determined by the weighted average cost method except for procured Hot rolled coils/ Cold rolled coils as Raw material and its content in Finished goods and Semi finished goods, which is valued on specific identification basis.

Semi-finished goods/ finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis except in case of Hot rolled coils/ Cold rolled coils as noted above. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### **XVI. Provisions**

Provisions are recognized 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 recognized 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 recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### **Onerous contracts**

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

#### **XVII. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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,



## JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2017

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.

### I. Financial assets

#### a) Initial Recognition and measurement

The Company initially recognizes loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

The Company has elected to apply the requirements pertaining to Level III financial instruments of deferring the difference between the fair value at initial recognition and the transaction price prospectively to transactions entered into on or after the date of transition to Ind AS.

#### b) Classification

On initial recognition, a financial asset is classified as measured at; amortized cost, FVOCI or FVTPL

##### Financial assets at amortized cost:

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets 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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss.

This category generally applies to Trade and other receivables.

##### Debt Instruments at FVTOCI

A financial asset is classified as FVTOCI only if it meets both the of the following conditions and is not recognized at FVTPL,

- The asset 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 Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.



## JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2017

### Equity Instrument-

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

All other financial assets are classified as measured at FVTPL.

### Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### c) Derecognition

The Company derecognises a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised i.e. removed from the Company's balance sheet when the contractual rights to the cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either

- (a) the company has transferred substantially all the risks and rewards of the asset, or
- (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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



**JSW STEEL COATED PRODUCTS LIMITED**

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loss that had been recognized in other comprehensive income and accumulated in equity is recognized in Statement of Profit and Loss except in respect of equity investments designated as at FVOCI, wherein any cumulative gain or loss recognized in OCI is not recognized in the Statement of Profit and Loss.

**d) Impairment of Financial assets**

The Company recognizes loss allowances for Expected Credit Loss (ECL) on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt securities
- Lease receivables
- Financial guarantee contracts issued
- Loan commitments
- Trade receivables and loans and advances

The Company measures loss allowances at an amount equal to the lifetime ECL, except for the following, for which they are measured as 12-month ECL;

- Debt investments that are determined to have low credit risk at the reporting date;
- Other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition

Loss allowances on lease receivables are always measured at an amount equal to lifetime ECL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.



**JSW STEEL COATED PRODUCTS LIMITED****Notes forming part of the Financial Statements for the year ended March 31, 2017**

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 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet

**e) Measurement of ECL**

ECL are probability weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit impaired at the reporting date; as present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance to the contract and the cash flows that the Company expects to receive);
- Financial assets that are credit impaired at the reporting date; as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Financial guarantee contracts; the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Loans and trade receivables are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off.

**f) Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the 'Other income' line item.

**II. Financial liabilities and equity instruments****Classification as debt or equity**

Debt and equity instruments issued by the 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.

**Equity instruments**

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

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



## JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2017

### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

#### Financial liabilities at FVTPL:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

#### Trade payables and other financial liabilities:

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipments. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and settled within 12 months. These arrangements for raw materials are recognized as Acceptances under trade payables and arrangements for property, plant and equipments are recognised as other financial liabilities. Interest borne by the company on such arrangements is accounted as finance cost.



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**III. Reclassification of financial assets**

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortized cost	Fair value at reclassification date becomes its new amortized cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortized cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

**IV. Offsetting of financial instruments**

Financials assets and financials 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.



## JSW STEEL COATED PRODUCTS LIMITED

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### V. Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through Statement of Profit or Loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit or Loss, unless designated as effective hedging instruments.

### VI. Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency and commodity risk, as either cash flow hedge, fair value hedge or hedges of net investments in foreign operations. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

#### (i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.



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**Notes forming part of the Financial Statements for the year ended March 31, 2017**

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

**(ii) Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses. Refer Statement of Changes in Equity for more details.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

**XVIII. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**XIX. Earnings per share**

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share is computed by dividing income available to shareholders and assumed conversion by the weighted average number of common shares and potential common shares from outstanding stock options. Potential common shares are calculated using the treasury stock method and represent incremental shares issuable upon exercise of the Company's outstanding stock options.

**3. Key sources of estimation uncertainty and critical accounting judgements**

In the course of applying the policies outlined in all notes under section 2 above, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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



**JSW STEEL COATED PRODUCTS LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2017**

**a. Key sources of estimation uncertainty**

**i) Useful lives and residual value of property, plant and equipment**

Management reviews the useful lives and residual values 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.

Refer note 2 (XII) for useful life estimated by management for depreciation of Property Plant and equipment.

Carrying amount of Property Plant and Equipment is Rs. 1,799.57 crore (March 31, 2016 – Rs. 1,900.06 crore, April 1, 2015 Rs. 1,941.77 crore) and Intangible Assets is Rs. 4.84 crore (March 31, 2016 – Rs. 6.03 crore, April 1, 2015 Rs. 4.04 crore). Depreciation and amortization expense for the year ended March 31, 2017 is Rs. 151.37 crore (March 31, 2016 – Rs. 146.37 crore).

**ii) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized measurements (Refer note 34 (b)).

**iii) Fair value measurements**

Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied. Other financial instruments are valued using a discounted cash flow method based on assumptions supported, where possible, by observable market prices or rates. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 36.

**b. Critical accounting judgements**

**i) Arrangement in the nature of lease**

The Company has entered into long-term arrangements with third party to facilitate continuous supply of Nitrogen gas to its plants at Tarapur and Kalmeshwar. These arrangements involve setting up of gas plants by the third party in the Company's premises to supply minimum specified gas quantities to the Company. Based on assessment of the terms of the arrangements, the Company has concluded that these arrangements are in the nature of operating lease. (Refer note 34).

**ii) Government receivables**

Receivables from Government Authorities are on account of Maharashtra Value Added Tax refund and Export Benefits due to the company. On the basis of detailed evaluation, the Company has estimated amount of Rs.96.98 crores (Export benefits and entitlements) and Rs. 379.01 crores (Indirect Tax balances) to be realised within next 12 months, accordingly same has been classified as "Current Assets".



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Note 4 - Property, Plant and Equipment**

(Rupees in crore)

Particulars	Land-Leasehold	Land-Freehold	Buildings	Railway Siding	Plant and equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total Property, Plant and Equipment	Capital work in progress	Non-current assets held for sale
<b>Cost or valuation</b>												
At April 1, 2015	234.83	280.48	280.31	33.96	1,107.05	1.36	1.45	1.58	0.75	1,941.77	74.63	-
Additions	19.18	0.34	7.68	1.92	71.16	0.28	1.06	0.37	0.81	102.80	51.56	-
Disposals	-	-	-	-	(5.91)	-	(0.49)	-	(0.01)	(6.41)	-	-
<b>At March 31, 2016</b>	<b>254.01</b>	<b>280.82</b>	<b>287.99</b>	<b>35.88</b>	<b>1,172.30</b>	<b>1.64</b>	<b>2.02</b>	<b>1.95</b>	<b>1.55</b>	<b>2,038.16</b>	<b>126.19</b>	<b>-</b>
Additions	-	-	10.84	-	45.93	0.23	1.51	0.53	3.52	62.56	59.62	-
Disposals	-	-	-	-	(21.64)	-	(0.33)	(0.00)	(0.22)	(22.19)	-	-
Transfer to asset held for sale	-	-	-	-	(10.69)	-	-	-	-	(10.69)	-	10.69
<b>At March 31, 2017</b>	<b>254.01</b>	<b>280.82</b>	<b>298.83</b>	<b>35.88</b>	<b>1,185.90</b>	<b>1.87</b>	<b>3.20</b>	<b>2.48</b>	<b>4.85</b>	<b>2,067.84</b>	<b>185.81</b>	<b>10.69</b>
<b>Depreciation</b>												
At April 1, 2015												
Charge for the year	3.64	-	12.37	2.04	124.33	0.21	0.28	0.43	0.51	143.81	-	-
Disposals	-	-	-	-	(5.54)	-	(0.16)	-	(0.01)	(5.71)	-	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	83.28	-
<b>At March 31, 2016</b>	<b>3.64</b>	<b>-</b>	<b>12.37</b>	<b>2.04</b>	<b>118.79</b>	<b>0.21</b>	<b>0.12</b>	<b>0.43</b>	<b>0.50</b>	<b>138.10</b>	<b>83.28</b>	<b>-</b>
Charge for the year	3.67	-	12.57	1.81	128.09	0.23	0.33	0.51	1.43	148.64	-	-
Disposals	-	-	-	-	(18.10)	-	(0.14)	(0.00)	(0.22)	(18.46)	-	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	62.56	-
<b>At March 31, 2017</b>	<b>7.31</b>	<b>-</b>	<b>24.94</b>	<b>3.85</b>	<b>228.78</b>	<b>0.44</b>	<b>0.31</b>	<b>0.94</b>	<b>1.71</b>	<b>268.28</b>	<b>145.84</b>	<b>-</b>
<b>Net Block</b>												
At March 31, 2017	246.70	280.82	273.89	32.03	957.12	1.43	2.89	1.54	3.14	1,799.56	39.97	10.69
At March 31, 2016	250.37	280.82	275.62	33.84	1,053.51	1.43	1.90	1.52	1.05	1,900.06	42.91	-
At April 1, 2015	234.83	280.48	280.31	33.96	1,107.05	1.36	1.45	1.58	0.75	1,941.77	74.63	-



**JSW STEEL COATED PRODUCTS LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2017**

- a) The Company started civil activities of new Tinsplate mill project at Tarapur in July 2016. This project commissioning work is targeted to be completed by June 2018. Capital work in progress include carrying amount of Tinsplate mill at March 31, 2017 amounting to Rs. 11.25 crore including borrowing costs. (March 31, 2016 - Rs. Nil, April 1, 2015 - Rs. Nil). The project is currently financed through general borrowings. The amount of borrowing costs capitalised during the year ended March 31, 2017 is Rs. 1.07 crore. The weighted average rate used to determine the amount of borrowing cost eligible for capitalisation was 9.68%. No borrowing costs are capitalised for on other items of PPE under construction.
- b) Non-current asset held for sale includes Hot Rolling Mill and TM-1 Rolling mill, which are retired from active use. The Company intends to dispose the same within the next 12 months by way of sale. The assets were already valued at their residual value, and hence there is no charge in the Profit and Loss A/c for the year ended March 31, 2017.
- c) For details of assets given on Operating Lease - Refer note 34
- d) Freehold land includes land transferred to the Company by virtue of composite scheme of amalgamation and arrangement which are in process of being registered in the name of the company amounting to Rs. 4.85 crore. (March 31, 2016 – Rs. 21.49 crore for freehold land and Rs. 9.21 crore for leasehold land)
- e) Lease arrangement with M.I.D.C with respect to Land has been classified as a finance lease and accordingly included in Property, Plant and Equipment. Company has the option of renewal of lease after completion of initial lease term
- f) For exemptions availed on First time adoption of Ind AS, Refer note 38.



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Note 5 - Intangible Assets**

	(Rupees in crore)	
Particulars	Computer Software	Total
<b>Cost or valuation</b>		
At April 1, 2015	4.04	4.04
Additions	4.55	4.55
Disposals	-	-
At March 31, 2016	8.59	8.59
Additions	1.54	1.54
Disposals	-	-
At March 31, 2017	10.13	10.13
<b>Amortization</b>		
At April 1, 2015	-	-
Charge for the year	2.56	2.56
Disposals	-	-
At March 31, 2016	2.56	2.56
Charge for the year	2.73	2.73
Disposals	-	-
At March 31, 2017	5.29	5.29
<b>Net book value</b>		
At March 31, 2017	4.84	4.84
At March 31, 2016	6.03	6.03
At April 1, 2015	4.04	4.04



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Note 6 - Financial Assets**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Investments</b>			
Investments at fair value through OCI (fully paid)			
Quoted equity shares			
JSW Energy Limited			
43,76,770 (March 31, 2016 : 43,76,770 , April 1, 2015 : 43,76,770)	27.44	30.42	52.17
Equity Shares of Rs 10 each fully paid-up			
Unquoted equity shares			
Tarapur Environment Protection Society			
244,885 (March 31, 2016 : 244,885, April 1, 2015 : Nil) Equity Shares of	4.06	3.89	-
Rs 100 each fully paid-up			
<b>Total fair value through OCI investments</b>	<b>31.50</b>	<b>34.31</b>	<b>52.17</b>
Current	-	-	-
Non-Current	31.50	34.31	52.17
<b>Summary</b>			
Quoted			
Aggregate Book Value	27.44	30.42	52.17
Aggregate Market Value	27.44	30.42	52.17
Unquoted			
Aggregate Book Value	4.06	3.89	-
<b>Derivative instruments at fair value through OCI</b>			
Cash Flow Hedges			
Foreign exchange forward contracts	56.49	9.17	5.53
<b>Total derivative instruments at fair value through OCI</b>	<b>56.49</b>	<b>9.17</b>	<b>5.53</b>
Current	56.49	9.17	5.53
Non-Current	-	-	-
<b>Deposits (considered good unless otherwise stated)</b>			
Deposits given	10.92	6.37	6.50
<b>Total Deposits</b>	<b>10.92</b>	<b>6.37</b>	<b>6.50</b>
Current	0.22	0.22	0.23
Non-Current	10.70	6.15	6.27



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Loans (Unsecured considered good unless otherwise stated)**

Loans to related party	5.11	3.63	-
	<b>5.11</b>	<b>3.63</b>	<b>-</b>
Current	0.61	-	-
Non-Current	4.50	3.63	-
Other Financial Assets	4.16	2.89	16.75
Current	4.16	2.89	16.75
Non-Current	-	-	-
Total Financial Assets	108.18	56.37	80.95
Total Current	61.48	12.28	22.51
Total Non-Current	46.70	44.09	58.44

Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities.

