JSW Infrastructure

# Annual Report
# 2019-20

BETTER EVERYDAY

A true visionary,
A legendary industrialist,
A great philanthropist,
A legacy that will always be cherished!

**Shri O.P. Jindal** | 7th August 1930 - 31st March 2005
Founder and Visionary, O. P. Jindal Group

His life was an inspirational journey leading millions to follow the enlightened path.
We will always carry on his values, an epitome of indomitable courage, endurance and integrity, his legacy will always remain with us.
As we take leaps towards the future, we are fully committed to honor his vision and keep his legacy alive & carrying it forward to greater heights.

# HARBOURING GROWTH. BETTER EVERYDAY.

India continues to be the world's fifth largest economy on the strength of its fast-paced reforms, mammoth investment in infrastructure building and a huge population aspiring for a better quality of life.

At JSW Infra, we have aligned our overarching objectives with the evolving aspirations of the nation, which is reflected in our dedication towards developing world-class infrastructure spanning aviation, marine, roadways, railways, inland waterways, water treatment plants, Special Economic Zones (SEZs) and other infrastructure facilities.

Our focus continues to be on contributing to nation-building through the implementation of sustainable business practices, underpinned by strong corporate governance.

Despite hardship in the operating environment, we are optimistic of India's long-term growth potential and are committed to 'harbouring growth' by being better every day.

> STRATEGY IS UNLEASHED WHEN YOU HAVE A LEANING ORGANISATION WHERE PEOPLE THIRST TO DO EVERYTHING BETTER EVERY DAY.
>
> **JACK WELCH**

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**Forward-looking statement**

In this Annual Report, we have disclosed forward-looking information to enable the investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance, in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe, we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# FY20 Performance highlights

## Standalone

| | | |
|---|---|---|
| ₹336 CRORE<br>GROSS TURNOVER | ₹285 CRORE<br>NET TURNOVER | ₹229 CRORE<br>EBITDA |
| ₹161 CRORE<br>PBT | ₹133 CRORE<br>CASH PROFIT | ₹132 CRORE<br>PAT |

## Consolidated

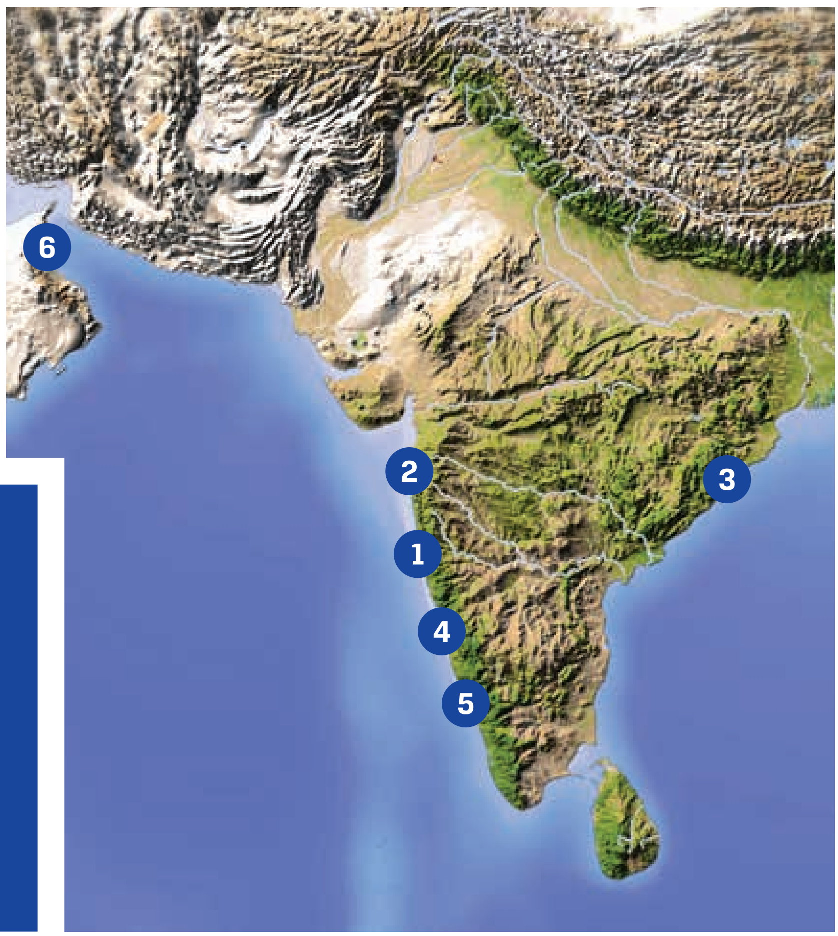
| | | |
|---|---|---|
| ₹1,349 CRORE<br>GROSS TURNOVER | ₹1,143 CRORE<br>NET TURNOVER | ₹713 CRORE<br>EBITDA |
| ₹234 CRORE<br>PBT | ₹480 CRORE<br>CASH PROFIT | ₹197 CRORE<br>PAT |

# Growing from strength to strength

JSW Infrastructure Limited (JSWIL), one of the leading private infrastructure companies, belongs to the US$12 Billion JSW Group. Our seven state-of-the-art maritime facilities are a testament to our continued commitment to nation-building with best-in-class infrastructure.

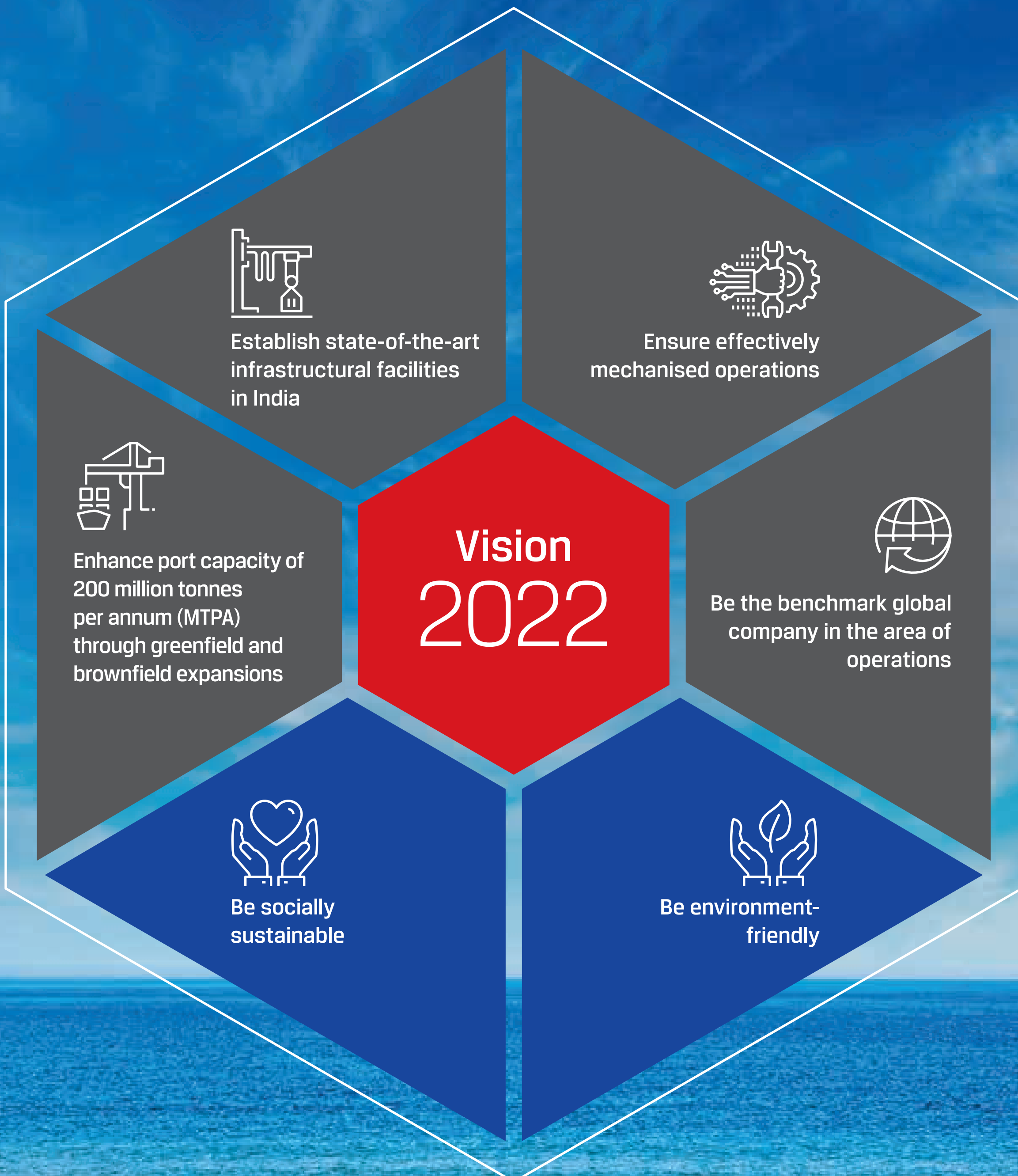
During the year, we continued to implement our coastal shipping strategy to strengthen India's ports, roads and railways. Our focus on operational excellence and financial discipline, besides prudence, continue to enable us to grow sustainably.

We operate environment-friendly seaports and terminals in India and UAE that offer mechanised and multi-cargo handling facilities to the customer. Our Indian ports offer excellent connectivity to the industrial backwoods of Maharashtra, Goa, Karnataka in the west coast and Odisha in the east coast, by rail and road infrastructure.



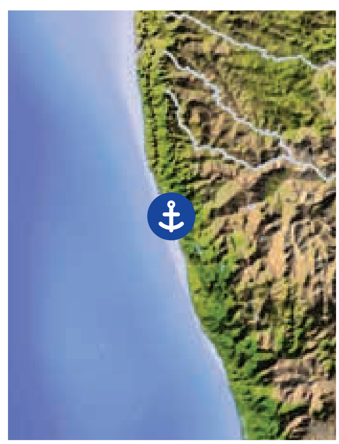

## Ports

1. JAIGARH, MAHARASHTRA
2. DHARAMTAR, MAHARASHTRA
3. PARADIP, ODISHA
4. MORMUGAO, GOA
5. MANGALORE, KARNATAKA
6. FUJAIRAH, UAE


Vision
2022
Establish state-of-the-art infrastructural facilities in India
Ensure effectively mechanised operations
Enhance port capacity of 200 million tonnes per annum (MTPA) through greenfield and brownfield expansions
Be the benchmark global company in the area of operations
Be socially sustainable
Be environment-friendly

# Our growth catalysts

## South West Port, Goa



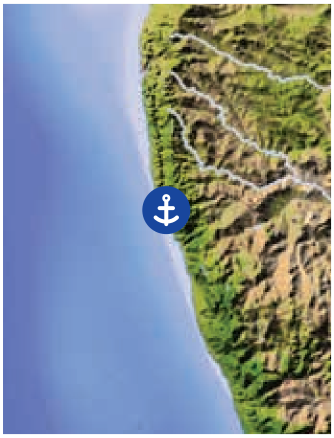
Incorporated in 1997, the South West Goa Port was our first operational port. The JSW Steel plant at Vijayanagar, Karnataka, relies heavily on this port for key logistical support. The terminal currently operates two bulk cargo berths at Mormugoa Port Trust at Goa, on a Build, Own, Operate and Transfer (BOOT) license agreement. Due to its strategic location, South West Port is crucial in maintaining low costs, while efficiently handling finished steel exports, along with coal and ore imports.

**15** MTPA

**CAPACITY**

# OUR PORTS

## Jaigarh Port, Ratnagiri, Maharashtra

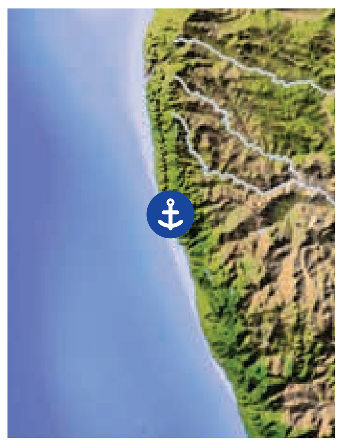


Strategically located between Mumbai and Goa, our Jaigarh Port is Maharashtra's first deep water port. Operational 24/7, Jaigarh is India's first Floating Storage and Regasification Unit (FSRU) based LNG terminal at the port. The facility is accredited with ISO 9001:2008, 14001:2004 and OHSAS 18001:2007 certifications. It offers customised services for handling dry bulk, RoRo, liquid, container cargo and a range of support services. We are working towards building Jaigarh into one of the most mechanised and modern ports in India; making it the most preferred facility across Maharashtra and Karnataka.

45 MTPA
CAPACITY

80 MTPA
TARGET CAPACITY

## Dharamtar Port, Dolvi, Maharashtra



An existing port and terminal at Dolvi in the Raigad District of Maharashtra, Dharamtar is located ~23 nautical miles (NM) away from Mumbai Harbour by sea route on river Amba. JSW Dharamtar Port is a riverine facility currently handling bulk cargo for the Group's Dolvi and Kalmeshwar steel plants' export-import requirements.

**15** MTPA
**CAPACITY**

**34** MTPA
**TARGET CAPACITY**

# OUR PORTS

## Paradip Terminal (Iron Ore Berth), Paradip, Odisha

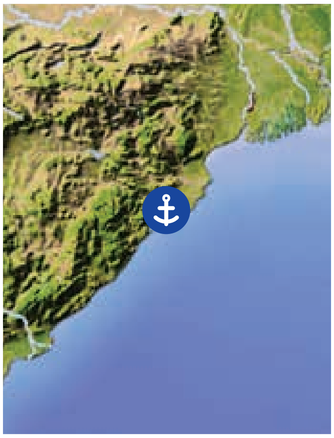
The fully operational iron ore terminal is strategically located 210 nautical miles south of Kolkata and 260 nautical miles north of Vishakhapatnam. The Paradip Terminal has two ship loaders at the terminal, each with 7,000 tons capacity per hour. Additionally, its cargo storage yard is equipped with rotary and tandem wagon tipplers for faster rake unloading.