Derivative instruments at fair value through OCI reflect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US dollars (USD).

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships.

**Break up of financial assets carried at amortised cost**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans	5.11	3.63	-
Trade receivables (note 9)	264.60	126.87	146.99
Cash and cash equivalents (note 10)	11.77	6.50	13.57
Deposits	10.92	6.37	6.50
Other Financial assets	4.16	2.89	16.75
Total financial assets carried at amortised cost	<b>296.56</b>	<b>146.26</b>	<b>183.81</b>

**Note 7 - Other non-current assets**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital advances	41.67	4.39	20.83
Less : Provision for doubtful advances	(0.52)	(0.52)	(0.85)
	41.15	3.87	19.98
Export benefits and entitlements	14.72	11.51	14.55
Indirect Tax balances/recoverables/credits	31.35	18.89	12.88
Prepayments and Others	1.54	2.16	2.31
Advance Tax and Tax Deducted at Source (Net of provision for tax)	-	4.91	4.83
	47.61	37.47	34.57
Less : Provision for doubtful loans and advances	(0.62)	(0.62)	(0.38)
	46.99	36.85	34.19
Total Other non-current assets	<b>88.14</b>	<b>40.72</b>	<b>54.17</b>



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Note 8 - Inventories**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw Materials	361.42	242.35	291.13
Semi Finished/ Finished Goods (Refer note 22)	618.11	444.09	630.24
Production Consumables and Stores and Spares (including packing material)	31.46	29.72	42.54
<b>Total inventories at the lower of cost and net realisable value</b>	<b>1,010.99</b>	<b>716.16</b>	<b>963.91</b>
<b>Details of stock-in-transit included in above</b>			
Raw Materials	26.37	96.22	56.18
Semi Finished/ Finished Goods	-	-	-
Production Consumables and Stores and Spares (including packing material)	1.29	0.30	0.12

During the year Rs. 2.18 crore (March 31, 2016, Rs. 7.36 crore) was recognised as an expense for inventories carried at net realisable value.

Inventory amounting to Rs. 42.48 crore (March 31, 2016 - Rs. 26.97 crore, April 1, 2015- Rs. 164.80 crore) was valued at Fair value less cost to sell.

**Note 9 - Trade receivables**

Particulars	(Rupees in crore)					
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Non -Current			Current		
<b>Unsecured, considered good unless stated otherwise</b>						
Considered Good (refer note 37)				264.60	126.87	146.99
Considered Doubtful	0.75	2.79	5.28	-	-	-
Less: Provision for Doubtful debts	(0.75)	(2.79)	(5.28)	-	-	-
	-	-	-	264.60	126.87	146.99
<b>Total Trade receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264.60</b>	<b>126.87</b>	<b>146.99</b>



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Note 10 - Cash and cash equivalent**

	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
<b>Balances with Banks</b>			
In Current Accounts	1.14	5.36	4.81
In Term Deposit Accounts with maturity less than 3 months at inception	-	-	1.04
In Cash Credit Accounts	10.56	1.04	7.45
Cash on hand	0.06	0.10	0.08
	<u>11.76</u>	<u>6.50</u>	<u>13.38</u>
<b>Others</b>			
In Margin Money with maturity more than 3 months but less than 12 months at inception	0.01	*	0.19
<b>Total Cash and cash equivalent</b>	<u>11.77</u>	<u>6.50</u>	<u>13.57</u>
<b>Earmarked balances</b>			
In Margin Money	0.01	*	0.19

Margin money deposits with a carrying amount of Rs. 0.01 crore (March 31, 2016 – Rs. \*, April 1, 2015 - Rs. 0.19 crore) are subject to first charge to secure the Company's cash credit loans.

\*Amount less than 0.01 crore

For the purpose of statement of cash flows, cash and cash equivalents comprise of the following:

	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Balances with Banks</b>			
In Current Accounts	1.14	5.36	4.81
In Term Deposit Accounts with maturity less than 3 months at inception	-	-	1.04
In Cash Credit Accounts	10.56	1.04	7.45
Cash on hand	0.06	0.10	0.08
In Margin Money with maturity more than 3 months but less than 12 months at inception	0.01	*	0.19
	<u>11.77</u>	<u>6.50</u>	<u>13.57</u>
Less - Working Capital Loan (Refer note 12)	<u>(0.21)</u>	<u>(1.77)</u>	<u>-</u>
	<u>11.56</u>	<u>4.73</u>	<u>13.57</u>

\*Amount less than 0.01 crore



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

Details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 are as follows:

Particulars	SBN's	Other Denomination Notes	(Amount in Rs.)
			Total
Closing cash in hand as on 08.11.2016	4,09,000	2,15,875	6,24,875
(+) Permitted receipts	-	8,10,575	8,10,575
(-) Permitted payments	-	6,73,253	6,73,253
(-) Amount deposited in Banks	4,09,000	-	4,09,000
Closing cash in hand on 30.12.2016	-	3,53,197	3,53,197

**Note 11 - Other current assets**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance to Suppliers	6.23	7.91	4.08
Advance to Related Parties	6.88	312.17	224.15
Export benefits and entitlements	96.98	71.98	120.23
Indirect Tax balances/recoverables/credits	379.01	158.08	228.03
Prepayments and Others	8.48	5.12	4.37
	497.58	555.26	580.86
Less : Provision for doubtful loans and advances	-	-	(0.24)
<b>Total Other current assets</b>	<b>497.58</b>	<b>555.26</b>	<b>580.62</b>



**JSW STEEL COATED PRODUCTS LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2017**
**Note 12 – Borrowings**

			(Rupees in crore)		
Particulars			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Interest Rate %	Maturity			
<b>Non-current Borrowings</b>					
<b>Term Loan</b>					
<b>From Bank</b>					
a. Secured bank loan	SBI base rate + 1%	October 31, 2015 to July 31, 2023	636.09	720.87	805.65
<b>From other parties</b>					
<b>Deferred Payment Liabilities (Unsecured)</b>					
b. Deferred Sales Tax/ Value Added Tax	Nil	April 2015 - June 2019	2.09	3.98	6.58
<b>Loans (Unsecured)</b>					
c. Sales Tax Loan from Government of Maharashtra	Nil	September 2016- July 2031	12.44	13.98	15.32
<b>Total non-current borrowings</b>			<b>650.62</b>	<b>738.83</b>	<b>827.55</b>
	Interest Rate %	Maturity			
<b>Current borrowings</b>					
<b>Current maturity of long term loans</b>					
<b>From Bank</b>					
a. Secured bank loan	SBI base rate + 1%	October 31, 2015 to July 31, 2023	85.00	85.00	42.50
<b>From other parties</b>					
<b>Deferred Payment Liabilities (Unsecured)</b>					
b. Deferred Sales Tax/ Value Added Tax	Nil	April 2015 - June 2019	1.89	2.48	2.37
<b>Loans (Unsecured)</b>					
c. Sales Tax Loan from Government of Maharashtra	Nil	September 2016- July 2031	1.55	1.34	-
<b>Loan Repayable on Demand (from bank)</b>					
d. Working Capital loans (secured)	SBI base rate + 1.25%	On demand	0.21	1.77	-
e. Foreign Currency Loan	LIBOR + Margin		-	-	33.34
f. Rupee Loan from Bank	9.2%-9.7%	June 2015 - August 2015	-	270.00	500.00
<b>Total current borrowings</b>			<b>88.65</b>	<b>360.59</b>	<b>578.21</b>
<b>Less: Amount Classified under "other current liabilities"</b>			<b>(88.44)</b>	<b>(88.82)</b>	<b>(44.87)</b>
<b>Net current borrowings</b>			<b>0.21</b>	<b>271.77</b>	<b>533.34</b>



**JSW STEEL COATED PRODUCTS LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2017**

**a. Secured Bank Loan**

Rupee Term Loans from Banks are secured as under:

Rupee Term Loan of Rs.850 crore from State Bank of India is to be secured /secured by

- i) First charge by way of legal mortgage on 2400sq feet land at Toranagallu village in the state of Karnataka.
- ii) First charge on the entire fixed assets of the Company situated at Vasind, Tarapur and Kalmeshwar both present and future.

JSW Steel Ltd. (Holding Company) has provided a Letter of Comfort (LOC) in favour of the Bank for the Term Loan sanctioned and disbursed in favour of the Company.

Terms of Repayment of Rupee Term Loan

- (i) Rs.297.50 crore is repayable in 14 quarterly instalments of Rs.21.25 crore each from 31.10.2015 to 31.01.2019.
- (ii) Rs.95.64 crore is repayable in 4 quarterly instalments of Rs.23.91 crore each from 30.04.2019 to 31.01.2020.
- (iii) Rs.318.74 crore is repayable in 12 quarterly instalments of Rs.26.56 crore each from 30.04.2020 to 31.01.2023.
- (iv) Rs.138.12 crore is repayable in 2 quarterly instalments of Rs.69.06 crore each from 30.04.2023 to 31.07.2023.



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**b. Deferred Payment Liabilities (Unsecured)**

Deferred Sales Tax Loan is interest free and payable in five equal annual instalments after end of 10 years of respective year of collection and the repayment schedule from the Balance Sheet date is as follows:

	March 31, 2017			March 31, 2016			April 1, 2015		
Instalments due	Number of instalments	Non-Current (Rs. in crore)	Current Maturities (Rs. in crore)	Number of instalments	Non-Current (Rs. in crore)	Current Maturities (Rs. in crore)	Number of instalments	Non-Current (Rs. in crore)	Current Maturities (Rs. in crore)
Within one year (Note 9)	4	-	1.89	5	-	2.48	5	-	2.37
In the second year to third year	5	2.09	-	7	3.23	-	8	4.37	-
In the fourth year to fifth year	-	-	-	2	0.75	-	5	2.09	-
After five years	-	-	-	0	-	-	1	0.12	-
<b>Total</b>	<b>9</b>	<b>2.09</b>	<b>1.89</b>	<b>14</b>	<b>3.98</b>	<b>2.48</b>	<b>19</b>	<b>6.58</b>	<b>2.37</b>

**c. Sales Tax Loan from Government of Maharashtra**

Sales tax loan from Government of Maharashtra is interest free and payable in six equal annual instalments starting after 12 years of disbursement and the repayment schedule from the balance sheet date is as follows:

	March 31, 2017			March 31, 2016			April 1, 2015		
Instalments due	Number of instalments	Non-Current (Rs. in crore)	Current Maturities (Rs. in crore)	Number of instalments	Non-Current (Rs. in crore)	Current Maturities (Rs. in crore)	Number of instalments	Non-Current (Rs. in crore)	Current Maturities (Rs. in crore)
Within one year (Note 9)	6	-	1.55	5	-	1.34	-	-	-
In the second year to third year	13	3.11	-	12	3.09	-	11	2.89	-
In the fourth year to fifth year	14	3.14	-	14	3.14	-	13	3.11	-
After five years	52	6.19	-	59	7.75	-	66	9.32	-
<b>Total</b>	<b>85</b>	<b>12.44</b>	<b>1.55</b>	<b>90</b>	<b>13.98</b>	<b>1.34</b>	<b>90</b>	<b>15.32</b>	<b>-</b>



**JSW STEEL COATED PRODUCTS LIMITED****Notes forming part of the Financial Statements for the year ended March 31, 2017****d. Working Capital loans (secured)**

Above Working Capital Loans are secured by:

- pari passu first charge by way of hypothecation of Stocks of Raw Materials, Finished Goods, Work-in-Progress, Consumable Stores and Spares and Book Debts / Receivables of the Company, both Present and future.

- pari passu second charge on movable properties and immovable properties forming part of the Fixed/Blocked assets of the company, both present and future except such properties as may be specifically excluded.

The working capital loan is repayable on demand and carries interest at 9.12% to 10.35% per annum (March 31, 2016 - 9.65% to 10.10% per annum, April 1, 2015 - 10.35% to 11.50% per annum).

**e. Foreign currency loan (unsecured)**

Foreign currency loan interest rate as on April 1, 2015 - 1.0762%.

**f. Rupee loans (unsecured)**

Rupee loan from banks carry interest at 9.20% per annum (April 1, 2015 - 9.40% to 9.65% per annum).