18 MTPA

CAPACITY

## Paradip East Quay Coal Terminal, Paradip, Odisha

Predominantly being developed for domestic and international movement of coal from Mahanadi Coalfields, the Paradip East Quay terminal will be operational by 2020, and will be able to accommodate large cape-sized vessels. It will further be equipped with a rail receiving station for bottom discharge wagons, transporting, stacking and reclaiming of cargo and loading for logistical movement.



UNDER DEVELOPMENT

30 MTPA

**TARGET CAPACITY**

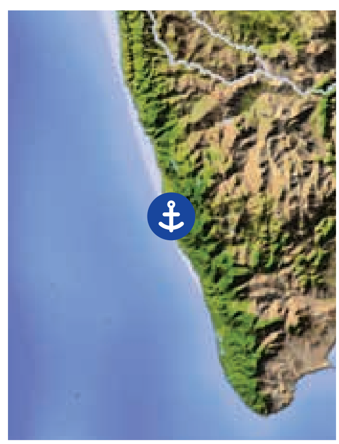
# OUR PORTS

## Fujairah Terminal, Fujairah, UAE

Our first international agreement with Fujairah Sea Port Authority (POF) came into effect in FY17 for five years. We have been steadily achieving higher capacity utilisation at this facility since we began our operations.

24 MTPA
CAPACITY

## Mangalore Container Terminal, Mangalore, Karnataka



Situated at Panambur, Mangalore in Karnataka, our first container terminal, New Mangalore Port Trust is an all-weather lagoon type port. It has been growing at a CAGR of 15% since 2013, almost twice the growth rate of India's container traffic growth (7.52%). With an envisioned investment of ₹300 Crore, this container terminal plays a key role in the development of southwestern region of India.

**1.5** LAKH TEU
**CAPACITY**

**4.0** LAKH TEU
**TARGET CAPACITY**

# Anchoring long-term growth

## Capitals

### Human capital

Includes knowledge, skills, capabilities, experience, diversity and level of motivation of our employees. We are committed to providing them with an enabling ecosystem that takes care of their well-being, promotes innovative thinking and equips them with right developmental tools and trainings. Our policies and processes inspire them to realise their full potential, while giving them opportunities to evolve and grow.

**INPUTS**

- Total human capital: **405** employees
- Focus on upskilling and reskilling of employees with effective learning and development
- Regular engagement of employees through effective communication and other initiatives

### Natural capital

Includes natural resources such as air, water, energy, land and biodiversity, which are either utilised by us or impacted by our operations. We are striving to conserve natural resources and maintain sustainability in our operations.

### Social and relationship capital

Refers to the trust-based, mutually beneficial relationships with key stakeholders, such as investors, customers, vendors, society and government, among others, which play a vital role in our success. We are focused on developing long-term relationships that are based on trust and transparency.

**INPUTS**

'Social License to Operate' arising from reputation in industry and the trust of all our stakeholders

### Financial capital

Refers to the funds available to create value through production processes, or funds generated by operations, including equity, retained earnings, internal accruals, borrowed capital and investments, among others. We focus on efficient capital allocation.

**INPUTS**

Promoter equity and internal accruals, borrowings from financial institutions and capital markets

### Intellectual capital

Encompasses the knowledge base and includes patents, trademarks, copyrights and technological know-how, improvement initiatives and collaboration with institutions.

**INPUTS**

- Engineering expertise
- Project execution capabilities
- Workforce experience
- Operating systems

### Manufactured capital

Pertains to state-of-the-art port infrastructure, including loading/unloading, logistics and warehousing. We regularly upgrade technology and focus on improving safety and reliability of our facilities.

**INPUTS**

Installation of logistics assets including multi-cargo handling facilities and advanced mechanisation

We operate in a developing economy with a huge aspiring population, where infrastructure is a critical need. With focus on nation-building, our strategies are geared to judiciously balance our resources and relationships to make the best use of opportunities with focus on long-term opportunities.

## Value creation approach

### Value Drivers

| | |
|---|---|
| Strong parentage of JSW group | Expanding logistics industry |
| Sustainable growth initiatives | Quality services |
| Experienced management | Aggressive market approach |
| Transparency and good governance | Drive towards excellence |
| Culture of continuous learning | Favourable government policies for private players |

### Strategy

| | |
|---|---|
| Financial prudence | Integration of logistics into operations |
| Developing state-of-the-art infrastructural facilities | Setting global benchmarks |
| Expanding presence at strategic locations to achieve target of **200 MTPA** | Diversifying with more third-party cargo handling |

## Impacts

### Human capital

- Vibrant work culture
- High attraction and retention of talent
- Driving value, growth and efficiency through innovative thinking and hard work

### Natural capital

- Sustainable consumption
- Employing renewable energy
- Harvesting and treatment of water

### Social and relationship capital

- Fulfilling partnership commitments
- Strong network of relationships across the industry
- Reputation as a reliable player in the industry

### Financial Capital

**CONSOLIDATED**

- Gross Turnover: **₹1,348.91 Crore**
- EBITDA: **₹713.42 Crore**
- Cash Profit: **₹479.88 Crore**
- PAT: **₹196.53 Crore**

### Intellectual capital

- State-of-the-art facilities
- Streamlined processes
- Integration of technology

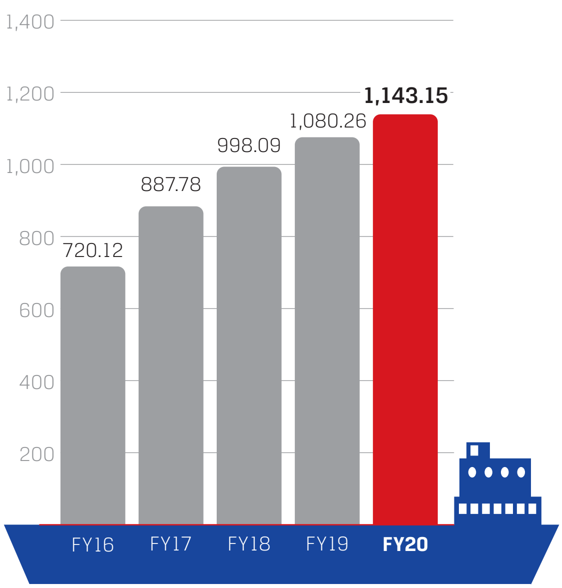
### Manufactured capital

- High productivity
- Quick turnaround
- Efficient use of resources

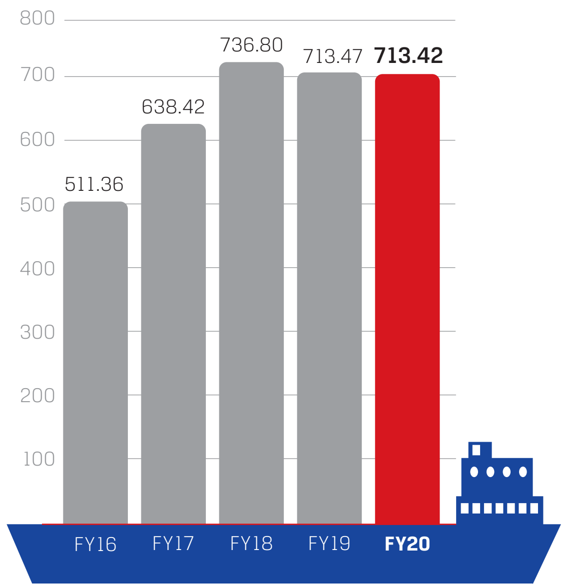
# KEY PERFORMANCE INDICATORS

## Financials

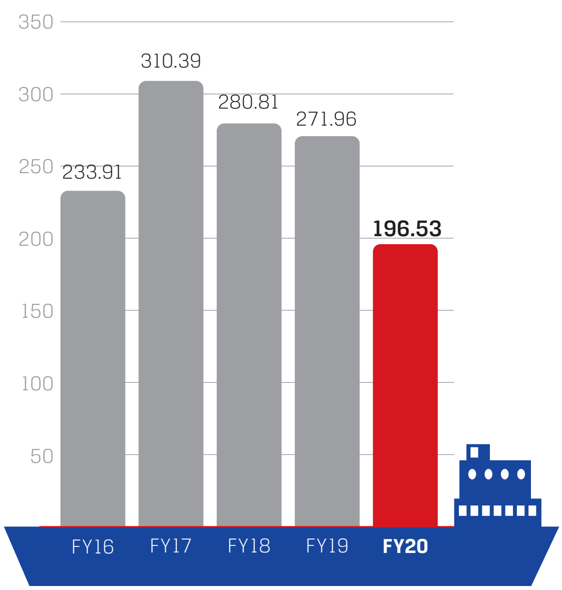
**NET TURNOVER**
(₹ in Crore)



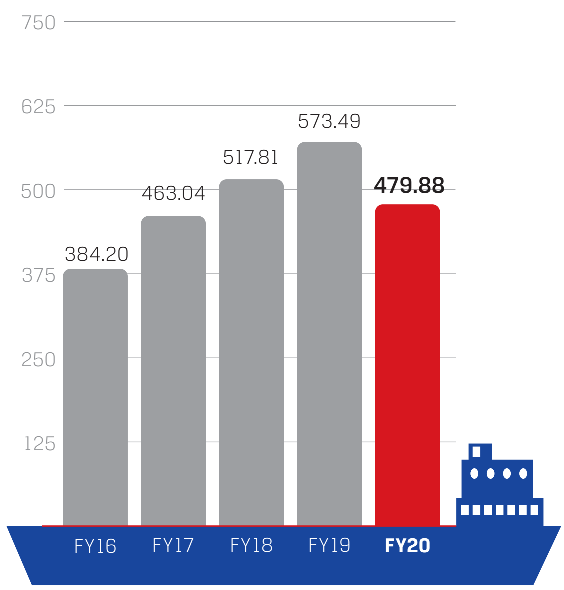

**EBITDA**
(₹ in Crore)




**PROFIT AFTER TAX**
(₹ in Crore)

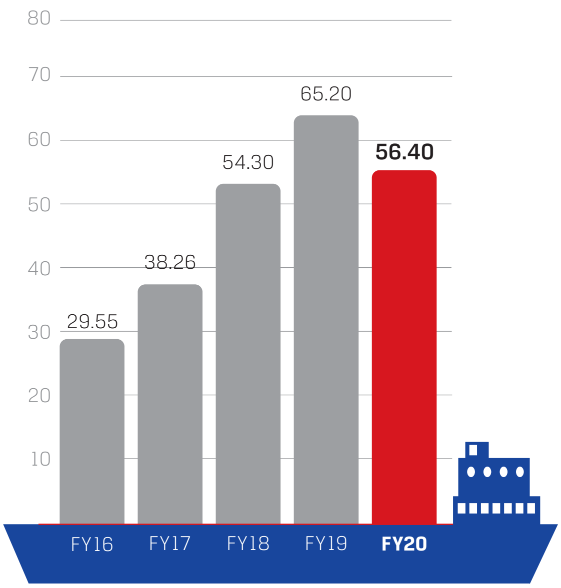



**CASH PROFIT**
(₹ in Crore)



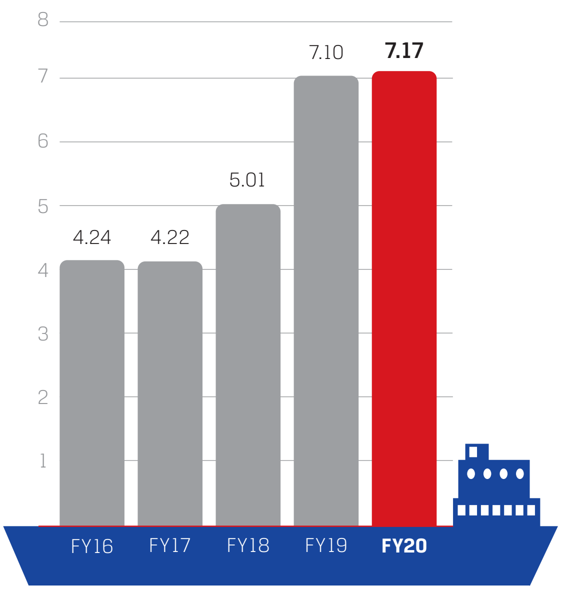
## Operational

**CARGO THROUGHPUT**
(MT)




## Social

**CSR SPEND**
(₹ in Crore)




## CHAIRMAN'S COMMUNIQUÉ

# Contributing to nation-building

Dear Shareholders,

Adversity, they say, is the true litmus test of character. And it was in the final days of FY20 that the true nature of this purpose-driven worldview came to light. We prioritised the health and safety of our employees, kept customers' mission critical systems running under very difficult circumstances and pitched in to help communities across the locations, to battle the pandemic. When we emerge out of this crisis, the world will be a very different place.

**WE PRIORITISED THE HEALTH AND SAFETY OF OUR EMPLOYEES, KEPT CUSTOMERS' MISSION CRITICAL SYSTEMS RUNNING UNDER VERY DIFFICULT CIRCUMSTANCES, AND PITCHED IN TO HELP COMMUNITIES ACROSS THE LOCATIONS TO BATTLE THE PANDEMIC.**

Indeed, businesses have suffered immensely, lives and livelihood have been lost, and the migrant worker crisis saddened the entire nation, but the consequences of unknown alternatives would be far grimmer. As the pandemic spread and the lockdowns imposed, the agility, resilience and adaptability of our sustainable delivery model were put to test. We responded to the challenge with speed and precision, and emerged stronger, with our business model now resilient to even extreme shocks.

## Economic review

According to the IMF (Economic Outlook June 2020), India's economy is expected to experience sharp contraction in FY20, and is likely to grow by 6% next year, provided the pandemic is contained to the maximum extent possible.