**Note 13 - Other Financial Liabilities**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Financial liabilities at fair value through OCI</b>			
Cash flow hedges			
Foreign exchange forward contracts	-	-	2.58
<b>Total financial liabilities at fair value through OCI</b>	-	-	<b>2.58</b>
<b>Financial liabilities at fair value through profit or loss</b>			
Derivatives not designated as hedges			
Foreign exchange forward contracts	22.06	6.76	1.78
<b>Total derivative instruments at fair value through profit or loss</b>	<b>22.06</b>	<b>6.76</b>	<b>1.78</b>
<b>Other financial liabilities at amortised cost</b>			
Payables for Capital Projects	7.51	41.07	23.12
Current maturity of long term loans (refer note 12)	88.44	88.82	44.87
<b>Total Other financial liabilities at amortised cost</b>	<b>95.95</b>	<b>129.89</b>	<b>67.99</b>
<b>Total other financial liabilities</b>	<b>118.01</b>	<b>136.65</b>	<b>72.35</b>
Total current	118.01	136.65	72.35
Total non-current	-	-	-

Payables for Capital Projects comprise of credit availed by the Company from Banks for payment to suppliers for capital items amounting to Rs 7.51 crore (March 31, 2016- Rs. 41.07 crore, April 1, 2015 – Rs. 23.12 crore). These arrangements are interest bearing and are payable within 12 months. (Refer Note 2 (XII) (II) – Accounting policy on trade payables and other financial liabilities).

**Financial liabilities at fair value through OCI**

Financial liabilities at fair value through OCI reflect the change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future sales in USD.



**JSW STEEL COATED PRODUCTS LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2017**
**Financial liabilities at fair value through profit or loss**

While the Company entered into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales. These other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Break up of financial liabilities carried at amortised cost

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Borrowings (non-current) (note 12)	650.62	738.83	827.55
Borrowings (current) (note 12)	0.21	271.77	533.34
Current maturity of long term loans (note 12)	88.44	88.82	44.87
Trade payables (note 15A)	980.17	552.23	690.40
Other payables (note 15B)	42.35	40.60	86.89
<b>Total financial liabilities carried at amortised cost</b>	<b>1,761.79</b>	<b>1,692.25</b>	<b>2,183.05</b>

**Note 14 - Income Tax**

The major components of income tax expense for the year ended March 31, 2017 is:

Particulars	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>Profit or loss section</b>		
<b>Current income tax:</b>		
Current income tax charge	129.81	34.88
Adjustments in respect of current income tax of previous year	(4.68)	-
<b>Deferred tax:</b>		
Short/ (Excess) provision for Deferred tax relating to previous year	(2.12)	(0.57)
Relating to origination and reversal of temporary differences	(19.02)	(13.96)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>103.99</b>	<b>20.35</b>

**Other Comprehensive Income**
**Section**

Deferred tax related to items recognised in Other Comprehensive Income during the year:

Net gain/(loss) on revaluation of cash flow hedges	16.41	(0.53)
Unrealised gain/ (loss) on Fair value of equity securities	*	0.05
Net (loss)/ gain on remeasurements of defined benefit plans	(0.97)	(0.95)
<b>Income tax charged to Other Comprehensive Income</b>	<b>15.44</b>	<b>(1.43)</b>

\*Amount less than 0.01 crore



**JSW STEEL COATED PRODUCTS LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2017**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017:

Particulars	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Accounting profit before income tax	380.50	95.07
Enacted tax rate in India	34.608%	34.608%
Expected income tax (benefit)/expense at statutory tax rate	131.68	32.89
Expenses disallowed for tax purposes	1.34	1.75
Income exempt from tax	(2.27)	(2.01)
Tax holiday and similar exemptions	(17.26)	(10.05)
Bad / Doubtful debts provision of earlier years written back	(0.71)	(0.86)
Reversal of Deferred Tax liabilities on Leasehold & Freehold land	(1.99)	(0.80)
Adjustment due to prior period items	(6.80)	(0.57)
At the effective income tax rate of 27.331% (March 31, 2016- 21.4%)	103.99	20.35
Income tax expense reported in the statement of profit and loss	103.99	20.35

Income tax expense reported in the statement of profit and loss

Deferred tax relates to the following:

Particulars	Balance Sheet			Statement of profit and loss	
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016
Provision for doubtful debts and advances	0.27	1.33	0.19	-	(3.09)
Post-employment benefits	19.99	15.97	15.47	0.13	3.93
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	12.04	7.30		(3.84)	(7.30)
Revaluation of Cash Flow Hedges	(19.55)	(3.14)	(3.68)		
Property, plant and equipment	(358.36)	(372.77)	(379.31)	(15.31)	(7.50)
Adjustment due to prior period items				(2.12)	(0.57)
Unrealised gain on Fair value of equity securities	(0.05)	(0.05)			
Deferred tax expense/ (income)				(21.14)	(14.53)
Net deferred tax assets/(liabilities)	(345.66)	(351.36)	(367.33)		



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Reconciliation of deferred tax liabilities (net):**

Particulars	(Rupees in crore)
	As at March 31, 2017
<b>Minimum Alternative Tax credit entitlement</b>	
Opening balance as on April 1, 2015	13.66
Add: MAT credit entitlement for the year	-
Less: MAT credit utilised during the year	(13.66)
<b>Closing balance as on March 31, 2016</b>	-
Add: MAT credit entitlement for the year	-
Add: Reversal of MAT credit utilised during earlier year	3.16
Less: MAT credit utilised during the year	(3.16)
<b>Closing balance as on March 31, 2017</b>	-
<b>Deferred tax liabilities (net)</b>	
Opening balance as on April 1, 2015	(367.33)
Tax income/ (expense) recognised in profit or loss	14.54
Tax income/ (expense) recognised in OCI	1.43
<b>Closing balance as on March 31, 2016</b>	(351.36)
Tax income/ (expense) recognised in profit or loss	21.14
Tax income/ (expense) recognised in OCI	(15.44)
<b>Closing balance as on March 31, 2017</b>	(345.66)
<b>Closing balance as on March 31, 2016</b>	(351.36)
<b>Closing balance as on March 31, 2017</b>	(345.66)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**Note 15.A - Trade payables**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Acceptances	347.56	315.23	350.29
Other than Acceptances	632.61	237.00	340.11
<b>Total Trade payables</b>	<b>980.17</b>	<b>552.23</b>	<b>690.40</b>

Acceptances include credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company amounting to Rs. 10.29 crore (March 31, 2016 - Rs 92.90 crore, April 1, 2015 - Rs. 250.57 crore). These arrangements are interest bearing and are payable within 12 months. (Refer Note 2 (XII) (II) - Accounting policy on trade payables and other financial liabilities)



**JSW STEEL COATED PRODUCTS LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2017**
**Note 15.B - Other payables**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deposits Received from Customers	8.62	7.50	7.24
Payables for Capital Projects	12.20	5.74	19.98
Payable against investments in Equity instruments	-	-	35.31
Interest payable	6.07	9.17	12.00
Customer Liabilities	15.07	17.63	12.06
Others	0.39	0.56	0.30
<b>Total Other payables</b>	<b>42.35</b>	<b>40.60</b>	<b>86.89</b>

**Note 16 - Other current liabilities**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances from Customers	113.99	92.50	84.72
Statutory Liabilities	43.97	35.15	39.88
Others	3.79	5.32	3.87
<b>Total Other current liabilities</b>	<b>161.75</b>	<b>132.97</b>	<b>128.47</b>

**Note 17 - Provisions**

Particulars	(Rupees in crore)					
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Long Term			Short Term		
Provision for Leave encashment				17.14	16.24	14.86
Other Provisions	1.80	2.31	2.36	0.59	0.36	0.43
<b>Total provisions</b>	<b>1.80</b>	<b>2.31</b>	<b>2.36</b>	<b>17.73</b>	<b>16.60</b>	<b>15.29</b>



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Note 18 - Revenue from operations**

Particulars	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Domestic Turnover [(includes Sale of Power Rs. Nil, March 31, 2016 - Rs 4.82 crore)	6,026.14	5,036.93
Export Turnover [(includes Export Benefits Rs. 132.55 crore, March 31, 2016- Rs. 83.21 crore)	3,710.06	2,646.29
	<b>9,736.20</b>	<b>7,683.22</b>
<b>Sale of services</b>		
Job work Income	4.86	2.84
<b>Other Operating Revenues</b>		
Gain on prepayment of deferred Value Added/ Sales Tax @	0.72	0.76
Miscellaneous Income	10.85	11.86
<b>Total revenue from operations</b>	<b>9,752.63</b>	<b>7,698.68</b>

Sale of goods includes excise duty collected from customers of Rs. 679.84 crore (March 31, 2016 - Rs. 576.63 crore). Sale of goods net of excise duty is Rs. 9,042.43 crore (March 31, 2016- Rs. 7,106.59 crore).

'@ Gain arising on prepayment of the Deferred Value Added Tax/Sales Tax liability payable in future years related to Kalmeshwar unit, on net present value basis, in terms of Section 94(2) of Maharashtra Value Added Tax Act, 2002 read with Rule 84 of Maharashtra Value Added Tax Rules, 2005.

**Note 19 - Other income**

Particulars	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>Other non-operating income</b>		
Dividend Income from long-term Investments	0.88	0.88
Government Grant	0.40	1.21
Net gain on disposal of property, plant and equipment	0.50	1.30
<b>Total other income</b>	<b>1.78</b>	<b>3.39</b>

Government Grants have been recognised on account of duty exemption on imports of permitted goods under Export Promotion Capital Goods Scheme with an export obligation to be met in future periods.



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Note 20 - Finance income**

Particulars	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Other non-operating income		
Interest income from related party	20.07	31.58
Interest income from other deposits	0.40	0.54
<b>Total finance income</b>	<b>20.47</b>	<b>32.12</b>

**Note 21 - Cost of materials consumed**

Particulars	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Inventory at the beginning of the year	242.35	291.13
Add: Purchases	7,543.90	5,395.26
	<b>7,786.25</b>	<b>5,686.39</b>
Less: Inventory at the end of the year	361.42	242.35
<b>Total cost of Materials consumed</b>	<b>7,424.83</b>	<b>5,444.04</b>

**Note 22 - Changes in inventories of Finished goods and semi finished goods**

Particulars	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>Opening Stock :</b>		
Semi Finished /Finished Goods	444.09	630.24
	<b>444.09</b>	<b>630.24</b>
<b>Closing Stock :</b>		
Semi Finished /Finished Goods	618.11	444.09
	<b>618.11</b>	<b>444.09</b>
Excise duty on stock of finished goods (net)	7.05	(5.16)
<b>Total Changes in inventories of Finished goods and semi finished goods</b>	<b>(166.97)</b>	<b>180.99</b>



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Note 23 - Employee benefits expense**

Particulars	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Salaries and Wages	218.25	201.03
Contribution to Provident and Other Funds	8.59	8.55
Expenses on employees stock option scheme of the Parent company (Refer Note 33)	0.53	-
Gratuity Expense	5.28	4.17
Staff Welfare Expenses	9.23	9.41
<b>Total Employee benefits expense</b>	<b>241.88</b>	<b>223.16</b>

**Note 24 - Depreciation and amortization expense**

Particulars	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Depreciation of tangible assets (note 4)	148.64	143.81
Amortization of Intangible assets (note 5)	2.73	2.56
<b>Total Depreciation and amortization expense</b>	<b>151.37</b>	<b>146.37</b>

**Note 25 - Finance costs**

Particulars	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Interest	112.53	135.09
Other borrowing costs	7.52	7.15
<b>Total Finance costs</b>	<b>120.05</b>	<b>142.24</b>



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Note 26 - Other Expenses**

Particulars	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Stores and Spares consumed	116.63	126.26
Packing Expenses	109.55	97.58
Power and Fuel	298.69	298.72
Jobwork and Processing Charges	1.44	1.65
Rent	3.10	3.74
Repairs and Maintenance		
Plant and Machinery	17.19	17.69
Buildings	6.41	7.02
Others	2.27	1.82
Carriage and Freight	215.58	205.80
Commission on Sales	21.30	14.07
Bad Debts written Off	2.04	2.49
Less: Provision for Bad Debts	(2.04)	(2.49)
Net Loss on foreign currency transactions and translation (Other than considered as finance cost)	24.63	27.00
Insurance	6.67	5.63
Rates and Taxes	4.13	5.45
Miscellaneous Expenses#	113.96	111.98
<b>Total Other Expenses</b>	<b>941.55</b>	<b>924.41</b>

# Includes Rs. 1.05 crore (March 31, 2016 - Rs. 0.75 crore) incurred towards corporate social responsibility activities.

Details of CSR Expenditure:	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
a) Gross amount required to be spent by the Company	1.04	0.44
(b) Amount spent during the year on		
i) Construction/ acquisition of an asset		
-in cash	0.45	0.75
-yet to be paid in cash	0.60	-
<b>Total</b>	<b>1.05</b>	<b>0.75</b>
ii) On purposes other than (i) above		
-in cash	-	-
-yet to be paid in cash	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Note - 27 Research and development activities**

The Company has a separate In-House Research & Development (R&D) Centre involved in developmental activities for new products, processes etc. The in house R&D Centre is recognised by The Department of Scientific and Industrial Research (DSIR) vide letter No. TU/IV-RD/1424/2016 dated April 1, 2016. The R&D expenditure (Capital and Revenue) has been reflected in the following respective heads of accounts in Balance Sheet and Statement of Profit and Loss in the current year.