COVID-19 has dramatically weakened India's growth outlook and laid bare the weaknesses caused by a high public debt burden. There are, primarily, two major challenges that the Indian economy is facing at this juncture. First, is to arrest the spread of the coronavirus (COVID-19) pandemic. Saving lives is the principal concern of the government. Second, is to stabilise economic activities amid the unfolding uncertainty stemming from the dual effects of the pandemic and the global and national lockdowns.

However, over time, the growth drivers will change organically. From a global perspective, China cannot remain a trusted partner anymore. This scenario can create unprecedented opportunities for India. A changing global economic order can focus on India as a preferred destination for investments. From that perspective, the eastern states of the country will be critical. They present themselves with human capital, social capital, natural capital and an improving physical capital.

The government is continuing to focus on infrastructure as a key sector on building a 'self-reliant' India. The private sector has emerged as a crucial player across various infrastructure segments, ranging from roads and communications to power and ports. The port sector has been on the government's radar for quite some time, as despite having an advantageous coastline with 12 major and over 200 non major ports, most of them are not being used to their full potential due to infrastructure and connectivity issues. In terms of maritime capabilities, India is consistently being outperformed by many of its Asian neighbours.

Several initiatives have been announced, such as the Sagarmala programme, which envisions a total of 189 projects for modernisation of ports by 2035. Creation of inland waterways as an alternative to road and rail routes is currently underway. The programme also aims to reduce logistics costs of both foreign and international trade by ₹35,000-40,000 Crore annually by 2025, and double the share of water transportation in the modal mix.

India's draft National Logistics Policy is also being reviewed and the four ministries and their departments are being urged to leverage existing infrastructure to support each other in the logistics chain. This is expected to maximise capacity utilisations as well as bring down logistics cost as a percentage of GDP. The renewed policy will facilitate a seamless and efficient logistics network in the nation to drive economic growth and trade competitiveness.

## Our year in review

FY20 was a stable year for us in terms of business operations. We continued to implement our coastal shipping strategy to strengthen India's ports, roads and railways. Most of our ongoing projects are on track and we expect to complete them in line with the committed timelines. Macro challenges and a rather sluggish demand environment for the entire reporting year, notwithstanding we were able to maintain the cargo volume handling at the previous year's level i.e. 34 Million MT (excluding cargo handling under O&M contract and transhipment).

# CHAIRMAN'S COMMUNIQUÉ

34 MILLION MT
CARGO VOLUME HANDLED

₹ 542.50 CRORE
SUCCESSFUL REFINANCE OF NCDS

The Company's resilience to withstand headwinds is vindicated by its long-term contracts with the Group Companies, JSW Steel Limited and JSW Energy Limited.

Our revenues grew from ₹1,080 Crore in FY19 to ₹1,143 Crore in FY20, registering a growth of 6%, while our EBITDA stood at ₹713 Crore each, for both the years. The Company could successfully refinance existing long term non-convertible debentures of ₹542.50 Crore at favourable terms. Post the completion of our capacity expansions, significant and sustained improvement in the scale of operations would enable us to maintain our profitability and comfortable financial profile. At the JSW Infra Group level, our focus is on optimising capital utilisation and containing discretionary capex, redesigning the organisational structure to minimise risk in our businesses and funding operations in phases.

## Environment, Social and Governance (ESG) approach

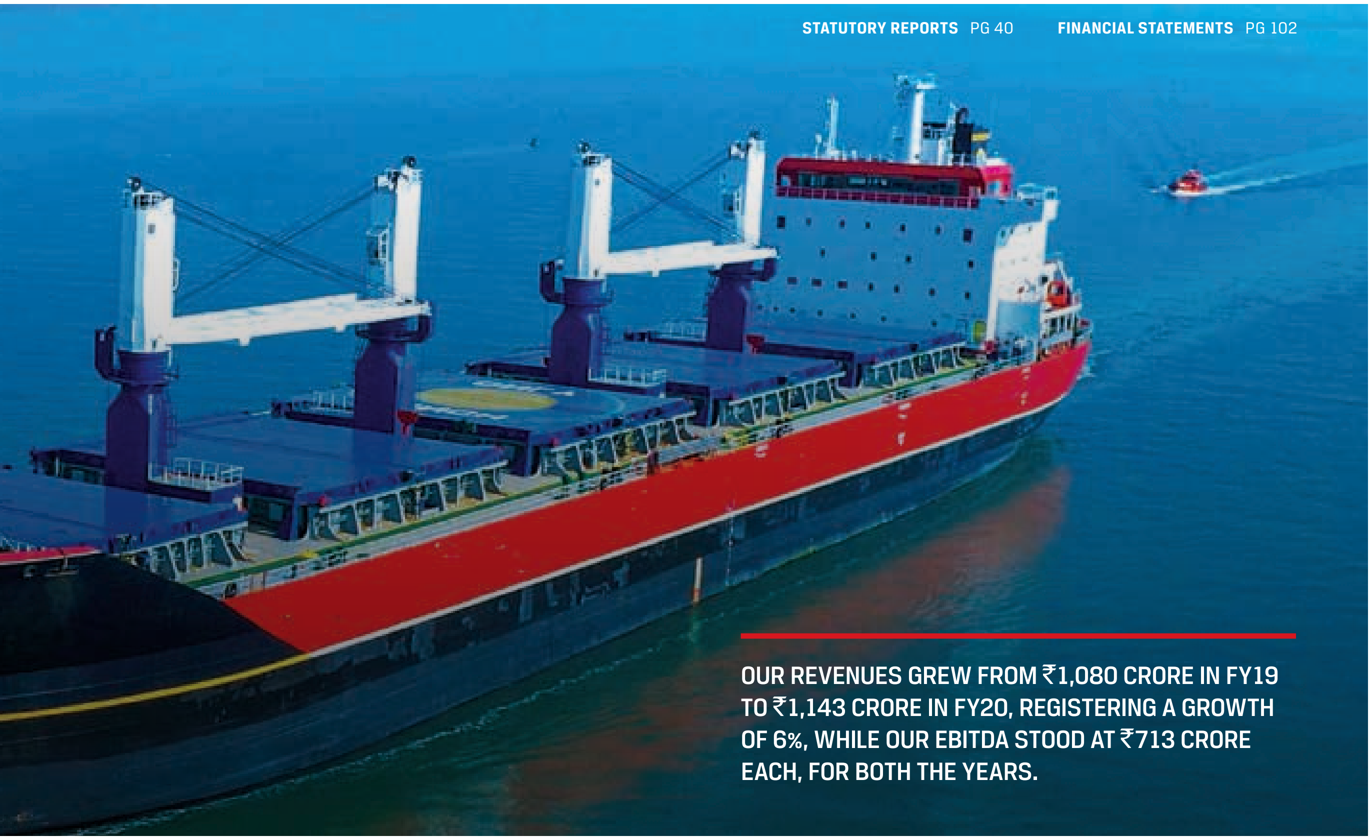
In addition to focus on operational and financial performance, we are also equally committed to strengthening our ESG performance across the operational ecosystem. We have embedded the ESG framework to our core philosophy of value creation, keeping the interests of investors, community and environment in focus. Our sustainability roadmap is based on formulating appropriate policies, conforming to regulatory norms, making regular disclosures, setting targets of minimising our environment footprint and strengthening corporate governance to meet those targets.

## Our outlook for FY21 and FY22

The Company is continuously expanding its fully mechanised cargo handling capacity at its existing facilities attracting third-party customers. Jaigarh Port has developed LPG storage and bulk cargo covered storage facility. Extension of existing berth and addition of barge-unloaders will equip Dharamtar Port with additional handling capacity exceeding 30 MTPA from FY21.

Paradip Iron Ore Export Terminal, the second largest Major Port in India, has commenced its partial operation in Q3FY20, and would make its capacity upto 18 MTPA fully operational in FY21. In the same location, the Company is developing a coal export terminal with a capacity of 30 MTPA, and it is expected to commence operation at the end of FY21.

During the year, the Company was awarded a 30 years' concession for the development of a container terminal at Mangalore Port, having current capacity handling around 150,000 TEUs annually with a



OUR REVENUES GREW FROM ₹1,080 CRORE IN FY19 TO ₹1,143 CRORE IN FY20, REGISTERING A GROWTH OF 6%, WHILE OUR EBITDA STOOD AT ₹713 CRORE EACH, FOR BOTH THE YEARS.

potential to increase it to 450,000 TEUs. With the development of this terminal, the Company would have the handling basket of cargo e.g. dry bulk, liquid bulk, break-bulk and container cargo. With the development of the Container Terminal at Mangalore and Iron Ore & Coal Terminals at Paradip, third party cargo share will increase towards target of 40% of total cargo.

The capacity of our flagship Jaigarh Port will be expanded to 80 MTPA. Our expansion plans for achieving an annual capacity of 200 MTPA by 2022 are on track. These expansions will provide improved logistics support to our existing group verticals and yet have enough capacity to handle shipments from non-Group players. These capacity expansions, requiring a total capital outlay of over ₹1,500 Crore, are being funded partly through loans and partly through internal accruals.

Post the completion of our ongoing and proposed capacity expansions, we will become one of the leading players in India's port sector. With the government's continued impetus, I believe we will be in an advantageous position to leverage our potential and contribute towards the growth of our nation. Our businesses are closely aligned to the lifeline of the economy, providing crucial services to enhance the quality of life of citizens and addressing critical national infrastructure priorities.

We, at JSW Infra, are fighting the COVID-19 battle untiringly. JSW Group has contributed ₹100 Crore to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund). I am equally grateful to our workforce for contributing one-day's salary touching ₹0.13 crore for the battle against COVID-19. Our CSR team was actively engaged in distributing various PPE to health workers and working hand-in-hand with government agencies/ NGOs to fight against the pandemic. Let all of us contribute to help our nation rise above this crisis. It may take time, but there is ample positivity to show that it is possible in this challenging time.

On behalf of the Board and the entire JSW Infrastructure team, I would like to thank all our stakeholders, various government authorities and investors, for their unstinted support. We need your continued guidance, which will aid us in achieving our objectives.

Warm regards,

**Nirmal Kumar Jain**
Chairman

## STRATEGIC PRIORITIES

# What's at the top of our agenda

We aim to set up state-of-the-art infrastructure facilities in India, facilitating the Government of India's mission to improve India's infrastructure development. We have identified several strategic focus areas to advance our core mission.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## Deepening diversification

Our business has been historically driven by our Group operations. Group business constitutes ~90% of our business. We are diversifying with higher contribution of third-party cargo. Over the long-term, we intend to balance the business mix with equal weightage of the Group and third-party cargo.


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## Multi-faceted growth

We have aligned our growth strategy with that of the government's infrastructure development roadmap. This enables us to plan our strategies, which receive support from government policies and enable rapid growth for us.


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## Sustainable operations

Long-term value creation demands that we ensure our business generates positive returns for all stakeholders, including the society and ecology. We ensure that our business operations make the least impact on our environment and overall ecosystem. We have a clearly defined sustainability roadmap, which consists of:

- **Policies:** Formulating appropriate policies for sustainable operations
- **Compliance:** Our operations shall be in conformity with all the applicable regulatory norms, provide regular disclosures
- **Targets:** We have set targets to minimise our environmental footprint
- **Strong governance:** We relentlessly take concerted organisation-wide efforts to strengthen our corporate governance to meet the targets set.

All our operational decisions and actions fall within the boundaries of our sustainability roadmap.

STRATEGIC PRIORITY 1

S1

# ONE-STOP SOLUTIONS

We aim to live up to the expectations of our customers in the best way we can. Our customers can be segregated into two segments – Group Cargo and Third-Party Cargo. While Group customers consist of intra-group entities, third-party cargo consists of our external customers. Currently, our business mix is 90:10, of which our Group business constitutes ~90% of our total business. We intend to reduce this dependence to 60:40 in the medium term, and going forward, we intend to balance it at 50:50 in the longer term.

We cater to maximum hinterlands between the east coast and west coast, providing logistical cost advantage to customers. Going forward, we intend to focus on value-added offerings, with end-to-end logistical solutions. These solutions encompass warehousing, logistical movements through road, coastal routes, and railway wagons.

**We intend to become the service-provider of choice, with one-stop solutions for our end customers.**

END-TO-END LOGISTIC SOLUTIONS

RANGE OF VALUE-ADDED OFFERINGS

**WAREHOUSING, LOGISTICS SOLUTIONS BY ROAD TRANSPORTATION, COASTAL MOVEMENTS, AND RAILWAY WAGONS**

ONE-STOP SOLUTIONS TO END CUSTOMERS

# STRATEGIC PRIORITY 2

S2

# MULTI-FACETED GROWTH

At JSW Infrastructure, we always believe in a holistic approach, be it towards defining organisational goals or the means for achieving them. This belief has been woven into our DNA and is reflected in our growth. Growth, for us, is not only in financial or operational terms, but in social and human metrics, as well. In this context, we present multiple growth opportunities that we leveraged during FY20.

## Market growth

As India gears up towards becoming a US$5 Trillion economy by 2024-25, we at JSW infrastructure, are bracing up to help our nation achieve that objective, with expansion into newer geographies through brownfield and greenfield expansions.

### PARADIP IRON ORE EXPORT TERMINAL

During FY20, we commenced our maiden operations in the Eastern market, with the Paradip Iron Ore Export terminal becoming operational in the third quarter. This facility is focused on iron ore and pallet exports, with the concession period expiring in 2045.

### FIRST CONTAINER TERMINAL DEVELOPMENT AT NEW MANGALORE PORT TRUST (NMPT)

The turn of the year ushered in attractive growth for us in a newer geography as well as in segment, as we signed a concession agreement with NMPT for the development and operation of our first container terminal, for a period of 30 years, with an investment of ₹300 Crore. This marks our foray into the container terminal space and strengthens our footprint in the southern market.

## Growing with the Group

We have an inherent advantage from our Group for business generation. A significant portion of our business is generated from our internal Group entities. Business with Group entities ensures our growth in tandem.

## Multi-product growth

We have diversified our business into multi-product cargo operation. Diversification from iron ore presents us with significant opportunities, with addition of:

- **Liquid terminal addition** at Jaigarh for handling liquid commodities like LPG, LNG
- **Urea and other fertiliser** handling at Jaigarh
- Jaigarh became the **highest sugar handling** private port in India
- **Container terminal** at NMPT
- **Coal terminal** at Paradip (Upcoming in FY21)

### JAIGARH OPERATES MULTIPLE COMMODITIES SEAMLESSLY

**Fertilisers:** Post successful handling of the maiden 49,000 MT Urea consignment, the Ministry of Fertiliser nominated Jaigarh for handling Urea fertiliser, as imports through Jaigarh opens a new route for the ministry to reach the fertiliser markets of Maharashtra, Goa and Karnataka in a faster and more cost-effective manner. Post this nomination, Jaigarh has handled all kinds of fertiliser raw material, such as MOP, ammonium sulphate, rock phosphate, sulphur, and so on.

**Sugar:** We handled the highest sugar cargo volume amongst private ports in India. JSW Jaigarh Port's modern infrastructure, sufficient availability of covered warehouse, transportation arrangement and logistics advantage to our esteemed customer, has helped us to achieve such cargo volume.

STRATEGIC PRIORITY 3

S3

# SUSTAINABLE OPERATIONS

## Corporate Social Responsibility

We undertake CSR activities directly through JSW Foundation, as well as through various partnerships. Currently, we contribute at least 2% of our average net profits towards the formulation, execution and monitoring of community welfare initiatives, as per statutory norms.

Partnering with other concerns helps add value to projects undertaken in both direct and indirect influence zones. Our CSR policy allows facilities to define their own direct influence zones. They are further responsible for the expansion of these zones based on their operational parameters.

We interact with various civil societies and the government to identify and engage in social programmes for the benefit of the community. Our CSR activities are conducted in the focus areas of:

**HEALTH AND NUTRITION**

**EDUCATION**

**WATER, ENVIRONMENT AND SANITATION**

**LIVELIHOOD AND SKILL DEVELOPMENT**

# STRATEGIC PRIORITY 3

## Environment

Environment plays a critical role in the success of an organisation. The more sustainably a corporate operates, the better are the prospects for enhanced growth. The JSW Group employs and continually upgrades its technologies and systems to conserve the operating environment.

### Sustainability at Jaigarh

We invest in cutting-edge technologies at our facilities to ensure that our operations are sustainable. Our Jaigarh Port was India's first covered coal stock yard. It is the largest facility in Asia as per scale and can accommodate up to 3,00,000 MT in an environment-friendly manner. Some of the other highlights of energy-efficient and sustainable technologies at Jaigarh port include:

- **Fire-fighting and dust suppression systems** to prevent fine coal particles from polluting the environment.
- **Aqua dyne system** to reduce dust emission. It uses sprinkled water and during monsoon, rainwater is used to suppress dirt.
- **Flue gas desulphurisation unit,** in addition to using low-ash and low-sulphur coal, to minimise sulphur dioxide emissions.
- **Large windshields** installed to stem the flow of air to the stack yard, preventing dust from being carried to neighbouring communities.
- **State-of-the-art monitoring systems** used to monitor pollution levels.

**GREEN BELT DEVELOPMENT PROGRAMME**

We are developing **6 hectares,** which will accommodate **30,000+ saplings** and a **10 hectare mango plantation,** as a part of the green belt development programme.

## Health & Safety

Ensuring safety of our employees, business partners and other stakeholders continue to be our paramount priority. Rather than a one-time compliance activity, safety is a way of life for us. We are adopting innovative approaches by combining technology, digitalisation and sustainability to help improve the lives of our employees, our stakeholders and for the society as a whole.

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In addition to our ISO certifications, our Jaigarh and Dharamtar ports have undergone a specialised 18-month safety programme from DuPont, which is now adopted across the organisation. Additionally, we undertake contractor safety management system, roll out of high-risk standards and extensive use of digital systems to monitor and smoothen processes.

The current health scenario due to COVID outbreak requires additional precautionary measures and enhanced safety and hygiene checks. Apart from compliance with government guidelines, including lockdowns, we undertook the following additional measures to ensure a safe work environment for all our employees:

- **Regular conduct of awareness sessions** through in-person (pre-lockdown) and digital communication (post lockdown)
- **Update and communication** of Business Continuity Planning
- **Body temperature monitoring and hand sanitisation** at entry points of offices, facilities and vessels
- **Disinfection and sanitisation** of office premises
- **Maintaining social distancing** while working and mass communication in facilities and offices


### BEST-IN-CLASS SAFETY

Our safety indices are at par with international standards. With **8.13 Million person-hours** in FY20, we have achieved:

- **LTIFR of 0.25**
- **TRIFR of 1.23**

# Go-getters at JSW Infra

We believe that people represent the core firepower that fuels our business; and they need to counter challenges of both the external and internal environments. Attracting the right talent, developing them to become aligned with the nature of our business, and retaining our talent pool and preparing the next leadership pipeline are the strategic focus areas of our HR policy. We have a highly customised and well-defined talent management framework in place to optimise our human capital.

**These people-centric programmes are designed to supplement our efforts to achieve business outcomes, building capability, developing scalable processes by leveraging digital tools and maximising productivity.**


Management training at IIM Bangalore to nurture future talent

ISB future fit leaders programme

## Talent Acquisition Philosophy

The new-age requires a different mindset, and our talent acquisition philosophy enables us to attract some of the best talent in the industry. At the Group level, we have access to a powerhouse of talent. Providing internal career opportunities to all our employees across ports and the corporate office is a part of our hiring strategy. We give preference to internal hiring, and redeployment of resources before looking for external candidates. Internal Job Postings (IJPs) are released, which enable people to move across locations and functions, thereby giving them an opportunity for internal growth, aligning them to future needs and meeting their career expectations.

We have been successful in filling key roles at various levels across the organisation via internal hiring. Last year, we have hired many senior professionals having more than 20 years' experience in the port industry. Our campus connect programme enables us to hire bright talent from the best engineering colleges and B schools. We believe, that the hiring the right talent at JSW Infrastructure will help us transcend into the next phase of growth.

### INTERNAL JOB POSTINGS (IJPs)

Enable people to move across locations and functions, thereby giving them an opportunity for internal growth, aligning them to future needs and meeting their career expectations.

## Building Capability

Enabling employees to tap into their potential and maximise voluntary contribution, requires a highly developed competence in Business Acumen, and at the same time, empathising with the emotional side of people. Therefore, we have partnered with various stakeholders viz. Leaders, Managers, Group Teams, Technology driven tools and external consultants to create a wide and deep pool of learning opportunities. Our talent's collective skills and experience are key to our business, and we provide them the opportunity for continuous development.

We have made available, vast learning resources like Percipio (Learning Management Systems) and Harvard Manage Mentor, online book delivery platform Kwench (Klib), leveraging the reach and flexibility of digital modules. Both, the byte-sized and relevant content, have kept the interests perked up and have very high level of participation from employees.

The tools, effectiveness is augmented by curated training programmes that address people traits, which require personal attention through training workshops, leadership off-sites, team building games and exercises, as well as competence development workshop by industry experts. Wherever required we have plans to provide one-on-one coaching, both for the leaders and managers having large number of people working with them.

Compensation and Benefits is also an important component of the employees needs from an organisation.

# OUR PEOPLE

Aligning to our pay for performance mindset, the variable compensation was made more proportional to the business performance. The revised metrics ensure people are able to correlate the actions to the business outcomes, thereby ensuring alignment of interests of both parties. At the same time, in conjunction with the Group guidelines, the production incentive and annual variable pay for management staff, are more aggressive, with higher pay, on achieving the business plans.

Safety is an integral and crucial aspect of the business performance, hence should be treated likewise, rather than a one-time management initiative. Developing a safe environment requires close and regular monitoring and recall of the subject. With that as an objective, several initiatives were launched to ensure all hands are on board as far as safety is concerned. It also formed an important component in the compensation philosophy.

As we gear up for the large-scale project commissioning of the upcoming terminals at Paradip, we have partnered with the respective functions, to hire and onboard talented professionals. The success of this project can take JSW Infrastructure's outreach in Third Party Cargo handling to the next level, while contributing significantly to the overall profitability of the Organisation.

We are also committed to provide an environment that is safe and free from any kind of harassment, and have an Internal Complaints Committee in place, at each location, to safeguard the employees' interest.

## SAMVAAD @ JSW Infrastructure

Named aptly on the theme of open and constructive conversations, SAMVAAD was a leadership intervention conducted at our flagship location – Vijayanagar. The event was attended by 23 senior leaders of the JSW Infrastructure team, who converged at the awe-inspiring OPJ Memorial and magnificent Kaladham in May, 2019. The programme was kicked off with immersive dialogues followed by a day-long session focused on integrating the long-term vision of the business. The team shared blocks that prevent team collaboration and listening, and later met to process the feedback.

## Leadership Summit: Reimagine Infra

The JSW Infrastructure team had organised a leadership offsite near the Jaigarh Port in March 2020. The theme of the offsite was 'Reimagine Infra' and was attended by senior members of the JSW Infrastructure team representing ports, functional teams and the corporate office. The programme was facilitated by the Head – HR, Mr. Naveen Kumar, and kicked off with immersive dialogues followed by sessions focused on integrating the long-term vision.


Leadership summit 2020 at Jaigarh

The management team was clustered into smaller groups, and were entrusted to come up with the 2025 vision roadmap for the Infrastructure business, and to firm up a long-term vision for the organisation. The JSW Infrastructure vision statement that converged after deliberation was: To be a preferred, customer-centric port & logistics service provider, exceeding stakeholders' expectations in a sustainable and inclusive manner.

Mr. Parth Jindal on a visit to our Fujairah Terminal

**OUR VISION**

To be a preferred, customer-centric port & logistics service provider, exceeding stakeholders' expectations in a sustainable and inclusive manner.

Mr. Arun Maheshwari, JMD & CEO, in his message to Infra employees, re affirmed the Company's commitment to Vision 2025, while focusing on the short and medium-term goals.

## DIGITISATION

As we expand into newer geographies, we need a more standardised approach towards people related information. We have implemented the Contractor Workforce Management System, which provides real-time information and will be instrumental in driving efficiency and cost arbitrage with the vendor partners. This system has the potential of manpower cost reduction by 5%, generating substantial cost-savings and has been operational in Jaigarh. The system has been able to provide factual data about the actual number of people, at any given point in time, and will be a crucial input for future negotiations in reducing costs.

## E-ENGAGEMENT DURING THE LOCKDOWN

Organisations are suddenly required to scramble for ways to maintain business continuity in the face of such a life-threatening crisis. However, these are also testing times for everyone on how quickly we adapt, how differently we can think and plan which will determine how strongly we emerge from this adversity.

A Physical workspace naturally binds all. But binding remote workforce requires initiatives that achieve

- Keeping the trust barometer high between the distanced teams
- Deploy effective communications tools for deep employee engagement
- Create a virtual office environment which hinges on Fun @ Work

Fun @ Work

JSW Infrastructure launched various initiatives to equip and motivate employees. The focus was on continued collaboration, irrespective of virtual working.

Social distancing in practice

Initiatives launched during the COVID-19 Lockdown under the **"We are all in this Together"** tag-line

- Knowledge Sharing Sessions
- E-Learning Initiatives
- Leadership Speak Sessions
- Location-specific Town Halls with the JMD
- Celebrating Solidarity Day
- Contests and Quizzes

Most importantly, all these initiatives were conceptualised, curated, designed and executed by the Infra HR team, using the virtual tools available.

# Inspiring leadership


1


2


3


4

**1. Mr. Nirmal Kumar Jain**
Chairman and Independent Director

Mr. Jain holds a bachelor's degree in Commerce and is a Fellow Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India. With over 50 years of experience in the areas of mergers and acquisitions, finance, legal and capital structuring, he has a keen interest in management development and human resource training. He is currently the Chairman of JSW Infrastructure Limited and is serving on the Board of various JSW Group Companies.

Having joined the JSW Group in 1992, during his tenure, he has contributed richly to the JSW Group in many areas, including leading the JSW Group in its new ventures, such as Energy, Infrastructure and Aluminium, apart from spearheading various successful assignments for the Steel business. His deep knowledge of all aspects of the business has contributed to proper decision-making and the successful conduct of business.

**2. Mr. Arun Maheshwari**
Joint Managing Director and Chief Executive Officer

Mr. Maheshwari holds an MBA in Marketing and Finance. He is responsible for sourcing major raw materials for steel and power generation, corporate strategy, international marketing, steering each of these areas with his entrepreneurial skills, creative approach and lateral thinking. He holds directorship in JSW Utkal Steel Limited and Hasaud Steel Limited. He has been associated with JSW Steel since November 1995, and has handled multiple roles and responsibilities at the JSW Group.

**3. Ms. Tarini Jindal Handa**
Non-Executive Director

Ms. Handa holds a bachelor's degree in Fashion and Marketing from the American InterContinental University. She has held the position of Director in the Real Estate development company of the JSW Group, and was responsible for the delivery of all aspects of promoting real estate for JSW properties, in and around Mumbai. This includes working on the development and implementation of a long-range strategic real estate plans, for specific areas, to maximise market share and profitability, and ensure that the real estate transactions meet the financial and operating objectives of the JSW Group. She is independently handling the remodelling of Victoria Mills at Lower Parel, Mumbai into an Art Centre/Museum, new strategy development for Jindal Mansion at Peddar Road, Mumbai, acquisition for the new location of the Management Development Centre at Vasind, site evaluation for redevelopment of the old Maheshwari Mansion at Napean Sea Road and Morena House at Carmichael Road, Mumbai.

**4. Mr. Lalit Singhvi**
Director and Chief Financial Officer

Mr. Singhvi is a qualified Chartered Accountant with over 35 years of varied experience gathered from working in large industrial




conglomerates like Ultratech Cement, Vedanta, Kalpataru and the Suhail Bahwan Group.
His area of interest includes strategic planning, fund-raising, budgeting, accounts, taxation, legal, and the entire gamut of commercial functions. He held senior leadership positions with the Vedanta Group for around 16 years, playing varied roles that included a stint at the UAE, where he was instrumental in setting up and managing a precious metals refinery and a copper rod business. He has also worked with the Suhail Bahwan Group, Oman as a Financial Advisor to the Chairman. Mr. Singhvi is also the member of JSW Group Corporate Ethics Committee.