Particulars	(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016
Capital Expenditure	0.36	0.55
Revenue Expenditure **	3.07	2.58
<b>Total</b>	<b>3.43</b>	<b>3.13</b>

\*\*Revenue expenditure comprises of cost to R&D employees Rs.2.81 crore (March 31, 2016 – Rs. 2.40 crore) and other related expenses Rs. 0.26 crore (March 31, 2016 – Rs. 0.18 crore)

**Note - 28 Payment to auditor**

Particulars	(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016
As auditor :		
Audit Fees	0.41	0.39
Tax Audit Fees	0.08	0.08
Limited review	0.18	0.18
In other capacity :		
Other services	0.02	0.30
Reimbursement of expenses	0.03	0.03
<b>Total</b>	<b>0.72</b>	<b>0.98</b>

(Above amount is excluding service tax)

**Note - 29 Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company) under the MSMED Act, 2006**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Principal amount outstanding as at end of year	6.79	4.23	1.81
Interest due on above and unpaid as at end of year	-	-	-
Interest paid to the supplier	-	-	-
Payments made to the supplier beyond the appointed day during the period	-	-	-
Interest due and payable for the period of delay	0.02	-	-
Interest accrued and remaining unpaid as at end of period	-	-	-
Amount of further interest remaining due and payable in succeeding year	*	*	*

\*(Amount less than Rs. 0.01 crore)



**JSW STEEL COATED PRODUCTS LIMITED****Notes forming part of the Financial Statements for the year ended March 31, 2017****Note 30 - Earnings per share (EPS)**

Basic and diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars		As at March 31, 2017	As at March 31, 2016
Profit attributable to equity holders	Rs. In crore	276.51	74.72
Weighted average number of Equity shares	Nos.	5,00,50,000	5,00,50,000
Earnings per share - Basic & Diluted	Rs. / share	55.25	14.93

**Note 31 – Gratuity**

The Company operates defined benefit plans, viz., gratuity for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Under the Gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58 and 60, without any payment ceiling. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

Under the Compensated absences plan, leave encashment is payable to all eligible employees during employment, on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The fund has the form of a trust and it is governed by the Board of Trustees, the Board of trustees is responsible for the administration of the plan assets and for the defining the investment strategy.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company.

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2017 by Certified Actuarial valuer. 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.



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for gratuity.

	(Rupees in crore)	
Net benefit expense March 31, 2017 (recognised in profit or loss)	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Current service cost	2.42	1.81
Net Interest cost	2.86	2.36
<b>Net benefit expense</b>	<b>5.28</b>	<b>4.17</b>
Actual return on plan assets	1.85	1.23

**Balance sheet**
**Benefit asset/ liability**

	(Rupees in crore)		
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Present value of defined benefit obligation	(54.69)	(51.85)	(45.97)
Fair value of plan assets#	16.84	16.06	16.26
<b>Plan Liability</b>	<b>(37.85)</b>	<b>(35.79)</b>	<b>(29.71)</b>

Changes in the present value of the defined benefit obligation are as follows:

	(Rupees in crore)	
Particulars	As at March 31, 2017	As at March 31, 2016
Opening defined benefit obligation	51.85	45.97
Current service cost	2.42	1.82
Interest cost	4.13	3.64
Benefits paid	(4.57)	(2.27)
<b>Remeasurement losses/(gains) in other comprehensive income</b>		
Liability Transferred out	(2.52)	-
Actuarial loss/(gain) on obligation from changes in financial assumptions	1.73	(0.24)
Experience adjustments	1.65	2.93
<b>Closing defined benefit obligation</b>	<b>54.69</b>	<b>51.85</b>

The Company expects to contribute Rs. 37.85 crore (March 31, 2016 Rs. 35.79 crore) to its Gratuity Fund during the next year.

Changes in the fair value of plan assets are as follows:

	(Rupees in crore)		
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening fair value of plan assets	16.06	16.26	14.77
Expected return	1.28	1.29	1.29
Contributions by employer	3.50	0.50	-
Benefits paid	(4.57)	(1.93)	-
<b>Remeasurement losses/(gains) in other comprehensive income</b>			
Return on plan assets	0.57	(0.06)	0.20
<b>Closing fair value of plan assets</b>	<b>16.84</b>	<b>16.06</b>	<b>16.26</b>

The major categories of plan assets of the fair value of total plan assets are as follows:



**JSW STEEL COATED PRODUCTS LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2017**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Investments quoted in active markets:</b>			
Share in Plan Assets of JSW Steel Limited #	-	-	16.26
HDFC Standard Life Insurance Co. Limited			
- Defensive Managed Fund	1.52	1.52	-
- Secure Managed Fund	13.73	14.03	-
BAJAJ Allianz Secured Fund	1.59	0.51	-
	<b>16.84</b>	<b>16.06</b>	<b>16.26</b>

The fair values are determined are based on quoted market prices in active markets.

# During the year ended March 31, 2016, the Company had transferred plan assets in its own Gratuity Trust namely "JSW Steel Coated Products Limited Group Gratuity Trust". (April 1, 2015- The Holding Company (JSW Steel Limited) operated a Group Gratuity Scheme and pursuant to Composite Scheme of Amalgamation and Arrangement, the share of the Company in the plan assets of the Holding Company of Rs. 14.77 crore had been transferred in FY 2012-13 and accounted in FY 2013-14).

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk-and-return profiles. Investment and contribution policies are integrated within this study.

**Concentration of Fund is as follows:**

Particulars	As at March 31, 2017	As at March 31, 2016
Government Securities	35.14%	50.03%
Debentures/ Bonds	53.64%	36.81%
Equity	3.79%	2.48%
Deposits, Money Market Securities	7.43%	10.68%
	<b>100.00%</b>	<b>100.00%</b>

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate	7.51%	7.99%	7.92%
Expected rate of return on assets	7.51%	7.99%	7.92%
Future salary increases	6.00%	6.00%	6.00%
Attrition Rate	2.00%	2.00%	2.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market, expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.



**JSW STEEL COATED PRODUCTS LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2017**

Amounts for the current and previous period are as follows:

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Defined benefit obligation	(54.69)	(51.85)	(45.97)
Plan assets	16.84	16.06	16.26
Deficit	(37.85)	(35.79)	(29.71)
Experience adjustments on plan liabilities	1.65	2.93	9.44
Experience adjustments on plan assets	-	-	-

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is as shown below:

Particulars	(Rupees in crore)			
	As at March 31, 2017		As at March 31, 2016	
Projected Benefit Obligation on Current Assumptions	54.69		51.85	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Impact Due to Change in rate of Discounting	(3.49)	3.91	(3.32)	3.72
Impact Due to Change in rate of Salary Increase	3.93	(3.57)	3.76	(3.41)
Impact Due to Change in rate of Employee Turnover	0.35	(0.38)	0.46	(0.50)

The sensitivity analysis above has 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.

The following is the maturity analysis of Projected Benefit Obligation to be paid from the fund

Particulars	(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016
Within next 12 months (next annual reporting period)	3.87	4.15
Between 2 and 5 years	19.64	19.40
More than 5 years	29.75	39.01

The average duration of the defined benefit plan obligation at the end of the reporting period is 11 years (March 31, 2016 - 12 years) (April 1, 2015 - 13 years)



**JSW STEEL COATED PRODUCTS LIMITED**

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**Note - 32 Operating Segments**

The Company is primarily engaged in the business of manufacture and sale of value added steel products. The Chief Operating Decision Maker (CODM) of the Company monitors and reviews the profitability of value added steel products and Power business collectively treating it as profit from Steel products business. Hence, the Company has identified one primary business segment i.e., Value added steel products.

**Information about revenue from products**

Details of products sold	(Rupees in crore)	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>Finished Goods Sold</b>		
Galvanized Coils/ Sheets	5,950.84	4,686.16
Cold Rolled Coils/ Sheets	99.04	111.19
Colour Coating Coils/ Sheets	3,120.95	2,496.47
Others	565.37	389.40
<b>Total</b>	<b>9,736.20</b>	<b>7,683.22</b>

**Information about geographical revenue and assets**

For the Year Ended	(Rupees in crore)	
	Revenue from operations	Non- current operating assets
<b>March 31, 2017</b>		
Within India	6,042.57	1,979.21
Outside India	3,710.06	-
<b>Total</b>	<b>9,752.63</b>	<b>1,979.21</b>
<b>March 31, 2016</b>		
Within India	5,052.39	2,033.81
Outside India	2,646.29	-
<b>Total</b>	<b>7,698.68</b>	<b>2,033.81</b>
<b>April 1, 2015</b>		
Within India		2,133.05
Outside India		-
<b>Total</b>		<b>2,133.05</b>



**JSW STEEL COATED PRODUCTS LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2017**

**Note – 33 Employee share based payment plans**

**ESOP SCHEME 2012:**

The Holding Company, JSW Steel Limited, has a share option plan scheme for permanent employees of the Company and its subsidiaries in the grade of L8 (Jr. Manager) and above including any director except to any employee who is a promoter or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

The Employees Stock Ownership Plan is effective from 26th July, 2012. The eligible employees can exercise the option anytime between the vesting period till 30th September, 2017.

The grant is determined as percentage of Total Fixed Pay. The grant was at such price as determined by the ESOP Committee and be specified in the Grant. The option shall not be transferable and can be exercised only by the employees of the Company.

The number of options granted to each eligible employees is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided.

The Fair Value of option on the date of each grant is determined by using Black Scholes model.

All the ESOP under this scheme are vested.

**ESOP SCHEME 2016:**

The Board of Directors of JSW Steel Limited (Holding Company) at its meeting held on 29th January, 2016, formulated the JSWSL EMPLOYEES STOCK OWNERSHIP PLAN 2016 ("ESOP Plan"). At the said meeting, the Board authorized the ESOP Committee for the superintendence of the ESOP Plan.

The said scheme is for permanent employees of the Company and its subsidiaries in the grade of L16 (AVP) and above including any director except to any employee who is a promoter or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

The Employees Stock Ownership Plan is effective from 1st April, 2016. The eligible employees can exercise the option from May 17, 2016 till March 31, 2019 (for 50% of grant) and May 17, 2016 till March 21, 2020 (for remaining 50% of grant).

A total of 295,190 options for equity shares having face value of Re. 1 per share were granted to the eligible employees of the Company.

The Fair Value of option on the date of each grant is determined by using Black Scholes model.



**JSW STEEL COATED PRODUCTS LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2017**

The details of the Share based payment plan are as follows:

Particulars	Year	Initial Grant (Junior Manager & Above)	1st Subsequent Grant (Junior Manager & Above)	ESOP 2016 Grant (AVP & Above)
Date of grant		July 26, 2012	July 26, 2012	May 17, 2016
Opening Balance as on	April 1, 2016	7,65,840	11,86,550	-
	April 1, 2015	11,94,630	16,81,090	-
Allotted	March 31, 2017	-	-	2,95,190
	March 31, 2016	-	-	-
	April 1, 2015	-	-	-
Transfer to JSW Steel	March 31, 2017	29,890	20,640	-
	March 31, 2016	43,990	21,270	-
	April 1, 2015	-	-	-
Forfeited during the period	March 31, 2017	-	-	-
	March 31, 2016	-	-	-
	April 1, 2015	2,000	5,110	-
Exercised during the period	March 31, 2017	6,60,880	6,85,660	-
	March 31, 2016	3,84,800	4,73,270	-
	April 1, 2015	11,55,570	80,270	-
Outstanding as on	March 31, 2017	75,070	4,80,250	2,95,190
	March 31, 2016	7,65,840	11,86,550	-
	April 1, 2015	11,94,630	16,81,090	-
Exercisable as on	March 31, 2017	75,070	4,80,250	-
	March 31, 2016	7,65,840	11,86,550	-
	April 1, 2015	11,94,630	16,81,090	-
Vesting Period	March 31, 2017	30-Sep-13 till 30-Sep-17	30-Sep-14 till 30-Sep-17	17-May-16 till 31-Mar-19 (for 50% of grant) and 17-May-16 till 31-Mar-20 (for remaining 50% of grant)
	March 31, 2016	30-Sep-13 till 30-Sep-17	30-Sep-14 till 30-Sep-17	-
	April 1, 2015	30-Sep-13 till 30-Sep-17	30-Sep-14 till 30-Sep-17	-
Method of settlement		Equity	Equity	Equity
Exercise Price		70	70	103.65
Fair Value as on the Date of Grant				67.48

Note:

Note 1 - The company has recognised an expense of Rs. 0.53 crores towards share based payments transactions based on charge received from holding company (i.e JSW Steel Limited.) corresponding liability is recognised in the books of Holding company.

Note 2 - The share options outstanding at the end of the year has a weighted average exercise price of 70 for ESOP Scheme 2012 and 103.65 for ESOP Scheme 2016, and a weighted average remaining contractual life of NIL days.