### 5. Mr. K N Patel
Non-Executive Director

Mr. Patel is a Commerce Graduate from Mumbai University and a Fellow Member of the Institute of Chartered Accountants of India.
He possesses over 45 years of rich and varied experience in the areas of corporate finance, accounts, taxation and legal, and has a record of outstanding performance, during his association with the JSW Group, since August, 1995.
Mr. Patel was with Standard Industries Limited (Mafatlal Group) for 21 years, prior to joining the Jindal Group. He is the Joint Managing Director & CEO of JSW Holdings Limited. Mr. Patel is also the Director of JSW Cement Limited, JSW Jaigarh Port Limited, South West Port Limited and other companies, besides being a Trustee of the JSW Foundation, Jindal Education Trust and other Trusts.

### 6. Mr. K C Jena
Independent Non-Executive Director

Mr. Jena is an alumnus of the Madras Christian College and IIT, Kanpur. He has over 40 years of experience in various fields related with Railway development. He has a wide international exposure and is an expert on Rail & Port connectivity. He is former Chairman of the Indian Railway Board.

### 7. Ms. Ameeta Chatterjee
Independent Non-Executive Director

Ms. Ameeta Chatterjee holds a bachelor's degree in Commerce from Lady Sriram College for Women, Delhi University, and is a Management graduate from the Indian Institute of Management, Bangalore. She has over 20 years of corporate finance experience in developing, managing and executing infrastructure projects across sectors in India and UK. She also has a vast experience in the areas of project appraisal, credit evaluation and debt financing of infrastructure projects, mergers and acquisition, finance, tax and secretarial matters. Throughout her career, she has worked with ICICI Limited, KPMG, Leighton, and other firms outside India.

# Recognitions that drive us forward

Signing of the concession agreement for NMPT


**Innovative Port of the Year** – at Samudra Manthan Awards, in association with Maharashtra Maritime Board and supported by Mumbai Port Trust and Sagarmala.

# CORPORATE INFORMATION

## Board of Directors

**MR. NIRMAL KUMAR JAIN**
Chairman & Independent Director

**MR. ARUN MAHESHWARI**
Joint Managing Director & Chief Executive Officer

**MS. TARINI JINDAL HANDA**
Non-Executive Director

**MR. LALIT SINGHVI**
Director & Chief Financial Officer

**MR. K N PATEL**
Non-Executive Director

**MS. AMEETA CHATTERJEE**
Independent Non-Executive Director

**MR. K C JENA**
Independent Non-Executive Director

**MR. P K KEDIA (TILL MARCH 24, 2020)**
Non-Executive Director

## Company Secretary

**MS. GAZAL QURESHI**

## Statutory Auditors

M/s. H P V S & Associates
Chartered Accountants

## Secretarial Auditors

M/s. Sunil Agarwal & Co.
Company Secretaries

## Cost Auditor

M/s. Kishore Bhatia & Associates
Cost Accountants

## Bankers

Axis Bank Limited
Dena Bank Limited
IndusInd Bank Limited
Yes Bank Limited
Credit Suisse AG Singapore Branch
DB International Asia Limited

## Registered Office

JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Tel: +91 22 4286 1000
Fax: +91 22 4286 3000
E-mail: infra.mumbai@jsw.in
www.jsw.in
CIN: U45200MH2006PLC161268

## Registrar & Share Transfer Agent

**For Equity**
Kfin Technologies Private Limited
Selenium, Tower – B, Plot No. 31& 32,
Financial District, Nanakramguda,
Serilingampally,
Hyderabad – 500 032
Tel: +91 40 6716 1500
Fax: +91 40 2300 1153
Email: einward.ris@kfintech.com
CIN: U72400TG2017PTC117649

**For Debenture**
NSDL Database Management Limited
4th floor, A Wing, Trade World,
Kamala Mills Compound, Lower Parel (W),
Mumbai – 400 013
Tel: +91 22 4914 2700
Fax: +91 22 4914 2503
E-mail: info_ndml@nsdl.co.in
www.nsdl.co.in
CIN: U72400MH2004PLC147094

## Debenture Trustee

Catalyst Trusteeship Limited
GDA House, Plot no. 85, Bhusari Colony,
Paud Road, Pune – 411038
Tel: +91 020 2528 0081
Fax: +91 020 2528 0275
E-mail: dt@ctltrustee.com
www.catalysttrustee.com
CIN: U74999PN1997PLC110262

## A. Economic Review

### A1. GLOBAL

The global economy can be summarised as a set of two halves for Calendar Year (CY) 2019. While the first half witnessed sluggish growth due to the spill-over effects of a weak Q4 CY 2018, the latter half notably Q4 CY 2019 was marked by bottoming out of the key economic growth indicators and leading to a modest recovery. The global GDP grew by 2.9% during the CY 2019, lower than CY 2018 growth of 3.6%.

Higher tariffs and uncertain trade measures led to a broad-based slowdown in manufacturing and global trade. Besides, some impact was also passed on by the decline in the automobile industry owing to disruptions from new emission standards in the Euro.

CY 2020 started positively, with the US-China trade conflicts reaching phase one agreement and the uncertainty on Brexit fading away. However, the world was hit hard by the unprecedented COVID-19 pandemic. The level of damage and the losses that this pandemic generated were at a never-before scale. With origins detected from neighbouring country and later spreading across most continents, this contagion has led to country-wide lockdowns and brought about a sharp decline in growth.

#### Outlook

**Region-wise growth estimates (%)**

| Region | 2018 | 2019 | 2020 (P) | 2021 (P) |
|---|---|---|---|---|
| World | 3.6 | 2.9 | (4.9) | 5.4 |
| AMEs | 2.2 | 1.7 | (8.0) | 4.8 |
| EMDEs | 4.5 | 3.7 | (3.0) | 5.9 |
| ASEAN | 5.3 | 4.9 | (2.0) | 6.2 |
| US | 2.9 | 2.3 | (8.0) | 4.5 |
| Euro Area | 1.9 | 1.3 | (10.2) | 6.0 |
| UK | 1.3 | 1.4 | (10.2) | 6.3 |
| China | 6.7 | 6.1 | 1.0 | 8.2 |
| Japan | 0.3 | 0.7 | (5.8) | 2.4 |
| Russia | 2.5 | 1.3 | (6.6) | 4.1 |

(Source: IMF)

The global economic growth is likely to witness a steep decline by -4.9% (minus 4.9%) in CY 2020, amidst 'The Great Lockdown' resulting from the pandemic COVID-19. This de-growth outlook applies to the advanced and emerging economies alike. With an assumption that the pandemic recedes, and the containment measures unwind by 2H CY 2020, the IMF predicts the global economy to grow by 5.4% in CY 2021. Also, the global trade volume in goods and services will slip into a degrowth of 11.9% in 2020 from an already weak growth of 0.9% in 2019, before growing by 8% in 2021. The nationwide lockdowns and the consequent suspension of economic activity owing to the pandemic is expected to severely jeopardise economic growth in the first quarter of FY 2020-21.

### A2. INDIA

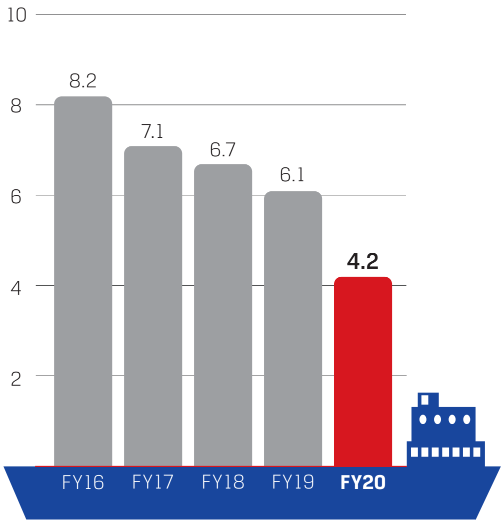
Growth in India softened in FY 2019-20, as economic and regulatory uncertainty, along with concerns about the health of the non-banking financial sector, weighing on demand.

According to Preliminary Estimates by the Central Statistics Office (CSO), India's GDP grew by 4.2% in FY 2019-20, as compared to 6.1% in FY 2018-19. The Indian economy was affected by a cyclical slowdown in domestic consumption, manufacturing, lower investments, lower tax revenue collections by government and rising global concerns around protectionism. A significant weakness in manufacturing (from 5.7% to 0.03%) and electricity, gas, water and other utilities (from 8.2% to 4.1%) activities has also contributed to subdued economic growth.

While green shoots of growth were visible towards the turn of the year, the global economy started to reel under the impacts of the COVID-19 pandemic, which spread to India as well. In March, as the pandemic spread its influence across the country and the government laid down containment measures including a 4-phased nationwide lockdown.

**India GDP Growth**

(%)




The general Consumer Price Index (CPI) moved up to 4.8% in FY 2019-20, as compared to 3.4% in FY 2018-19. The inflationary trend was most witnessed in the Food prices.

### Government initiatives in the pre-Covid scenario (up to February 2020)

While challenges loomed, the Government of India was quick to initiate counter-cyclical measures to boost economic recovery. With inflation staying within its comfort range for the larger part of the year, the Reserve Bank of India's (RBI) monetary policy remained largely accommodative, instituting a cumulative 135 basis point cut in policy rates in CY 2019. Measures like Operation Twist, Open Market Operations (OMOs), CRR exemption, external benchmarking of interest rates and Long-Term Repo Operations to infuse liquidity in the market, stabilise long-term rates, ease pressure and enhance growth opportunities.

During FY 2019-20, the government continued its reform agenda with a steep cut in corporate tax rates, continued rationalisation of the GST, speeding up of insolvency proceedings, financial restructuring of Public Sector Banks' (PSBs), sectoral reforms to boost real estate, auto, housing and export industries and easing funding pressure for NBFCs.

A National Infrastructure Pipeline (NIP) was announced in Union Budget 2020-21 with a spending commitment of $1.4 trillion over 2024-25. The NIP will create more jobs, enhance ease of living, and provide equitable access to infrastructure. Out of the total spends, 42% projects by value are under implementation, 32% are at the conceptualisation stage and the rest are under development. The core sectors to benefit from the NIP are Energy (24% of the total spending), Roads (19%), Urban (16%) and Railways (13%), while other sectors like irrigation, rural infrastructure and so on, stand to receive single digit allocation from the total spends.

### COVID-19 impact

The COVID-19 pandemic started spreading in India by around March, 2020. A national lockdown followed the health hazard, led to the gradual closure of economic activities across India. This is expected to induce demand side issues for all the major sectors including the infrastructure industry. According to a KPMG report 'Potential Impact of COVID-19 on the Indian economy', the pace of infrastructure project development is expected to slow down the medium-term causing cost overruns.

The Government has proactively taken several measures to ease compliance burden on companies and boost domestic production and consumption with Self-Reliant India movement. The measures by the Indian government are bold, proactive and decisive, as compared to even many of the developed countries. The low number of cases stands as a testament for the same.

Despite these economic risks, India has the capacity and scale to expand its share in the global supply chain, which has been disrupted by the COVID-19 outbreak.

### Special measures by the Government and RBI for COVID-19 impact mitigation

To provide a fillip to the domestic industry and cushion the impact of the COVID-19 pandemic, the Central Government has called for 'Self-Reliant India Movement'. The movement is anchored on the five pillars of Economy, Infrastructure, System, Vibrant Demography and Demand. A comprehensive economic package of ₹20 lakhs crores, equivalent to 10% of India's GDP, was laid down by the Government to set this movement in motion. Key highlights of the economic package are the Pradhan Mantri Garib Kalyan Package, which includes host of monetary and non-monetary support for the underprivileged, liquidity infusion and other measures by the RBI, various industry-specific measures, especially for the MSMEs and other measures.

### Outlook

The IMF projects India's GDP to decline by 4.5% and 6% in FY 2019-20 and FY 2020-21, respectively, due to The Great Lockdown following the COVID-19 pandemic and subsequent recovery starting 2H CY 2020 onwards and supported by the synchronised efforts from government and the central bank. Despite the sharp downward revision and the COVID-19 impact, India continues to be the fastest growing G20 economy.

## B. Industry Insight

### INDIAN PORT INDUSTRY OVERVIEW

India has extensive 7,517 kms of coastline, 12 major ports and over 205 non-major ports across nine maritime states, which handle approximately 95% of foreign trade by volume. Cargo traffic recorded 1,278 Million Metric Tonnes (MMT) in 2019, and is expected to reach 1,700 MMT by 2022.

Infrastructure like ports, highways, airports, railways and power have seen significant private sector participation, both domestic and international parties, in the last decade. To meet the increasing trade requirements of the country, 'Bharatmala' and 'Sagarmala' Pariyojana were rolled out to address the critical gaps in India's transportation and logistics infrastructure. These initiatives, along with the government's continued focus on promoting manufacturing and rural development, are expected to boost the investment cycle.

The government has formulated several policies to attract private investments in the ports sector such as model concession agreement, promotion of coastal shipping for cargo, relaxation in cabotage policy, coastal berth policy, setting up maritime board in coastal states, and tax holidays. Further, Project UNNATI, ease of doing business, dedicated freight corridor has been launched to enhance the operational and financial performance of major Indian ports.

### INVESTMENTS / DEVELOPMENTS

The Ministry of Shipping, Road Transport and Highways announced substantial investments in India's ports and roads sector, which is likely to boost Indian economy.

The Central Port Authority Act has granted autonomy to major ports making it investor-friendly. The Government plans to develop 14 coastal economic regions to revitalise the Sagarmala (string of ports) project through port modernisation, new port development, port-linked industrialisation, connectivity, coastal community development and creation of new job opportunities. These zones would be converted into manufacturing hubs, supported by port modernisation projects, and would span 300–500 km of the coastline. This has enhanced and provided a boost to port trade and the logistics sector.

Government has to take further initiative to implement Major Port Trust Act, 2020 with full freedom to PPP operators operating in major ports, enhance connectivity by development of railway and road infrastructure under Sagarmala and Bharatmala scheme, promotion of coastal movement and effective utilisation of Inland Waterways.

The Indian Shipping Ministry has taken other steps like streamlining the custom procedures, reduction in cargo dwell times making it attractive for the investors. The Digitisation of the processes, direct port entry, e-delivery services, installation of container scanners, and automated gate system through radio frequency identification makes the Indian ports more efficient and these benefit the importers and exporters.

**ADVANTAGE INDIA**

**Robust Demand**

- In FY 2019-20, major Indian ports handled over 704 MT of cargo traffic.

**Attractive Opportunities**

- Total investments in Indian ports by 2020 is expected to reach over US$ 43 billion.
- Non-major ports are set to benefit from strong growth in India's external trade.
- Special Economic Zones (SEZs) are being developed near several ports, comprising of coal-based power plants, steel plants and oil refineries.

**Policy Support**

- The government has initiated NMDP, an initiative to develop the maritime sector with a planned outlay of over US$11.8 billion.
- 100% FDI for investment in port.
- Plans to create port capacity of ~3,200 MMT to handle the expected traffic of ~2,500 MMT by 2020.

**Competitive Advantage**

- Long coastline of about 7,517 km with 12 major ports and over 205 non-major ports provides ample opportunities for the sector.
- Most cargo ships that sail between East Asia and America, Europe and Africa pass through Indian territorial waters.
- India is the largest thermal coal importer in the world.

(Source: IBEF May 2020)

### Impact of COVID

Indian exports declined to the lowest levels in the entire decade in March 2020. Many ports were clogged with import containers due to containment measures with lockdowns. Additional issues that plagued exporters included government restrictions, finding and retaining labour and a shortage of cash flow.

**PORT INDUSTRY GROWTH TRENDS**

The logistics industry in India is projected to grow at a CAGR of 10.5% between 2019 and 2025. The infrastructure status has made more investment inflows a lot more convenient. This has become a major growth driver for the logistics industry in India. By 2022, port industry is further expected to grow at a CAGR of 5-6%, consequently providing an additional capacity of 275 to 325 MT.

### Outlook for Indian Shipping Industry and Ports

Capacity additions at ports are expected to record a CAGR of 5-6% till 2022, adding 275-325 MT. Under Sagarmala, the Government aims to modernise 189 ports with investments totalling ₹1.42 trillion ($ 22 billion) by 2035.

The Ministry of Shipping has set a target capacity of over 3,130 MMT by 2020, which would be driven by private sector participation. Non-major ports are expected to generate over 50% of this capacity. India's cargo traffic handled by ports is expected to reach 1,695 MMT by FY 2022, according to the National Transport Development Policy Committee.

## C. Review of the Businesses

**BUSINESS OVERVIEW**

JSW Infrastructure Limited (JSWIL), a part of the $14 billion JSW Group, is one of the leading private sector infrastructure company in India. We engage in developing seaports, shipyards, railway projects, transportation through pipeline, and providing end-to-end logistic solutions. We currently operate seaports and terminals in Maharashtra, Odisha and Goa with an operational capacity of 93 MMTPA. Our modern, environment-friendly seaports and terminals – JSW Jaigarh

Port and JSW Dharamtar Port in Maharashtra, JSW Paradip Terminal in Odisha and South West Port in Goa – offer mechanised and multi-cargo handling facilities and are well connected to the industrial hinterlands of Maharashtra, Goa and Karnataka. We are in the process of developing coal exports terminal at Paradip. We have recently won a concession agreement for developing and operating the first container terminal at New Mangalore Port Trust (NMPT).

- On track for the targeted capacity expansion of 200 MMTPA by FY 2021-22
- Among the top three companies in India by capacity and cargo handling
- Capacity addition through greenfield and brownfield expansions
- Establishing presence across both east and west coasts of India
- Proven ability to handle multi-cargo with expertise in bulk cargo
- Fully mechanised operations enabling faster turnaround and efficient use of resources.

## C1.2 SEGMENTAL REVIEW

### JSW Jaigarh Port Limited

Jaigarh Port (JPL) is an all-weather, 24/7, multi-purpose common user port. JPL, with a draft of 18.5 metres, is one of the deepest draft ports in India. The port occupies a strategic location on the west coast between the ports of Mumbai and Goa, and handles cargo from Maharashtra and Karnataka. JPL is a well-diversified port and has handled the highest sugar cargo volumes amongst private port players in India last year. It has received nomination from ministry of fertiliser for handling urea.

JPL has LNG handling capacity with India's first Floating Storage and Regasification Unit (FSRU) based LNG terminal at the port. JPL was accredited with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certification.

**Quick Facts**

| | |
|---|---|
| Location | Jaigarh, Ratnagiri, Maharashtra |
| Existing capacity | 45.0 MMTPA (2018 – 40.0 MMTPA) |
| Target capacity | 80.0 MMTPA |
| CoD | Operational: 2010 |
| Concession period | 50 years (till 2058) |
| Infrastructure | Berths: 7<br>Draft: 18.5 metres |
| Key cargo | Coal, iron ore, limestone, sugar, molasses, fertilisers, bauxite, gypsum, urea |

### South West-Goa Port Limited

South West Port (SWPL) provides vital logistic and cargo handling support to the JSW Steel plant at Vijayanagar, Karnataka, to import coal and limestone and export finished steel. SWPL operates two dedicated bulk cargo berths at Mormugoa Port Trust at Goa, on a BOOT license agreement. The port has mechanised cargo handling systems, mechanised wagon loading systems connected by closed conveying systems, dust suppression systems and air pollution monitoring systems.

**Quick Facts**

| | |
|---|---|
| Location | Mormugao, Goa |
| Existing capacity | 15 MMTPA |
| CoD | Operational: 2004 |
| Concession period | 30 years (till 2029) |
| Infrastructure | Berths / length: 2 / 450 metres<br>Draft: 14.3 metres |
| Key cargo | Coal and steel products |

### JSW Dharamtar Port Private Limited

JSW Dharamtar Port Pvt. Limited. (DPPL) is strategically located at 80 kms south of Mumbai and nearly 135 kms from Pune.

DPPL is a riverine jetty facilities at Dharamtar Port, Dolvi village, Raigad district. The site is located southeast of the Mumbai harbour on the Dharamtar Creek at the estuary of the Amba river extending to ~12 nautical miles upstream. The jetties have adequate length and inter-barge spacing to accommodate barges up to 8,000 deadweight tonnage (dwt) in size and support bulk and discrete cargo handling with suitably configured equipment and systems.

The cargo handling capacity will increase from 15 MMTPA to 34 MMTPA post completion of the expansion project.

**Quick Facts**

| | |
|---|---|
| Location | Dharamtar, Raigad, Maharashtra |
| Existing capacity | 15.0 MMTPA |
| Target capacity | 34.0 MMTPA |
| CoD | Operational: 2012 |
| Infrastructure | Berth's length: 1045 metres<br>Draft: 3.5 metres |
| Key cargo | Pellets, lumps, iron ore fines, limestone, dolomite, HBI, coal, scrap |

### JSW Paradip Terminal Private Limited

JSW Paradip Terminal Pvt. Limited is a special purpose vehicle (SPV) formed to develop new berth for handling iron ore exports at Paradip. The project is commissioned and is India's most modern iron ore terminal with fully mechanised and environment-friendly terminal handling iron ore and pellet cargo. It is developed on a Build-Operate-Transfer (BOT) basis with 370 metres quay length with a total capacity of 18 MMTPA. It is at par with world-class standards and can load up to 1 lakh MT per day. This terminal will boost competitiveness of customers in terms of faster turnaround of vessels, cape size vessel handling and minimal handling losses.

**Quick Facts**

| | |
|---|---|
| Location | Paradip, Odisha |
| Target capacity | 18.0 MMTPA |
| CoD | Operations since Nov-2019 |
| Concession period | 30 years (till 2045) |
| Infrastructure | Berth length: 370 metres |
| Key cargo | Iron ore, pellet exports |

### Paradip East Quay Coal Terminal Private Limited

The project is being developed on a BOT basis as per concession agreement. The total length of the berth will be 686 metres with a designed depth of 15 metres and will have the capability to handle panamax size of vessels which will further deepen to handle cape size vessel. The terminal will have a capacity of 30 MMTPA. Currently the Project is under construction and progressing well.

**Quick Facts**

| | |
|---|---|
| Location | Paradip, Odisha |
| Target capacity | 30.0 MMTPA |
| CoD | Project under construction |
| Concession period | 30 years |
| Infrastructure | Berth length: 686 metres |
| Key cargo | Coal exports |

### JSW Terminal (Middle East) FZE

We entered into an agreement with Fujairah Sea Port Authority (POF) for carrying out operation and maintenance and repair of the entire bulk handling system for ship loaders and conveying system for loading cargo at berth no. 5 and 6 at Fujairah Sea Port for five years starting FY 2017. The present terminal has a handling capacity of 24 MMTPA. during the year handled 18 MMT.

### NMPT

We entered into a concession agreement with the New Mangalore Port Trust (NMPT) to develop and operate its first container terminal project at the port for 30 years. At the time of the agreement, NMPT was handling around 1,50,000 TEU's per year. With an investment of nearly ₹300 crores, the Company is developing the container terminal which will have a capacity of 400,000 TEUs.

NMPT is an all-weather, lagoon type port situated at Panambur, Mangalore in Karnataka and is one of the major ports playing a key role for the economic development of Karnataka and other south west parts of India. Over the years the NMPT has grown fast to handle over 42 million tonnes of cargo traffic in 2018-19. Container traffic at NMPT has been growing at a CAGR of 15% since 2013 as compared to Indian container traffic growth of 7.52%. The container terminal will have a quay length of 350 metres and accommodate vessels up to 9000 TEUs. It will have a backup storage area of 15.5 hectares for storage of container.

### Other business development initiatives

In FY 2019-20, we focussed on capacity additions through greenfield and brownfield expansions. Our focus on port-based industries including chemical plants, edible oil refineries and bitumen refineries, among others, drives growth and increases hinterlands serviced by us. Among our expansion activities, Paradip

Terminal Private Limited (PTPL) is at an advanced stage of construction and various trial runs are in process. Paradip East Quay Coal terminal's work has progressed significantly. These two terminals, equipped with large cargo handling infrastructure, will help decongest the port and allow us to expedite third-party transactions. The operations are likely to commence in Q2 of FY 2020-21.

In line with the Government's vision to cut down logistics cost to 9% of GDP, we plan to optimise our supply chain by exploring different modes of transportation, reducing the overall logistic cost as well as time and increasing operational efficiency. We endeavour to equip ports with the latest technologies and advanced infrastructure to handle larger ships to make operations more economical, and customer friendly.

Our group cargo provides us added growth opportunity, as our business grows with the growth in group companies. We have started establishing our footprint in the end to end logistics solutions, such as warehousing, logistics solutions by way of road transportation, coastal movements, transportation through slurry pipelines and availability of railway wagon which provide one-stop solution to our end customers.

We also plan to diversify our customer base with higher contribution of third-party cargo operations. FY 2019-20 witnessed the highest volume of third-party cargo handled by us. Key commodities contributing to commercial cargo included gypsum, sugar, coal and fertilisers. We are also in discussions with leading customers to set up a petroleum, oils and lubricants (POL) terminal at Jaigarh Port, which will further diversify our third-party cargo base. Additional investments are being made to handle third-party cargo, address connectivity issues and grow operations to accommodate large ships at the port.

The main cargo handled at the ports are bulk and liquid cargo. Our port services include marine, handling intra-port transport, storage, other value-added and evacuation services for a diverse range of customers, comprising terminal operators, shipping lines and agents, exporters, importers and other port users. This helps us diversify our revenue streams, eliminate revenue leakage, reduce financial risks and compete more effectively.

### JSW Jaigarh Port handles first Urea Vessel

Urea import cargo was another feather in our hat, w Jaigarh Port has started catering its services to the key fertiliser markets in the hinterland of Maharashtra, Telangana, Goa, Karnataka and other nearby states. These agriculture states consume large amount of fertiliser, which is currently imported through various ports in Gujarat, and thereafter transported to consumption centres via railway over 1200-1600 km, creating huge transport subsidy burden and loss of time. With Jaigarh displaying this dexterity, it has opened a new route for the Fertiliser Ministry to continuously import and distribute this vital farm input, enabling substantial reduction in logistics costs, transport subsidy, and time.

### Vision 2022

To become part of leadership position in the industry, we have set a target of 200 MTPA capacity by 2022, which is on track. Our expansion projects at Jaigarh and Dharamatar are as scheduled and expected to be completed in FY 2020-21. Similarly, East Quay Coal Terminal, Paradip and JSW Container Terminal at New Mangalore are progressed well and expected to be completed as per scheduled timelines.

To further diversify our cargo profile, cargo mix and better utilisation of assets, we are looking for organic and inorganic growth which suits in our strategy and growth plan.

### Awards

While we have been progressing steadily on our growth path, we have been recognised by industry with the following awards and accolades

**Innovative Port of the Year** – at Samudra Manthan Awards, organised by Bhandarkar publications in association with Maharashtra Maritime Board and supported by Mumbai Port Trust and Sagarmala.