Note 3 -**Sub-division of equity shares of JSW Steel Limited:** The equity Shares of JSW Steel Limited, the Holding Company having a face value of Rs. 10/- (Rupees Ten only) each were sub-divided into 10 (ten) equity shares having a face value of Re. 1/- (Rupee One only) each from January 5, 2017. Hence, the number of shares have been presented considering face value of Re. 1 per share



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Note - 34 Commitments and contingencies**

**a) Operating lease commitments**

**1. As Lessor:**

i. The Company has entered into Leave and License agreements, for renting 642 houses (admeasuring approximately 345,003 square feet) at the rate of Rs. 2 per square feet per annum, for a period of 60 months. These agreements will expire on March 31, 2019.

The agreements are renewable at the option of the lessee after the end of the lease term.

ii. Disclosure in respect of assets (buildings) given on operating lease:

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Gross Carrying amount of Assets	30.72	21.29	21.29
Accumulated Depreciation	1.44	0.67	-
Net Block	29.28	20.62	21.29
Depreciation for the year	0.77	0.67	-

**2. As Lessee:**

The agreements are executed for a period of 11 to 180 months with a renewable clause and also provide for termination at will by either party giving a prior notice period of 1 to 3 months.

Lease Rentals charged to revenue for right to use following assets are:

Particulars	(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016
Office Premises, Residential Flats, Plant & Machinery etc.	3.10	3.74

**b) Contingent Liabilities**

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Claims against the Company not acknowledged as debts *	1.36	1.41	1.42
Disputed Claims/Levies (excluding interest, if any)			
Excise Duty	6.68	78.03	67.56
Custom Duty	7.38	7.38	7.38
Service Tax	12.12	11.31	13.79
Sales Tax	93.68	83.8	76.19
<b>Total</b>	<b>121.22</b>	<b>181.93</b>	<b>166.34</b>

\* The claims against the Company comprises of claims by suppliers, employees and other parties.

In respect of items shown above, future cash outflows are determinable only on receipt of judgments pending at various forums / authorities. The Company does not expect the outcome of matters stated above to have a material adverse effect on the Company's financial conditions, result of operations or cash flows.

There are five litigation cases for which the Company has made a provision in the books aggregating Rs. 44.37 crore (March 31, 2016 – Rs.23.08 crore for five cases, April 1, 2015 – Rs.0.08 crore for two cases).



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**c) Capital and Other Commitments**

1. At March 31, 2017, estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 319.56 crore (March 31, 2016 - Rs. 44.24 crore, April 1, 2015 - Rs. 30.96 crore).

2. The Company had imported 73,707 MT of Hot Rolled Coils during the year 2016-17 under Advance License Scheme having zero customs duty. There is export obligation to be fulfilled over a period of 18 months. Balance export obligation to be fulfilled as on March 31, 2017 is 12,083 MT having duty liability of Rs.4.03 crore. (March 31, 2016 – 19330 MT duty liability Rs. 6.33 crore, April 1, 2015 - Nil).

**Note – 35 Capital Management**

The Company manages its capital to ensure that entity will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, and retained earnings).

The Company prepares projections via Annual Business plan and Capex Business plan to plan the capital structure and the outflow. The Company is not subject to any externally imposed capital requirements. The management reviews the capital structure on a quarterly basis. The Company monitors its capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as Loans and borrowings less cash and cash equivalent.

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Long term borrowings	650.62	738.83	827.55
Current maturities of long term debt	88.44	88.82	44.87
Short term borrowings	0.21	271.77	533.34
Less: cash and cash equivalent	(11.77)	(6.50)	(13.57)
<b>Net debt</b>	<b>727.50</b>	<b>1,092.92</b>	<b>1,392.19</b>
<b>Total equity</b>	<b>1,474.10</b>	<b>1,171.24</b>	<b>1,120.62</b>
<b>EBIDTA</b>	<b>651.92</b>	<b>383.69</b>	
<b>Gearing ratio</b>	<b>49.35%</b>	<b>93.31%</b>	<b>124.23%</b>
<b>Net debt / EBIDTA</b>	<b>111.59%</b>	<b>284.85%</b>	

(i) Equity includes all capital and reserves of the Company that are managed as capital.

(ii) Debt is defined as long and short term borrowings



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Note - 36 Financial Instruments****a) Credit Risk Management**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivables.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (see note Liquidity Risk). As at March 31, 2017 no amount has been recognised in the financial position as financial liabilities for guarantees.

**1. The Following are the List of the top five Largest customer for the Company and their credit exposure at the end of the year:**

(Rupees in crore)		
Particulars	Sales Value	Receivable
<b>March 31, 2017</b>		
Kirby Building Systems India Pvt Ltd.	147.83	0.26
Secure Steel & Commodities AG	157.24	12.54
Arihant Steel Corporation	130.57	-
Surendra Steel Pvt Ltd	120.77	-
Mohan Steel Corporation	107.39	-
<b>March 31, 2016</b>		
Duferco S.A.	154.43	-
Mohan Steel corporation	121.07	-
Arihant Steel corporation	119.70	-
Surendra Steel Private Limited	104.94	6.87
Secure Steel & Commodities AG	90.13	0.11

**2. Movement of provision for doubtful debts:**

Particulars	(Rupees in Crore)
Balances as on April 1, 2015	5.28
Additions	-
Write - off	(2.49)
Balances as on March 31, 2016	2.79
Additions	-
Write - off	(2.04)
Balances as on March 31, 2017	0.75

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.



**JSW STEEL COATED PRODUCTS LIMITED**
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**b) Liquidity Risk Management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. 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. Note below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Rupees in crore)					
Particulars	Year	< 1 year	1-5 years	> 5 years	Total
<b><u>Non-current liabilities</u></b>					
Long term borrowings	March 31, 2017	-	400.59	250.03	650.62
	March 31, 2016	-	507.96	230.87	738.83
	April 1, 2015	-	468.42	359.13	827.55
<b>Total Non-Current Liabilities</b>	<b>March 31, 2017</b>	<b>-</b>	<b>400.59</b>	<b>250.03</b>	<b>650.62</b>
	<b>March 31, 2016</b>	<b>-</b>	<b>507.96</b>	<b>230.87</b>	<b>738.83</b>
	<b>April 1, 2015</b>	<b>-</b>	<b>468.42</b>	<b>359.13</b>	<b>827.55</b>
<b><u>Current Liabilities</u></b>					
Short term borrowings	March 31, 2017	0.21	-	-	0.21
	March 31, 2016	271.77	-	-	271.77
	April 1, 2015	533.34	-	-	533.34
Trade payables	March 31, 2017	980.17	-	-	980.17
	March 31, 2016	552.23	-	-	552.23
	April 1, 2015	690.40	-	-	690.40
<b><u>Other payables</u></b>					
Deposits Received from Customers	March 31, 2017	8.62	-	-	8.62
	March 31, 2016	7.50	-	-	7.50
	April 1, 2015	7.24	-	-	7.24
Payables for Capital Projects	March 31, 2017	12.20	-	-	12.20
	March 31, 2016	5.74	-	-	5.74
	April 1, 2015	19.98	-	-	19.98
Customer Liabilities	March 31, 2017	15.07	-	-	15.07
	March 31, 2016	17.63	-	-	17.63
	April 1, 2015	12.06	-	-	12.06
Payable against investments in Equity instruments	March 31, 2017	-	-	-	-
	March 31, 2016	-	-	-	-
	April 1, 2015	35.31	-	-	35.31
Interest payables	March 31, 2017	6.07	-	-	6.07
	March 31, 2016	9.17	-	-	9.17
	April 1, 2015	12.00	-	-	12.00
Others	March 31, 2017	0.39	-	-	0.39
	March 31, 2016	0.56	-	-	0.56
	April 1, 2015	0.30	-	-	0.30
Derivative liabilities	March 31, 2017	22.06	-	-	22.06
	March 31, 2016	6.76	-	-	6.76
	April 1, 2015	4.36	-	-	4.36



**JSW STEEL COATED PRODUCTS LIMITED**
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<b>Other current financial liabilities</b>					
Current maturities of long-term debt	March 31, 2017	88.44	-	-	88.44
	March 31, 2016	88.83	-	-	88.83
	April 1, 2015	44.87	-	-	44.87
Payables for Capital Projects	March 31, 2017	7.51	-	-	7.51
	March 31, 2016	41.07	-	-	41.07
	April 1, 2015	23.12	-	-	23.12
<b>Total current liabilities</b>	<b>March 31, 2017</b>	<b>1,140.74</b>	<b>-</b>	<b>-</b>	<b>1,140.74</b>
	<b>March 31, 2016</b>	<b>1,001.25</b>	<b>-</b>	<b>-</b>	<b>1,001.25</b>
	<b>April 1, 2015</b>	<b>1,382.98</b>	<b>-</b>	<b>-</b>	<b>1,382.98</b>

Note 1: Above undiscounted amounts equals carrying value in the books.

Note 2: At March 31, 2017, the Company had available Rs.492 crore (March 31, 2016 - Rs. 339 crore, April 1, 2015 - Rs.236 crore) of undrawn committed borrowing facilities.

Note 3: Derivative financial liabilities are settled on contract by contract basis accordingly the above amount represents net amount payable as at March 31, 2017.

**c) Interest rate risk**

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

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

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fixed rate borrowings	-	270.00	500.00
Floating rate borrowings	722.71	809.27	883.34
<b>Total borrowings</b>	<b>722.71</b>	<b>1,079.27</b>	<b>1,383.34</b>

**Interest Rate Sensitivity**

The following table demonstrates the sensitivity to a change in interest rates by 50 basis points on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(Rupees in crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Increase/Decrease in basis points</b>			
INR	50	50	50
USD	50	50	50
<b>Effect on profit before tax</b>			
INR	3.61	4.05	4.25
USD	-	-	0.17

**d) Currency risk**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.



**JSW STEEL COATED PRODUCTS LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2017**

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Assets	Year	\$ in Million	€ in Million	(Rupees in crore)
<b>Non-current assets</b>				
<b><u>Long term loans and advances</u></b>				
Security deposits	March 31, 2017	-	-	10.70
	March 31, 2016	-	-	6.15
	April 1, 2015	-	-	6.27
Non-current investment	March 31, 2017	-	-	31.50
	March 31, 2016	-	-	34.31
	April 1, 2015	-	-	52.17
Loans and advances to related parties	March 31, 2017	-	-	4.50
	March 31, 2016	-	-	3.63
	April 1, 2015	-	-	-
<b>Total non-current assets</b>	<b>March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>46.70</b>
	<b>March 31, 2016</b>	<b>-</b>	<b>-</b>	<b>44.09</b>
	<b>April 1, 2015</b>	<b>-</b>	<b>-</b>	<b>58.44</b>
<b>Current assets</b>				
Trade and other receivables	March 31, 2017	15.68	3.91	135.89
	March 31, 2016	6.20	2.00	70.72
	April 1, 2015	14.40	1.80	44.70
Cash and cash equivalents	March 31, 2017	-	-	11.77
	March 31, 2016	-	-	6.50
	April 1, 2015	-	-	13.57
Derivative Instruments	March 31, 2017	-	-	56.49
	March 31, 2016	-	-	9.17
	April 1, 2015	-	-	5.53
Loans	March 31, 2017	-	-	0.61
	March 31, 2016	-	-	-
	April 1, 2015	-	-	-
Others	March 31, 2017	-	-	4.38
	March 31, 2016	-	-	3.11
	April 1, 2015	-	-	16.98
<b>Total current assets</b>	<b>March 31, 2017</b>	<b>15.68</b>	<b>3.91</b>	<b>209.14</b>
	<b>March 31, 2016</b>	<b>6.20</b>	<b>2.00</b>	<b>89.50</b>
	<b>April 1, 2015</b>	<b>14.40</b>	<b>1.80</b>	<b>80.78</b>
<b><u>Non-current liabilities</u></b>				
Long term borrowings	March 31, 2017	-	-	650.62
	March 31, 2016	-	-	738.83
	April 1, 2015	-	-	827.55
<b>Total Non-current liabilities</b>	<b>March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>650.62</b>
	<b>March 31, 2016</b>	<b>-</b>	<b>-</b>	<b>738.83</b>
	<b>April 1, 2015</b>	<b>-</b>	<b>-</b>	<b>827.55</b>



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	Year	\$ in Million	€ in Million	(Rupees in crore)
<b><u>Current liabilities</u></b>				
Short term borrowings	March 31, 2017	-	-	0.21
	March 31, 2016	-	-	271.77
	April 1, 2015	5.30	-	500.00
<b><u>Trade Payables and acceptances</u></b>				
Other than Acceptances	March 31, 2017	1.70	0.03	621.38
	March 31, 2016	3.57	-	213.29
	April 1, 2015	6.05	-	302.21
Acceptances	March 31, 2017	53.60	-	-
	March 31, 2016	47.52	-	-
	April 1, 2015	44.89	-	69.31
<b><u>Other payables</u></b>				
Deposits Received from Customers	March 31, 2017	-	-	8.62
	March 31, 2016	-	-	7.50
	April 1, 2015	-	-	7.24
Creditors Capex	March 31, 2017	0.46	0.01	9.12
	March 31, 2016	0.37	0.01	3.20
	April 1, 2015	1.67	0.18	8.35
Payable against investments in Equity instruments	March 31, 2017	-	-	-
	March 31, 2016	-	-	-
	April 1, 2015	-	-	35.31
Interest payables	March 31, 2017	-	-	6.07
	March 31, 2016	-	-	9.17
	April 1, 2015	-	-	12.00
Customer Liabilities	March 31, 2017	-	-	15.07
	March 31, 2016	-	-	17.63
	April 1, 2015	-	-	12.06
Others	March 31, 2017	-	-	0.39
	March 31, 2016	-	-	0.56
	April 1, 2015	-	-	0.30
Derivative liabilities	March 31, 2017	-	-	22.06
	March 31, 2016	-	-	6.76
	April 1, 2015	-	-	4.36
<b><u>Other current financial liabilities</u></b>				
Current maturities of long-term debt	March 31, 2017	-	-	88.44
	March 31, 2016	-	-	88.83
	April 1, 2015	-	-	44.87
Payables for Capital Projects	March 31, 2017	1.63	-	-
	March 31, 2016	6.19	-	-
	April 1, 2015	3.69	-	-
<b>Total current liabilities</b>	<b>March 31, 2017</b>	<b>57.39</b>	<b>0.04</b>	<b>771.36</b>
	<b>March 31, 2016</b>	<b>57.66</b>	<b>0.01</b>	<b>618.71</b>
	<b>April 1, 2015</b>	<b>61.60</b>	<b>0.18</b>	<b>996.01</b>



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

Currency risk sensitivity:		(Rupees in crore)		
Particulars	Gain/(Loss) on profit before tax		Effect on pre-tax equity	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
<b>Increase by 50 paise</b>				
USD	0.76	(0.43)	(6.76)	(4.00)
EURO	0.19	0.10	0.01	-
<b>Decrease by 50 paise</b>				
USD	(0.76)	0.43	6.76	4.00
EURO	(0.19)	(0.10)	(0.01)	-

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy.