## C2. FINANCIAL PERFORMANCE

### Consolidated Results

Our consolidated financial statements include the financial performance of the following subsidiaries/step-down subsidiaries:

- JSW Jaigarh Port Limited (JPL)
- South West Port Limited (SWPL)
- JSW Dharamtar Port Private Limited (DPPL)
- JSW Middle East Terminals FZE
- Masad Marine Services Private Limited
- Nandgaon Port Private Limited
- JSW Shipyard Private Limited
- JSW Mangalore Container Terminal Private Limited
- Jaigarh Digni Rail Limited
- JSW Salav Port Private Limited
- JSW Paradip Terminal Private Limited (PTPL)
- Paradip East Quay Coal Terminal Private Limited (Paradip EQ)
- West Waves Maritime and Allied Services Private Limited

### Synopsis of Standalone Financials

Standalone total income increased by 6% during the fiscal to ₹357.50 crores. Expenditure for operations was at ₹128.28 crores. Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 9% to ₹229.22 crores. Net profit increased by 19% to ₹131.51 crores.

### Synopsis of Consolidated Financials

Consolidated total income grew by 5% during the fiscal to ₹1,237.37 crores. Consolidated expenditure for operations was at ₹523.95 crores. EBITDA stood at ₹713.42 crores.

### Key profitability metrics (Inputs to be provided)

| | 2019-20 | 2018-19 |
|---|---|---|
| Return on Capital Employed (EBIT / Capital Employed) | 8.74% | 8.98% |
| Return on Equity (PAT / Net Worth) | 7.14% | 8.82% |
| Profit after Tax / Income from Operations | 17.19% | 25.18% |
| Profit before Tax/ Income from Operations | 20.48% | 26.28% |
| Operating Profit Margin (EBIDTA/ Sales) | 62.41% | 66.05% |
| Income from Operations (₹ in Crores) | 1,143.15 | 1,080.26 |

### Key ratios (Inputs to be provided)

| Ratios | 2019-20 | 2018-19 |
|---|---|---|
| Receivable Conversion Period (in days) | 142.51 | 115.69 |
| Current Ratio | 1.84 | 2.68 |
| Acid Test Ratio | 0.82 | 1.39 |

## C3. SUBSIDIARY FINANCIALS SUMMARY

| Particulars | JPL at Ratnagiri | SWPL and IL with berth 7 & 10 at Goa | DPPL at Dharamtar | PTPL at Paradip | JSW Terminal (Middle East) FZE |
|---|---|---|---|---|---|
| Cargo Handled (MMT) | 10.36 | 9.79 | 12.84 | 1.01 | 17.9 |
| Total Income (₹ in Crores) | 636.51<br>Up by 3% | 229.12<br>Up by 16% | 175.57<br>Up by 5% | 57.28 | 33.23 |
| EBITDA (₹ in Crores) | 333.02 | 72.56<br>Up by 13% | 105.22<br>Up by 9% | 0.65 | 13.96 |
| Net Profit (₹ in Crores) | 20.52 | 25.46<br>Up by 42% | 49.76 | (17.54) | 14.86 |

### Consolidated Financial Statements

The Consolidated Financial Statements of our Company has been prepared in accordance with relevant Indian Accounting Standards (INDAS) issued by the Institute of Chartered Accountants of India form part of this Annual Report.

## D. Information Technology

Cyber security continues to be a top priority of the Company. At an information technology level, the organisation has been availing centralised IT system and security support of JSW Group being managed by multiple specialist organisations those who are leaders in this sector. This ensures that a reliable IT system is maintained 24x7, with immediate support available to troubleshoot any issue. JSW group also also runs a holistic Security Awareness programme across its group companies and all locations covering both aspects of security – physical and IT Security.

## E. Human Resources

JSW Group creates value for its employees by ensuring their prosperity as the organisation grows. Specifically, it creates employee value through continuous learning, structured career progression opportunities, and an industry-leading employee value proposition. The employee strength of our Company as on 31st March, 2020 was 405 nos.

We provide a conducive work environment which motivates employees to make their best efforts to achieve our ambitious targets and growth plans. Their talent and commitment fuel our vision to create capacity exceeding 200 MMT by FY 2021-22. Safety and security of all our stakeholders, especially our human capital is of prime importance for our Company. We are taking innovative approach by combining technology, digitisation and sustainability to improve lives of our Employees, our Stakeholders and for the Society as a whole.

We have been working towards institutionalising a performance-oriented culture. The entire HR system that includes recruitment, performance management and reward and recognition has been aligned to the business objectives. Key management personnel at the project sites are being evaluated on uniform parameters linked to organisational priorities. Similarly, key personnel at the corporate office have been given an organisational target in addition to their functional objectives.

(Please refer to page 51 of this report for more on our Safety Initiatives and 48 for more on our Human Resources)

### E-ENGAGEMENT DURING THE COVID-19 PANDEMIC

The COVID-19 pandemic which grappled the world mandated country-wide lockdowns and social distancing measures led companies to change the way business is done, across the globe. At JSW Infrastructure, we launched various initiatives to equip, motivate employees, with a focus on continued collaboration of team members, irrespective of being physically distant. Our initiatives were undertaken under the tag line 'We are all in this Together'.

- Knowledge Sharing Sessions
- E-Learning initiatives
- Leadership Speak Sessions
- Location specific Town Halls with the JMD
- Celebrating Solidarity Day
- Contests and quizzes

Human resource team undertook these initiatives without incurring any costs and were appreciated across all locations and hierarchies, hoping for more of such initiatives.

### CORPORATE SOCIAL RESPONSIBILITY

JSW Infrastructure Limited contributes at least 2% of its average net profits for designing, executing and monitoring programmes for community welfare. The Company implements its CSR initiatives either directly through JSW Foundation or through partnerships, as per the suitability of the initiative.

It adopts a collaborative approach to add value in the lives of the people residing in its Direct Influence Zone (DIZ) and Indirect Influence Zone (IIZ). Its CSR policy enables ports to define their own DIZs with the provisions of expanding them as per the operations.

All its programmes are formulated as per need. The need assessment studies comprise quantitative and qualitative indicators and provide measurable impact. It engages with the Government and civil societies to successfully undertake various social initiatives to benefit the community. It also executes and monitors interventions independently in the community, based on concurrent evaluation, knowledge management and documentation. The areas of intervention include water, sanitation, environment, health, nutrition, education, skills, livelihood development, sports and art and culture and heritage. It monitors the initiatives at all its manufacturing sites on a regular basis to constantly improve Company performance.

### CSR POLICY

JSW Infra is committed to nation-building. It operates on the philosophy of working closely with communities living contiguous to the Company's operations and beyond. It has a Board-level CSR Committee, which is responsible for approving and reviewing all the interventions on a periodic basis. Apart from the Foundation, the Board of JSW Infra has also constituted a Company-level CSR Committee which comprises Business and Port-level leadership, to supervise the implementation and assess the impact of all its interventions.

During FY 2019-20, the Company undertook various CSR interventions based on concurrent evaluation and knowledge management through process documentation.

### KEY INITIATIVES

To empower communities, JSWIL spent consolidated ₹7.16 crores for CSR during FY 2019-20. Through various social initiatives, the Company aimed to:

- Improve the living conditions of people
- Promote social development
- Address social inequality
- Address environmental issues
- Preserve national heritage
- Promote sports
- Carry out rural development projects
- Contribute to Swachh Bharat Abhiyan

### RISK MANAGEMENT

#### Approach to risk management, framework and how it functions.

JSW Infrastructure follows the Enterprise Risk Management framework set up by Committee of Sponsoring Organisations (COSO) to proactively anticipate, discuss, prioritise and respond to risks and opportunities affecting business objectives for resilience.

The framework helps in timely identification, communication and assessment of risks and opportunities. The framework comprehensively tracks the risks, assess their possible impact and encourages proactive action through well-defined procedures and responsibilities.

Through better risk management, we aim to continue creating value for all our stakeholders, while being resilient to the varied risks. We strongly believe that a major step towards strategic risk management is strict adherence to regulations and standards. We have also established processes and guidelines, along with a strong overview and monitoring system at the Board and senior management levels. We have laid down procedures to inform Board members about the risk assessment and risk minimisation measures.

As an organisation, we encourage strong ethical values and high levels of integrity in all our activities, which by itself, considerably mitigates risks. Different segments of the organisation are vested with specific responsibilities to identify, assess and mitigate risks.

#### Enterprise risk management

JSW Infrastructure recognises that every business is prone to internal and external risks, including risks around compliance, operational, strategic and many others. Many of these risks are inherent in the enterprise structure of any organisation and may interfere with an organisation's operations and objectives. The Company takes responsibility to proactively identify and address risks and opportunities to protect and create value for its stakeholders.

The Company is committed to managing the enterprise using a risk-based approach to appropriately manage the broad spectrum of risks facing this complex organisation and to ensure achievement of its strategic, operational, reporting and compliance objectives.

Some of the crucial risks impacting the Company's overall governance are detailed below:

| Risk | Impact | Mitigation Measure |
|---|---|---|
| Safety risks | Considering the nature of the industry, Port Infrastructure and connected facilities are prone to safety risks. | The Company continuously strives to promote sound safety practices through:<br>› Implementation of Dupont and behaviour-based safety at its Port facilities<br>› Adoption of a Safety Management System (SMS) based on leading safety standards<br>› Regular audits to assess on-ground implementation of various processes prescribed by the SMS and Dupont safety process<br>Each port has an emergency response plan, which is periodically tested through mock drills drawn up to meet any eventuality. Critical safety incidents are also reviewed by the senior leadership team for root-cause analysis and to prevent subsequent recurrence. |
| Statutory compliance risks | These are the risks of non-compliances of any/all of the statutory rules, regulations and statutes that are applicable to the Company. | The Company has a well-structured, documented and demonstrable compliance framework that helps the management monitor and report compliance risk and exposure to the Board. The Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances.<br>With a view to devise a system to monitor and ensure compliance with all the applicable laws, compliances are classified and monitored under the following broad heads:<br>› Corporate Laws<br>› Tax Laws<br>› Labour Laws<br>› Environment, Health and Safety Laws<br>Various cross-functional teams work together to ensure compliance in the above areas and to keep up with the rapid pace of regulatory changes. |
| Competitive risks | Sharp increase in competition or drop in demand can impact the utilisation, and thereby, viability of the ports. | JSW Infrastructure is one of the most cost-competitive players in the industry. The Company's ports are strategically located near the demand hubs. In addition, through high level of mechanisation, it ensures a high productivity, low transaction costs and fast turnaround times. |
| Sustainability risk | Risk on account of not being able to maintain the current level of operations on account of environmental factors like energy, water consumption and waste management are the sustainability risks identified by the Company. | JSW Infrastructure has articulated a vision for its key sustainability/environmental themes. These themes include reduction of power consumption, emphasis on renewable energy and hazardous waste reduction, among others. Substantial progress has been made in all the identified themes in the past five years. Reduction in freshwater consumed in manufacturing, water harvesting and recharge, development of alternate supply sources of water and usage of treated water from common effluent/ sewage treatment plants are the areas where substantial amount of work has been done. The Company has also been consistently working towards making its whole sets of services green and environment friendly. |

| Risk | Impact | Mitigation Measure |
|---|---|---|
| Fraud Risk | It is the risk of any internal or external person or entity committing or causing any fraudulent act | The Company places due emphasis on deployment of ethical and fair business practices while running its operations. Ethical behaviour is promoted in the organisation through periodic communication and by making all employees aware of its code of conduct. The Company also has a whistle-blower policy to ensure suspected or actual violations to the code are reported, investigated and acted upon. |
| Information security risk | Various IT applications used by the Company are exposed to the internet. Also, with the new and emerging cyber-attacks and hacking threats, the information security risk has increased. | The Company manages the risk by identifying possible threats/ events that may compromise the confidentiality, integrity and availability of information and pro-actively mitigating them. Substantial investments have been made in advanced IT tools to enhance the information security capabilities. The Company has also adopted a five-element framework based on data life cycle. A complete range of initiatives have been undertaken/identified in all the elements of this framework. |
| Currency risk | JSW Infrastructure operates in different countries and currencies. The Company also has significant dealings in foreign currency, including import of spares and capital goods. Hence, an adverse and unforeseen fluctuation can impact its margins and profitability. | The Company tries to balance its risk exposure by closely monitoring it and has natural currency hedges. However, there is a limitation on the extent of risk mitigation, especially in case of extremely adverse currency fluctuations. |
| Human capital risk | Human capital risk is a critical risk for any business. It has elements of attraction, retention and engagement of talent; employee relations at ports/offices; etc. | These areas are being continuously worked upon through various initiatives and processes. The Company believes proper management of human capital is key to achieve the strategic and operational goals of an organisation. |
| Customer risk | Customer risk is the risk of losing the customer due to any complaints or competition poaching into our customer portfolio or influencing the customers. | The Company has a rigorous complaint management process in place, which enables swift and prompt corrective actions to mitigate the risk of losing connection with customers. Further, the Company implements several programmes to cement relationships with customers and influencers through a variety of platforms, including digital. |

## Ethical behaviour

The Company places due emphasis on deployment of ethical and fair business practices while running its operations. Ethical behavior is promoted in the organisation through periodic communication and by making all employees aware of its code of conduct. The Company also has a whistle-blower policy to ensure suspected or actual violations to the code are reported, investigated and acted upon.

## Safety Initiatives

JSW Infrastructure lays out various safety initiatives for its employees. Some of the prime ones include

- Implementation of PTW/ LOTO/ WAH
- Tool Box Talks
- Flash Back Arrestors for Gas Cylinders
- Implementation of PPEs
- Parking of Vehicles in Take-off Mode
- ELCB / RCCB for all Welding Machines
- Fastening of Seat Belts
- Installation of Hand Rails
- Road Safety March
- Reward Systems
- Arc Flash Suit for Electrical Substation Work
- Mass Communication
- Safety Pledge
- Vehicle Inspection
- Replaced Hydra to Farana Crane
- Pedestrian Walkways

## Training Programmes Conducted

Incident Investigation
Safety Observation
Leading Standard Works
Induction Training
LOTO/ PTW/ WAH
My SETU

### Internal Control System and Audit

A robust system of internal control and audit, commensurate with the size and nature of the business, forms an integral part of the Company's corporate governance policies. Internal control systems are an integral part of JSWIL's corporate governance structure. A well-established multidisciplinary Internal Audit and Assurance Services of JSW group consist of qualified finance professionals, engineers and SAP experienced executives. They carry out extensive audits throughout the year, across all functional areas, and submit their reports to the Management and Audit Committee about compliance with internal controls and efficiency and effectiveness of operations and key processes and risks. Some significant features of the internal control systems are:

› Adequate documentation of policies, guidelines, authority and approval procedures covering all the important functions of the Company.