The Forward exchange contracts entered into by the Company and outstanding are as under:

Year Ended	No. of Contracts	Type	US\$ equivalent \$ in Million	INR Equivalent (Rupees in crore)
March 31, 2017	19	Sell	135.18	876.47
March 31, 2016	13	Sell	80.00	543.94
April 1, 2015	68	Sell	307.84	1,956.36
March 31, 2017	27	Buy	56.94	369.22
March 31, 2016	18	Buy	42.83	284.09
April 1, 2015	20	Buy	39.04	247.60

**Unhedged Foreign Currency**

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

a) Amounts receivable in foreign currency on account of the following:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	US\$ Equivalent \$in Million	INR Equivalent (Rupees in crore)	US\$ Equivalent \$in Million	INR Equivalent (Rupees in crore)	US\$ Equivalent \$in Million	INR Equivalent (Rupees in crore)
Trade Receivables	19.85	128.72	8.42	55.86	2.11	13.22



**JSW STEEL COATED PRODUCTS LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2017**

b) Amounts payable in foreign currency on account of the following:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	US\$ Equivalent \$in Million	INR Equivalent (Rupees in crore)	US\$ Equivalent \$in Million	INR Equivalent (Rupees in crore)	US\$ Equivalent \$in Million	INR Equivalent (Rupees in crore)
<b>Trade Payables</b>						
Acceptances	53.60	347.56	10.87	72.15	9.52	59.51
Other than Acceptances	2.66	17.22	5.48	36.38	9.37	58.66
Payable for Capital Projects including Acceptances	1.63	10.59	0.40	2.60	1.86	11.67
Foreign Currency Loan from Bank	-	-	-	-	5.33	33.34

**e) Fair value risk**

The management assessed that fair value of trade and other receivables, Cash and Cash Equivalents, Interest and claim receivables and Trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the FVTOCI quoted investments are derived from quoted market prices in active markets.

Carrying Value of all material Non-Current Financial Assets and Liabilities reflects their fair values.



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**f) Level wise disclosure of financial instruments**

Particulars	Fair values	Level	Valuation technique and key inputs
<b><u>Non-current investment</u></b>			
Investments in the equity shares of JSW Energy Limited	27.44	1	Quoted bid prices in an active market
Investments in the equity shares of Tarapur Environment Protection Society	4.06	3	Net Asset value of share arrived has been considered as fair value
<b><u>Financial assets</u></b>			
Derivative instruments	56.49	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
<b><u>Financial Liabilities</u></b>			
Derivative instruments	22.06	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

**Reconciliation of fair value measurement of the investment in unquoted equity shares:**

Particulars	(Rs. In crore) Amount
Balance as on April 1, 2015	-
Sales	-
Purchases	3.39
Total gains/(losses) recognised in OCI	0.50
<b>Balance as on March 31, 2016</b>	<b>3.89</b>
Sales	-
Purchases	-
Total gains/(losses) recognised in OCI	0.17
<b>Balance as on March 31, 2017</b>	<b>4.06</b>



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Note - 37 Related Party Disclosures**

**Parties with whom the Company has entered into transactions during the year where control exists**

- 1. Holding Company**  
JSW Steel Limited
- 2. Fellow Subsidiaries**  
Amba River Coke Limited
- 3. Key management personnel (KMP)**  
Mr. Jayant Acharya  
Mr. Rajeev Pai  
Mr. Dileep Bhatt  
Mr. Hemant Shete  
Ms. Deepthi Walawalkar
- 4. Enterprises over which key management personnel and relatives of such personnel exercise significant influence**  
Jindal Steel & Power Limited  
Jindal Saw Limited  
JSW Energy Limited  
JSW Realty & Infrastructure Private Limited  
JSW Projects Limited  
JSW Structural Metal Decking Limited  
JSW Power Trading Company Limited  
JSW Cement Limited  
JSW Jaigarh Port Limited  
JSW IP Holdings Private Limited (Formerly known as JSW Investments Private Limited)  
Ganga Ferro Alloy Private Limited  
JSL Lifestyle Limited  
Jindal Education Trust  
JSL Architecture Limited  
JSW Vallabh Tinplate Limited  
JSW Techno Projects Management Private Limited  
JSW Global Business Solution Limited (Formerly Known as Sapphire Technologies Limited)  
JSW Dharamtar Port Private Limited  
Jindal Stainless Limited  
Jindal Stainless Steelway Ltd  
JSOFT Solutions Limited  
JSW Steel Coated Products Limited Group Gratuity Trust  
Tranquil Homes & Holdings Private Limited  
Jindal Technologies & Management Services Pvt. Ltd  
Dolvi Coke Projects Ltd.  
Windsor Residency Private Limited  
JSW Severfield Structures Limited  
Descon Limited  
JSW Paints Private Limited

**Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2017

Related party transactions

							(Rupees in crore)
Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiary	Key Management Personnel	Enterprise over which KMP and relatives of such personnel exercise significant influence	Total
<b>Purchase of Goods</b>							
	JSW Steel Limited	March 31, 2017	6,751.70	-	-	-	6,751.70
		March 31, 2016	4,375.26	-	-	-	4,375.26
	Others	March 31, 2017	-	-	-	0.97	0.97
		March 31, 2016	-	-	-	1.72	1.72
	<b>Total</b>	<b>March 31, 2017</b>	<b>6,751.70</b>	<b>-</b>	<b>-</b>	<b>0.97</b>	<b>6,752.67</b>
		<b>March 31, 2016</b>	<b>4,375.26</b>	<b>-</b>	<b>-</b>	<b>1.72</b>	<b>4,376.98</b>
<b>Purchase of Capital Goods</b>							
	JSW Steel Limited	March 31, 2017	6.35	-	-	-	6.35
		March 31, 2016	-	-	-	-	-
	JSW Cement Limited	March 31, 2017	-	-	-	2.71	2.71
		March 31, 2016	-	-	-	0.55	0.55
	<b>Total</b>	<b>March 31, 2017</b>	<b>6.35</b>	<b>-</b>	<b>-</b>	<b>2.71</b>	<b>9.06</b>
		<b>March 31, 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.55</b>	<b>0.55</b>
<b>Purchase of Power &amp; Fuel</b>							
	JSW Energy Limited	March 31, 2017	-	-	-	83.14	83.14
		March 31, 2016	-	-	-	73.37	73.37
	<b>Total</b>	<b>March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83.14</b>	<b>83.14</b>
		<b>March 31, 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73.37</b>	<b>73.37</b>
<b>Services Received</b>							
	JSW Power Trading Company Limited	March 31, 2017	-	-	-	3.08	3.08
		March 31, 2016	-	-	-	4.69	4.69
	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited) (Sales Commission)	March 31, 2017	-	-	-	7.37	7.37
		March 31, 2016	-	-	-	5.73	5.73
	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited) (Shared Services)	March 31, 2017	-	-	-	4.96	4.96
		March 31, 2016	-	-	-	-	-
	Ganga Ferro Alloys Private Limited	March 31, 2017	-	-	-	1.46	1.46
		March 31, 2016	-	-	-	1.28	1.28



JSW STEEL COATED PRODUCTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2017

Related party transactions

							(Rupees in crore)
Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiary	Key Management Personnel	Enterprise over which KMP and relatives of such personnel exercise significant influence	Total
	Jindal Technologies & Management Services Private Limited	March 31, 2017	-	-	-	10.86	10.86
		March 31, 2016	-	-	-	9.72	9.72
	Others	March 31, 2017	-	-	-	-	-
		March 31, 2016	-	-	-	1.00	1.00
	<b>Total</b>	<b>March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27.73</b>	<b>27.73</b>
		<b>March 31, 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.42</b>	<b>22.42</b>
<b>Reimbursement of Expenses incurred on behalf of the Company by</b>							
	JSW Steel Limited	March 31, 2017	52.20	-	-	-	52.20
		March 31, 2016	52.59	-	-	-	52.59
	JSW IP Holdings Private Limited (Formerly known as JSW Investment Private Limited)	March 31, 2017	-	-	-	-	-
		March 31, 2016	-	-	-	0.05	0.05
	<b>Total</b>	<b>March 31, 2017</b>	<b>52.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52.20</b>
		<b>March 31, 2016</b>	<b>52.59</b>	<b>-</b>	<b>-</b>	<b>0.05</b>	<b>52.64</b>
<b>Commission Paid</b>							
	JSW Steel Limited	March 31, 2017	0.21	-	-	-	0.21
		March 31, 2016	0.21	-	-	-	0.21
	<b>Total</b>	<b>March 31, 2017</b>	<b>0.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.21</b>
		<b>March 31, 2016</b>	<b>0.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.21</b>
<b>Interest Paid</b>							
	JSW Steel Limited	March 31, 2017	5.68	-	-	-	5.68
		March 31, 2016	1.02	-	-	-	1.02
	<b>Total</b>	<b>March 31, 2017</b>	<b>5.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.68</b>
		<b>March 31, 2016</b>	<b>1.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.02</b>
<b>Branding Fees</b>							
	JSW IP Holdings Private Limited (Formerly known as JSW Investment Private Limited)	March 31, 2017	-	-	-	7.53	7.53
		March 31, 2016	-	-	-	6.03	6.03



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Related party transactions**

							(Rupees in crore)
Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiary	Key Management Personnel	Enterprise over which KMP and relatives of such personnel exercise significant influence	Total
	<b>Total</b>	<b>March 31, 2017</b>	-	-	-	7.53	7.53
		<b>March 31, 2016</b>	-	-	-	6.03	6.03
<b>Rent Paid</b>							
	Tranquil Homes & Holdings Private Limited	March 31, 2017	-	-	-	0.11	0.11
		March 31, 2016	-	-	-	-	-
	Descon Limited	March 31, 2017	-	-	-	0.01	0.01
		March 31, 2016	-	-	-	-	-
	JSW Steel Limited '1	March 31, 2017	-	-	-	-	-
		March 31, 2016	*	-	-	-	*
	<b>Total</b>	<b>March 31, 2017</b>	-	-	-	0.12	0.12
		<b>March 31, 2016</b>	*	-	-	-	*
<b>Sales of Goods</b>							
	JSW Steel Limited	March 31, 2017	23.15	-	-	-	23.15
		March 31, 2016	59.44	-	-	-	59.44
	Amba River Coke Limited	March 31, 2017	-	0.01	-	-	0.01
		March 31, 2016	-	0.20	-	-	0.20
	Jindal Steel & Power Limited	March 31, 2017	-	-	-	11.63	11.63
		March 31, 2016	-	-	-	9.20	9.20
	JSW Structural Metal Decking Limited	March 31, 2017	-	-	-	0.09	0.09
		March 31, 2016	-	-	-	3.12	3.12
	Jindal Saw Limited	March 31, 2017	-	-	-	1.18	1.18
		March 31, 2016	-	-	-	1.48	1.48
	JSW Vallabh Tinplate Private Limited	March 31, 2017	-	-	-	-	-
		March 31, 2016	-	-	-	7.41	7.41
	Others	March 31, 2017	-	-	-	5.74	5.74
		March 31, 2016	-	-	-	1.85	1.85
	<b>Total</b>	<b>March 31, 2017</b>	<b>23.15</b>	<b>0.01</b>	-	<b>18.64</b>	<b>41.80</b>
		<b>March 31, 2016</b>	<b>59.44</b>	<b>0.20</b>	-	<b>23.06</b>	<b>82.70</b>
<b>Interest / Dividend Received</b>							
	JSW Steel Limited	March 31, 2017	19.53	-	-	-	19.53
		March 31, 2016	31.54	-	-	-	31.54



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Related party transactions**

							(Rupees in crore)
Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiary	Key Management Personnel	Enterprise over which KMP and relatives of such personnel exercise significant influence	Total
	JSW Energy Limited	March 31, 2017	-	-	-	0.88	0.88
		March 31, 2016	-	-	-	0.88	0.88
	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited)	March 31, 2017	-	-	-	0.48	0.48
		March 31, 2016	-	-	-	0.04	0.04
	Ganga Ferro Alloys Private Limited	March 31, 2017	-	-	-	0.01	0.01
		March 31, 2016	-	-	-	-	-
	<b>Total</b>	<b>March 31, 2017</b>	<b>19.53</b>	<b>-</b>	<b>-</b>	<b>1.37</b>	<b>20.90</b>
		<b>March 31, 2016</b>	<b>31.54</b>	<b>-</b>	<b>-</b>	<b>0.92</b>	<b>32.46</b>
<b>Other Income</b>							
	JSW Realty & Infrastructure Private Limited	March 31, 2017	-	-	-	1.25	1.25
		March 31, 2016	-	-	-	1.24	1.24
	Jindal Education Trust	March 31, 2017	-	-	-	-	-
		March 31, 2016	-	-	-	-	-
	JSW Paints Private Limited	March 31, 2017	-	-	-	0.02	0.02
		March 31, 2016	-	-	-	-	-
	<b>Total</b>	<b>March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.27</b>	<b>1.27</b>
		<b>March 31, 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.24</b>	<b>1.24</b>
<b>Transfer of Investment of Tarapur Environment Protection Society</b>							
	JSW Steel Limited	March 31, 2017	-	-	-	-	-
		March 31, 2016	0.29	-	-	-	0.29
	<b>Total</b>	<b>March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
		<b>March 31, 2016</b>	<b>0.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.29</b>
<b>Recovery of Expenses incurred by the Company on behalf of</b>							
	JSW Steel Limited	March 31, 2017	9.88	-	-	-	9.88
		March 31, 2016	10.71	-	-	-	10.71
	JSW Vallabh Tinplate Private Limited	March 31, 2017	-	-	-	-	-
		March 31, 2016	-	-	-	0.56	0.56




**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Related party transactions**

							(Rupees in crore)
Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiary	Key Management Personnel	Enterprise over which KMP and relatives of such personnel exercise significant influence	Total
	Jindal Technologies & Management Services Private. Ltd	March 31, 2017	-	-	-	1.44	1.44
		March 31, 2016	-	-	-	1.41	1.41
	JSW Energy Limited	March 31, 2017	-	-	-	0.38	0.38
		March 31, 2016	-	-	-	0.24	0.24
	<b>Total</b>	<b>March 31, 2017</b>	<b>9.88</b>	-	-	<b>1.82</b>	<b>11.70</b>
		<b>March 31, 2016</b>	<b>10.71</b>	-	-	<b>2.21</b>	<b>12.92</b>
<b>Loan and Advance Given</b>							
	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited)	March 31, 2017	-	-	-	1.42	1.42
		March 31, 2016	-	-	-	3.59	3.59
	Ganga Ferro Alloys Private Limited	March 31, 2017	-	-	-	0.21	0.21
		March 31, 2016	-	-	-	-	-
	<b>Total</b>	<b>March 31, 2017</b>	-	-	-	<b>1.63</b>	<b>1.63</b>
		<b>March 31, 2016</b>	-	-	-	<b>3.59</b>	<b>3.59</b>
<b>Contribution to Defined benefit plan</b>							
	JSW Steel Coated Products Limited Group Gratuity Trust	March 31, 2017	-	-	-	3.50	3.50
		March 31, 2016	-	-	-	0.50	0.50
	<b>Total</b>	<b>March 31, 2017</b>	-	-	-	<b>3.50</b>	<b>3.50</b>
		<b>March 31, 2016</b>	-	-	-	<b>0.50</b>	<b>0.50</b>
<b>Remuneration</b>							
	Mr. Dileep Bhatt	March 31, 2017	-	-	1.57	-	1.57
		March 31, 2016	-	-	1.42	-	1.42
	Mr. Hemant Shete	March 31, 2017	-	-	0.89	-	0.89
		March 31, 2016	-	-	0.82	-	0.82
	Ms. Deepti Walawalkar	March 31, 2017	-	-	0.08	-	0.08
		March 31, 2016	-	-	0.08	-	0.08
	<b>Total</b>	<b>March 31, 2017</b>	-	-	<b>2.54</b>	-	<b>2.54</b>
		<b>March 31, 2016</b>	-	-	<b>2.32</b>	-	<b>2.32</b>



**JSW STEEL COATED PRODUCTS LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2017**

- Notes: 1. The Remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.
2. The Remuneration to the key managerial personnel includes Share based payment expenses recognised based on ESOP \ plan (Refer Note 33)
- \* Amount less than 0.01 crore

**Closing balance of Related Parties**

							(Rupees in crore)
Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiary	Key Management Personnel	Enterprise over which KMP and relatives of such personnel exercise significant influence	Total
Trade Payables	JSW Steel Limited	March 31, 2017	238.24	-	-	-	238.24
		March 31, 2016	-	-	-	-	-
		April 1, 2015	-	-	-	-	-
	JSW Energy Limited	March 31, 2017	-	-	-	8.41	8.41
		March 31, 2016	-	-	-	6.37	6.37
		April 1, 2015	-	-	-	3.31	3.31
	JSW IP Holdings Private Limited (Formerly known as JSW Investment Private Limited)	March 31, 2017	-	-	-	-	-
		March 31, 2016	-	-	-	-	-
		April 1, 2015	-	-	-	0.35	0.35
	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited) (Auction sale)	March 31, 2017	-	-	-	6.30	6.30
		March 31, 2016	-	-	-	0.48	0.48
		April 1, 2015	-	-	-	0.50	0.50



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Closing balance of Related Parties**

							(Rupees in crore)
Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiary	Key Management Personnel	Enterprise over which KMP and relatives of such personnel exercise significant influence	Total
	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited) (Shared Services)	March 31, 2017	-	-	-	2.28	2.28
		March 31, 2016	-	-	-	-	-
		April 1, 2015	-	-	-	-	-
	Jindal Technologies & Management Services Private Limited	March 31, 2017	-	-	-	1.34	1.34
		March 31, 2016	-	-	-	0.86	0.86
		April 1, 2015	-	-	-	0.97	0.97
	Others	March 31, 2017	-	-	-	1.35	1.35
		March 31, 2016	-	-	-	0.64	0.64
		April 1, 2015	-	-	-	0.12	0.12
		<b>March 31, 2017</b>	<b>238.24</b>	-	-	<b>19.68</b>	<b>257.92</b>
<b>Total</b>		<b>March 31, 2016</b>	-	-	-	<b>8.35</b>	<b>8.35</b>
		<b>April 1, 2015</b>	-	-	-	<b>5.25</b>	<b>5.25</b>

**Advance Received from Customers**

Jindal Saw Limited	March 31, 2017	-	-	-	0.02	0.02
	March 31, 2016	-	-	-	0.08	0.08
	April 1, 2015	-	-	-	0.11	0.11
Jindal Steel & Power Limited	March 31, 2017	-	-	-	-	-
	March 31, 2016	-	-	-	-	-
	April 1, 2015	-	-	-	0.83	0.83



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Closing balance of Related Parties**

							(Rupees in crore)
Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiary	Key Management Personnel	Enterprise over which KMP and relatives of such personnel exercise significant influence	Total
	JSW Cement Limited	March 31, 2017	-	-	-	-	-
		March 31, 2016	-	-	-	-	-
		April 1, 2015	-	-	-	0.10	0.10
	JSW Jaigarh Port Limited	March 31, 2017	-	-	-	-	-
		March 31, 2016	-	-	-	0.05	0.05
		April 1, 2015	-	-	-	0.06	0.06
	Others	March 31, 2017	-	-	-	0.03	0.03
		March 31, 2016	-	-	-	0.01	0.01
		April 1, 2015	-	-	-	-	-
		<b>March 31, 2017</b>	-	-	-	<b>0.05</b>	<b>0.05</b>
	<b>Total</b>	<b>March 31, 2016</b>	-	-	-	<b>0.14</b>	<b>0.14</b>
		<b>April 1, 2015</b>	-	-	-	<b>1.10</b>	<b>1.10</b>
<b>Income Received in advance</b>							
	Jindal Education Trust	March 31, 2017	-	-	-	-	-
		March 31, 2016	-	-	-	-	-
		April 1, 2015	-	-	-	-	-
		<b>March 31, 2017</b>	-	-	-	-	-
	<b>Total</b>	<b>March 31, 2016</b>	-	-	-	-	-
		<b>April 1, 2015</b>	-	-	-	-	-
<b>Loan and Advances</b>							
	JSW Steel Limited	March 31, 2017	-	-	-	-	-
		March 31, 2016	311.20	-	-	-	311.20
		April 1, 2015	224.09	-	-	-	224.09
	JSW Global Business Solution Limited (Formerly known as Sapphire Technologies Limited)	March 31, 2017	-	-	-	4.90	4.90
		March 31, 2016	-	-	-	3.63	3.63
		April 1, 2015	-	-	-	-	-



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Closing balance of Related Parties**

							(Rupees in crore)
Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiary	Key Management Personnel	Enterprise over which KMP and relatives of such personnel exercise significant influence	Total
	JSW Power Trading Company Limited	March 31, 2017	-	-	-	4.42	4.42
		March 31, 2016	-	-	-	0.04	0.04
		April 1, 2015	-	-	-	0.05	0.05
	JSW IP Holdings Private Limited (Formerly known as JSW Investment Private Limited)	March 31, 2017	-	-	-	1.88	1.88
		March 31, 2016	-	-	-	0.81	0.81
		April 1, 2015	-	-	-	-	-
	Jindal Steel & Power Limited	March 31, 2017	-	-	-	0.33	0.33
		March 31, 2016	-	-	-	0.12	0.12
		April 1, 2015	-	-	-	0.01	0.01
	JSW Severfield Structures Ltd.	March 31, 2017	-	-	-	5.99	5.99
		March 31, 2016	-	-	-	-	-
		April 1, 2015	-	-	-	-	-
	Others	March 31, 2017	-	-	-	0.21	0.21
		March 31, 2016	-	-	-	-	-
		April 1, 2015	-	-	-	-	-
		<b>March 31, 2017</b>	-	-	-	<b>17.73</b>	<b>17.73</b>
<b>Total</b>		<b>March 31, 2016</b>	<b>311.20</b>	-	-	<b>4.60</b>	<b>315.80</b>
		<b>April 1, 2015</b>	<b>224.09</b>	-	-	<b>0.06</b>	<b>224.15</b>
<b>Trade Receivables</b>							
	Jindal Steel & Power Limited	March 31, 2017	-	-	-	0.48	0.48
		March 31, 2016	-	-	-	0.71	0.71
		April 1, 2015	-	-	-	-	-



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Closing balance of Related Parties**

							(Rupees in crore)
Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiary	Key Management Personnel	Enterprise over which KMP and relatives of such personnel exercise significant influence	Total
	Dolvi Coke Projects Limited	March 31, 2017	-	-	-	-	-
		March 31, 2016	-	-	-	0.67	0.67
		April 1, 2015	-	-	-	-	-
	JSW Techno Projects Management Limited	March 31, 2017	-	-	-	0.06	0.06
		March 31, 2016	-	-	-	-	-
		April 1, 2015	-	-	-	-	-
	JSW Cement Limited	March 31, 2017	-	-	-	*	*
		March 31, 2016	-	-	-	-	-
		April 1, 2015	-	-	-	-	-
	Amba River Coke Limited	March 31, 2017	-	*	-	-	*
		March 31, 2016	-	*	-	-	*
		April 1, 2015	-	-	-	-	-
	Windsor Residency Private Limited	March 31, 2017	-	-	-	-	-
		March 31, 2016	-	-	-	*	*
		April 1, 2015	-	-	-	*	*
		<b>March 31, 2017</b>	-	-	-	<b>0.54</b>	<b>0.54</b>
<b>Total</b>		<b>March 31, 2016</b>	-	*	-	<b>1.38</b>	<b>1.38</b>
		<b>April 1, 2015</b>	-	-	-	<b>*</b>	<b>*</b>
<b>Investment in Gratuity Fund</b>							
	JSW Steel Coated Products Limited Group Gratuity Trust	March 31, 2017	-	-	-	16.84	16.84
		March 31, 2016	-	-	-	16.26	16.26
		April 1, 2015	-	-	-	16.06	16.06
		<b>March 31, 2017</b>	-	-	-	<b>16.84</b>	<b>16.84</b>
<b>Total</b>		<b>March 31, 2016</b>	-	-	-	<b>16.26</b>	<b>16.26</b>
		<b>April 1, 2015</b>	-	-	-	<b>16.06</b>	<b>16.06</b>



**JSW STEEL COATED PRODUCTS LIMITED****Notes forming part of the Financial Statements for the year ended March 31, 2017**

- Notes: 1. JSW Steel Limited (The Holding Company) has provided a Letter of Comfort (LOC) in favor of the Bank for the Term Loan sanctioned and disbursed in favour of the Company.
2. JSW Steel Limited (The Holding Company) has provided Corporate Guarantees in favor of the Company for Rs. 24.54 crore (March 31, 2016 – Rs. 24.54 crore, April 1, 2015 – Rs. 24.54 crore)
- \* Amount less than 0.01 crore.

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those at prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest is charged, wherever applicable, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2016 - Rs. Nil, April 1, 2015 - Rs. Nil). This assessment is undertaken each financial year through examining the financial position of related parties and the market in which related part operates.

**Compensation of key management personnel of the Company**

Particulars	(Rupees in crore)	
	As at March 31, 2017	As at March 31, 2016
Short Term employee benefits	2.21	2.32
Share-based payment expense	0.33	-
<b>Total Compensation Paid to key management personnel</b>	<b>2.54</b>	<b>2.32</b>

The Remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.



## **JSW STEEL COATED PRODUCTS LIMITED**

### **Notes forming part of the Financial Statements for the year ended March 31, 2017**

#### **Note - 38 First-time adoption of Ind AS**

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2015, the date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

#### **Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Ind AS 103 Business Combinations has not been applied. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the business combination, measurement is in accordance with respective Ind AS. The Company recognises all assets acquired and liabilities assumed in a past business combination. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

Property, Plant & Equipment were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of carrying value on March 31, 2015. The Company has elected to regard those values of property as deemed cost at the date of the transition.

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

The Company has designated quoted and unquoted equity instruments held at April 1, 2015 as fair value through OCI investments.

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies)

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

#### **Hedge accounting**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Under Indian GAAP, there is no mandatory standard that deals comprehensively with hedge accounting, which has resulted in the adoption of varying practices. The Company has designated various economic hedges and applied economic hedge accounting principles to avoid profit or loss mismatch. All the hedges designated under Indian GAAP are of types which qualify for hedge accounting in accordance with Ind AS 109 also. Moreover, the Company, before the date of transition to Ind AS, has designated a transaction as hedge and also meets all the conditions for hedge accounting in Ind AS 109. Consequently, the Company continues to apply hedge accounting after the date of transition to Ind AS.



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

**Fair value measurement of financial assets or financial liabilities**

The Company has applied Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, transactions that occurred prior to the date of transition to Ind AS have not been retrospectively restated.

**Reconciliation of equity as on April 1, 2015 (date of transition to Ind AS)**

				(Rupees in crore)
Particulars	Footnotes	IGAAP	Adjustments	Ind-AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment		1,941.77	-	1,941.77
(b) Intangible assets		4.04	-	4.04
(c) Capital work in progress		74.63	-	74.63
(d) Financial assets				
(i) Investments	2	46.10	6.07	52.17
(ii) Deposits		6.27	-	6.27
(e) Other non-current assets	3,4	68.60	(14.43)	54.17
<b>Total Non-current assets</b>		<b>2,141.41</b>	<b>(8.36)</b>	<b>2,133.05</b>
<b>Current assets</b>				
(a) Inventories		963.91	-	963.91
(b) Financial Assets				
(i) Trade and other receivables	1	138.58	8.41	146.99
(ii) Cash and cash equivalents		13.57	-	13.57
(iii) Derivative instruments	1	-	5.53	5.53
(iv) Other Financial Asset		-	16.98	16.98
(v) Short-term loans and advances		597.41	(597.41)	-
(c) Other current assets	4	1.16	579.46	580.62
<b>Total current assets</b>		<b>1,714.63</b>	<b>12.97</b>	<b>1,727.60</b>
<b>Total assets</b>		<b>3,856.04</b>	<b>4.61</b>	<b>3,860.65</b>



**JSW STEEL COATED PRODUCTS LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2017**
**EQUITY AND LIABILITIES**
**Equity**

		50.05	-	50.05
(a) Equity share capital				
(b) Other equity				
(i) Retained Earnings	3	(14.07)	(194.33)	(208.40)
(ii) Other reserves	2	1,276.58	2.39	1,278.97

**Total Equity**

1,312.56	(191.94)	1,120.62
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**Non-current liabilities**

(a) Financial liabilities				
(i) Borrowings	4	829.40	(1.85)	827.55
(b) Long term provisions		2.36	-	2.36
(c) Deferred tax liabilities(net)	3	169.33	184.34	353.67
<b>Total non-current liabilities</b>		<b>1,001.09</b>	<b>182.49</b>	<b>1,183.58</b>

**Current liabilities**

(a) Financial liabilities				
(i) Borrowings		533.34	-	533.34
(ii) Trade and other payables	1	682.22	8.18	690.40
(iii) Other payables		-	86.89	86.89
(iv) Derivative Liabilities	1	-	4.36	4.36
(v) Other financial liabilities		-	67.99	67.99
(b) Other current liabilities	1	281.83	(153.36)	128.47
(c) Net employee defined benefit liabilities		29.71	-	29.71
(d) Short term provisions		15.29	-	15.29

**Total current liabilities**

1,542.39	14.06	1,556.45
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**Total liabilities**

2,543.48	196.55	2,740.03
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**Total equity and liabilities**

<b>3,856.04</b>	<b>4.61</b>	<b>3,860.65</b>
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**JSW STEEL COATED PRODUCTS LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2017**
**Reconciliation of equity as on March 31, 2016 (date of transition to Ind AS)**

(Rupees in crore)				
Particulars	Footnotes	IGAAP	Adjustments	Ind-AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	9	1,899.20	0.86	1,900.06
(b) Intangible assets		6.03	-	6.03
(c) Capital work in progress		42.91	-	42.91
(d) Financial assets				
(i) Investments	2	49.49	(15.18)	34.31
(ii) Deposits		6.15	-	6.15
(iii) Loans		3.63	-	3.63
(e) Other non-current assets	3,4	42.13	(1.41)	40.72
<b>Total Non-current assets</b>		<b>2,049.54</b>	<b>(15.73)</b>	<b>2,033.81</b>
<b>Current assets</b>				
(a) Inventories		716.16	-	716.16
(b) Financial Assets				
(i) Trade and other receivables		126.87	-	126.87
(ii) Cash and cash equivalents		6.50	-	6.50
(iii) Derivative instruments	6	-	9.17	9.17
(iv) Other Financial Asset		-	3.11	3.11
(v) Short-term loans and advances		558.60	(558.60)	-
(c) Other current assets	4	13.31	541.95	555.26
<b>Total current assets</b>		<b>1,421.44</b>	<b>(4.37)</b>	<b>1,417.07</b>
<b>Total assets</b>		<b>3,470.98</b>	<b>(20.10)</b>	<b>3,450.88</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital		50.05	-	50.05
(b) Other equity				
(i) Retained Earnings	3,9	36.04	(171.51)	(135.47)
(ii) Other reserves	2	1,275.05	(18.39)	1,256.66
<b>Total Equity</b>		<b>1,361.14</b>	<b>(189.90)</b>	<b>1,171.24</b>
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	4	740.46	(1.63)	738.83
(b) Long term provisions		2.31	-	2.31
(c) Deferred tax liabilities(net)	3	176.47	174.89	351.36
<b>Total non-current liabilities</b>		<b>919.24</b>	<b>173.26</b>	<b>1,092.50</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings		271.77	-	271.77
(ii) Trade and other payables		552.23	-	552.23
(iii) Other payables		-	40.60	40.60
(iv) Derivative Liabilities		-	6.76	6.76
(v) Other financial liabilities		-	129.89	129.89



**JSW STEEL COATED PRODUCTS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017

(Rupees in crore)				
Particulars	Footnotes	IGAAP	Adjustments	Ind-AS
(b) Other current liabilities	6	313.68	(180.71)	132.97
(c) Net employee defined benefit liabilities		35.79	-	35.79
(d) Liabilities for current tax (net)		0.53	-	0.53
(e) Short term provisions		16.60	-	16.60
<b>Total current liabilities</b>		<b>1,190.60</b>	<b>(3.46)</b>	<b>1,187.14</b>
<b>Total liabilities</b>		<b>2,109.84</b>	<b>169.80</b>	<b>2,279.64</b>
<b>Total equity and liabilities</b>		<b>3,470.98</b>	<b>20.10</b>	<b>3,450.88</b>

**Reconciliation of profit or loss for the year ended March 31, 2016**

(Rupees in crore)				
Particulars	Footnotes	IGAAP	Adjustments	Ind-AS
Revenue from operations	7	7,120.77	577.91	7,698.68
Other income	9	2.18	1.21	3.39
Finance income		32.12	-	32.12
<b>Total income</b>		<b>7,155.07</b>	<b>579.12</b>	<b>7,734.19</b>
Expenses:				
Cost of materials consumed		5,445.75	(1.71)	5,444.04
Changes in inventories of Finished goods and semi finished goods		180.99	-	180.99
Excise duty expense	7	-	577.91	577.91
Employee benefits expense	5	225.90	(2.74)	223.16
Depreciation and amortization expense	9	146.27	0.10	146.37
Finance costs		140.53	1.71	142.24
Other expenses	6	923.50	0.91	924.41
<b>Total expenses</b>		<b>7,062.94</b>	<b>576.18</b>	<b>7,639.12</b>
<b>Profit before Tax</b>		<b>92.13</b>	<b>2.94</b>	<b>95.07</b>
Tax expense:				
Current tax		34.88	-	34.88
Deferred tax	3	7.14	(21.67)	(14.53)
		<b>42.02</b>	<b>(21.67)</b>	<b>20.35</b>
<b>Profit for the year</b>		<b>50.11</b>	<b>24.61</b>	<b>74.72</b>



**JSW STEEL COATED PRODUCTS LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2017**

Other comprehensive income	8		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges	-	(1.53)	(1.53)
Income tax effect	-	0.53	0.53
Net Other comprehensive income to be reclassified to profit or loss in subsequent periods:	-	(1.00)	(1.00)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans	-	(2.74)	(2.74)
Income tax effect	-	0.95	0.95
	-	(1.79)	(1.79)
Net (loss)/ gain on Fair Value Through Other Comprehensive Income Equity securities	-	(21.26)	(21.26)
Income tax effect	-	(0.05)	(0.05)
	-	(21.30)	(21.31)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:	-	(23.10)	(23.10)
Other comprehensive income for the year, net of tax	-	(24.10)	(24.10)
Total comprehensive income for the year, net of tax attributable to equity shareholders:	50.11	0.51	50.62

Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016

**1. Financial Assets and Liabilities**

As per IND AS 32, to offset a financial asset and a financial liability, an entity must have a currently enforceable legal right to set off the recognised amounts. Under IGAAP, there was no such specific provision. Hence, the Company has now classified the financial assets and liabilities on gross basis.

**2. FVTOCI financial assets**

Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes.

**3. Income Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.



## **JSW STEEL COATED PRODUCTS LIMITED**

### **Notes forming part of the Financial Statements for the year ended March 31, 2017**

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of Rs. 194.33 crore.

Under Indian GAAP, MAT credit entitlement was recognised under Non current asset. Ind AS 12, requires the same to be netted off against deferred tax liability. Accordingly, the company has disclosed MAT credit entitlement of Rs. Nil (April 1, 2015 - Rs. 13.66 crore) as an adjustment to Deferred Tax liability.

#### **4. Borrowings**

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

#### **5. Defined benefit liabilities**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by Rs. 2.74 crore and Remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

#### **6. Derivatives not considered as hedges**

Under Indian GAAP, derivatives not considered as hedges were accounted in accordance with AS 11. Unamortised premium was recognised as an asset and premium payable to bank was recognised as liability. Premium amortised alongwith movement in spot was recognised in Statement of Profit and Loss. Under Ind AS, premium amortisation is not allowed and derivatives which are not designated as hedges need to be accounted at fair value with the resulting gain/loss being recognised immediately in Statement of Profit and Loss.

#### **7. Sale of goods**

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased by Rs. 577.91 crore with a corresponding increase in other expense.

#### **8. Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

#### **9. Government Grant**

"Under Indian GAAP, duty exemption on imports made was not considered as Government grant.

Under Ind AS, Government Grants have been recognised on account of duty exemption on imports of permitted goods under Export Promotion Capital Goods Scheme with an export obligation to be met in future periods."

#### **10. Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.



**JSW STEEL COATED PRODUCTS LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2017**

**Note - 39 Events after the reporting period**

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

**Note - 40 Standards issued but not yet effective**

Amendments to Ind AS 7 and Ind AS 102 have been issued but are effective from April 1, 2017. The Company assesses that there is no material impact for the same.

As per our report of even date  
For S R B C & CO LLP  
Chartered Accountants  
ICAI Registration No : 324982E/ E300003



per Vikram Mehta  
Partner  
Membership No : 105938



Place: Mumbai  
Date : April 28, 2017



For and on behalf of the Board of Directors  
of JSW Steel Coated Products Limited



Rajeev Pai  
Director

Dileep Bhatt  
Whole Time Director  
President (Coated Products)



Deepti Walawalkar  
Company Secretary



Hemant Shete  
Chief Financial Officer

Place: Mumbai  
Date : April 28, 2017