› Deployment of an ERP system which covers most of its operations and is supported by a defined on-line authorisation protocol.

› Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.

› Ensuring the integrity of the accounting systems and proper and authorised recording and reporting of all transactions.

› Preparation and monitoring of annual budgets for all operating and services' functions.

› Ensuring reliability of all financial and operational information.

› The Audit Committee of the Board of Directors, where Independent Directors comprise the majority, regularly reviews audit plans, significant audit findings, adequacy of internal controls and compliance with Accounting Standards.

› A comprehensive Information Security Policy and continuous update of IT Systems.

The internal control systems and procedures are designed to identify and manage risks, verify procedure-led l compliances as well as enhance control consciousness.

### Internal control systems and their adequacy

The Company has implemented adequate internal controls and risk management processes that are commensurate with the nature of business, and size and complexity of its operations. Appropriate internal control policies and procedures have been set up to provide reasonable assurance on:

› Effectiveness and efficiency of its operations

› Reliability of financial reporting

› Compliance with applicable laws and regulations

The compliance with these policies and procedures is ingrained into the management review process. Moreover, the Company regularly reviews them to ensure both relevance and comprehensiveness. Deviations from the laid-down processes are being addressed through systemic identification of causals.

The organisation continuously assesses effectiveness of its internal controls across multiple functions and locations through extensive internal audit exercises that deploy an amalgam of modern and traditional audit tools. The internal audit programme is reviewed by the Audit Committee to ensure comprehensive coverage of the relevant areas. Proactive steps are taken to ensure compliance with various upcoming regulations through deployment of cross-functional teams. The Company uses robust IT tools for minimising errors and lapses, identifying exceptional trends through data analysis and tracking crucial compliances. The Company also encourages the employees to adopt fair, compliant and ethical practices. It continues to stay committed to the areas of control and compliance, to ensure the highest standards of governance.

### Internal audit

The Company avails internal audit service of JSW group reporting their findings to the Audit Committee comprising majority Independent Directors who are experts in their respective fields. The Company successfully integrated the COSO framework with its audit process to enhance the quality of its financial reporting, compatible with business ethics, effective controls and governance.

The Company extensively practices delegation of authority across its team, which creates effective checks and balances within the system to arrest all possible gaps within the system. The internal audit team has full access to all information in the organisation which has been largely facilitated by the ERP implementation across the organisation.

**Audit plan and execution**

The group Internal Audit team prepares a risk-based audit plan and the frequency of audit is decided based on the risk ratings of the respective areas/functions. The plan is approved by the Audit Committee and executed by the group internal team. It is reviewed periodically to include areas which have assumed significance in line with the emerging industry trends and the growth plans of the Company. In addition, the Audit Committee also relies on internal customers' feedback and other external events for inclusion of additional areas into the audit plan.

## Forward-looking and cautionary statements

In this Annual Report, we have disclosed forward-looking information to enable the investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe, we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

i. https://www.reportlinker.com/p05878611/Indian-Logistics-Industry-Outlook.html?utm_source=GNW

ii. https://www.thehindubusinessline.com/companies/jsw-infra-signs-concession-pact-for-container-terminal-at-nmpt-to-invest-300-crore/article30682783.ece

iii. https://www.jsw.in/groups/signing-ca-nmpt

# NOTICE

Notice is hereby given that the **Fourteenth Annual General Meeting** of the Shareholders of **JSW Infrastructure Limited** will be held on **Wednesday, 5th August, 2020** at **11.30 a.m.** at **JSW Centre, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051** to transact the following businesses:

## Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2020 and Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

2. To appoint the Director in place of Ms. Tarini Jindal Handa (DIN: 00506432), who retires by rotation and being eligible, offers herself for re-appointment.

## Special Business

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, the remuneration of ₹60,000 (Rupees Sixty Thousand Only) plus Goods and Service tax as applicable and reimbursement of actual travel and out of pocket expenses as recommended by the Audit Committee and approved by the Board of Directors of the Company, to be paid to M/s. Kishore Bhatia & Associates, Cost Accountants, for the conduct of the audit of the cost accounting records of the Company, for the financial year 2019-20, be and is hereby ratified and confirmed."

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Ameeta Chatterjee (DIN:03010772), who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years with effect from 31st August, 2020 upto 30th August, 2025."

**Registered Office:**
JSW Centre, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051
CIN: U45200MH2006PLC161268

By order of the Board of Directors
For **JSW Infrastructure Limited**

**Place:** Mumbai
**Date:** 13th July, 2020

**Gazal Qureshi**
Company Secretary
(M No.: A16843)

## NOTES

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business under Item Nos. 3 & 4 set out above and the details under Clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the person(s) seeking appointment/re-appointment as Director at the Annual General Meeting, is annexed hereto.

2. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY.

3. Shareholders/Proxies should bring their attendance slip duly filled in for attending the meeting.

4. Copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the meeting.

5. Corporate members are requested to send a duly certified copy of the resolution authorising their representatives to attend and vote at the meeting.

6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. Members who hold Shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.

8. The instrument(s) appointing the Proxy, if any, shall be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting and in default, the instrument of Proxy shall be treated as invalid. Proxies shall not have any right to speak at the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, be issued by the Shareholder organisation.

9. Shareholders are requested to intimate the Company at its registered office, immediately of any change in their mailing address or e-mail address in respect of equity shares held.

10. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days if the Company, during office hours, upto the date of the Annual General Meeting.

11. Members desirous of having any information regarding Accounts of the Company are requested to address their queries to the CFO–Accounts at the Company's Registered Office at JSW Centre, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 or e-mail the queries to infra.mumbai@jsw.in with "Query on Accounts" in the subject line, atleast 7 days before the date of the meeting, so that requisite information is made available at the meeting.

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

**ITEM NO. 3**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company.

The rules have prescribed maintenance of Cost Records and Cost Audit for Companies rendering services for a port regulated by the Tariff Authority of Major Ports (TAMP) having annual turnover of Rupees One Hundred Crores or more for all its products/ services and an aggregate turnover of Rupees Thirty five Crores or more for individual product/services in immediate preceding financial year.

Section 148 *inter alia* provides that the Central Government may direct audit of cost records of class of Companies as may be prescribed. In pursuance of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice or a firm of cost accountants in practice, as cost auditor, on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor.

Accordingly, on the recommendation of the Audit Committee, the Board of Directors, at its meeting held on 12th July, 2019, approved appointment of M/s. Kishore Bhatia & Associates., Cost Accountants for the conduct of the audit of the cost accounting records of the Company, at a remuneration of ₹60,000 (Rupees Sixty Thousand Only) plus Goods and Service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending 31st March, 2020, subject to ratification by the Members pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditor) Rules, 2014.

None of the Directors and Key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

Your directors recommend the resolution at Item No. 3 for your approval and ratification in terms of Section 148 of the Companies Act, 2013.

**ITEM NO. 4**

Ms. Ameeta Chatterjee (DIN: 03010772) was appointed as an Independent Director of the Company for a term of five years from 31st August, 2015.

Section 149(10) of the Act, provides that an independent director shall hold office for a term of upto five consecutive years on the Board and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in its Board's report. Section 149(11) further provides that an independent director may hold office for up to two consecutive terms.

Ms. Ameeta Chatterjee graduated in Bachelors in Commerce from Lady Sriram College for Women, Delhi University and is a management graduate from Indian Institute of Management, Bangalore. She has over more than 20 years of corporate finance experience in developing, managing and executing infrastructure projects across sectors in India and UK. She also has a vast experience in the areas of project appraisal, credit evaluation and debt financing of infrastructure projects, mergers & acquisition, finance, tax and secretarial matters.

Based on the recommendation of the Nomination & Remuneration Committee (NRC) and the outcome of the performance evaluation carried out by the NRC and the Board on relevant parameters, the Board of Directors at its meeting held on 29th May, 2020, re-appointed Ms. Chatterjee as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years with effect from August 31, 2020 upto August 30, 2025 subject to the approval of the members of the Company.

As required under Clause 1.2.5 of the Secretarial Standard-2, Ms. Ameeta Chatterjee brief resume and other requisite information is annexed to and forms a part of notice.

The Company has received a notice in writing under the provision of Section 160 of the Act, from the member proposing the candidature of Ms. Ameeta Chatterjee for the office of Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

In view of her rich, varied & vast experience and distinguished career, the re-appointment of Ms. Chatterjee as Independent Director would be in the best interest of the Company.

Except Ms. Ameeta Chatterjee, being an appointee, none of the Director and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 4.

Your Directors recommend the resolution as at item No. 4 for your approval.

**Registered Office:**
JSW Centre, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051
CIN: U45200MH2006PLC161268

**Place:** Mumbai
**Date:** 13th July, 2020

By order of the Board of Directors
For **JSW Infrastructure Limited**

**Gazal Qureshi**
Company Secretary
(M No.: A16843)

## Pursuant to Clause 1.2.5 of the Secretarial Standard-2, the details for the Directors proposed to be re-appointed/appointed at the ensuing Annual General Meeting are given below:

| Name of Director | Ms. Tarini Jindal Handa | Ms. Ameeta Chatterjee |
|---|---|---|
| **Category/Designation** | Non-Executive Director | Independent Non-Executive Director |
| **DIN** | 00506432 | 03010772 |
| **Age** | 36 years | 47 years |
| **Date of Birth** | 11th November, 1983 | 27th December, 1972 |
| **Date of Original Appointment** | 30th June, 2016 | 30th March, 2015 |
| **Qualification** | Ms. Handa has completed degree in Fashion and Marketing from the American Inter Continental University | Ms. Chatterjee is a Commerce Graduate from Delhi University and a Management graduate from Indian Institute of Management, Bangalore. |
| **Expertise in specific functional areas** | Ms. Handa started her career with multi-designer store at Mumbai's heritage precinct Kala Ghoda and is managing the business of the noted Indian fashion designer from Kolkata, Sabyasachi Mukherjee in Mumbai. She has held the position of Director in Real Estate developing Company of JSW group and was responsible for the delivery of all aspects of promoting real estate for JSW properties in and around Mumbai. | Ms. Chatterjee has over more than 20 years of corporate finance experience in developing, managing and executing infrastructure projects across sectors in India and UK. She also has a vast experience in the areas of project appraisal, credit evaluation and debt financing of infrastructure projects, mergers & acquisition, finance, tax and secretarial matters. |
| **Directorship in other Public Limited Companies#** | › JSW Realty Private Limited<br>› Epsilon Carbon Private Limited<br>› Epsilon Advanced Materials Private Limited<br>› Nyri Coal Tar Pitch Private Limited<br>› Epsilon Aero System Private Limited<br>› Epsilon Aerospace Private Limited<br>› Portfolio Fashions Private Limited<br>› Vasind Farm & Dairy Products Private Limited<br>› JSW Living Private Limited | › Thukral Industrial Investments Private Limited<br>› Sterling Transtel Limited<br>› South West Port Limited<br>› Upper Crust Builders Private Limited<br>› Karat Diamond Private Limited<br>› JSW Jaigarh Port Limited<br>› Nippon Life India Asset Management Limited<br>› Espandere Advisors Private Limited |
| **Chairmanship/ Membership of Committees* in other Public Companies (C=Chairman/ Chairperson; M=Member)** | Nil | **Audit Committee**<br>› Nippon Life India Asset Management Limited (C)<br>› South West Port Limited (M)<br>› JSW Jaigarh Port Limited (M)<br>**Corporate Social Responsibility Committee**<br>› Nippon Life India Asset Management Limited (M)<br>› South West Port Limited (C)<br>› JSW Jaigarh Port Limited (M)<br>**Nomination & Remuneration Committee**<br>› Nippon Life India Asset Management Limited (M)<br>› South West Port Limited (C)<br>› JSW Jaigarh Port Limited (M) |

| Name of Director | Ms. Tarini Jindal Handa | Ms. Ameeta Chatterjee |
|---|---|---|
| **No. of Equity Shares** | Nil | Nil |
| **Relationship between Directors *inter-se* with other Directors and Key Managerial Personnel of the Company** | None | None |
| **Terms & Conditions of appointment or re-appointment** | Tenure as director is subject to retirement of Directors by rotation in terms of Section 152 of the Companies Act, 2013. | To be appointed as an Independent Director for a term of 5 years not liable to retire by rotation. |
| **Remuneration last drawn** | Nil as a Director | Not Applicable |
| **Remuneration proposed to be paid** | Nil | Sitting fees payable in accordance with the provision of Companies Act, 2013 |
| **Number of Meeting of the Board attended during the year** | 1/7 | 5/7 |

# As per disclosure received from the Directors.

* Only three committees mainly Audit, Corporate Social Responsibility and Nomination & Remuneration Committee have been considered.

**Registered Office:**
JSW Centre, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051
CIN: U45200MH2006PLC161268

By order of the Board of Directors
For **JSW Infrastructure Limited**

**Gazal Qureshi**
Company Secretary
(M No.: A16843)

**Place:** Mumbai
**Date:** 13th July, 2020

# DIRECTOR'S REPORT

To the Members of
**JSW INFRASTRUCTURE LIMITED,**

Your Directors take pleasure in presenting the Fourteenth Annual Report of the Company, together with the Standalone and Consolidated Audited Financial Statement for the year ended 31st March, 2020.

## 1. Financial summary or highlights/performance of the Company

### A) FINANCIAL RESULTS

(₹ in Crores)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Revenue from Operations | 284.57 | 270.83 | 1,143.15 | 1,080.26 |
| Other Income | 72.93 | 65.42 | 94.22 | 101.33 |
| Total Revenue | 357.50 | 336.25 | 1,237.37 | 1,181.59 |
| Profit before Interest, Depreciation and Tax Expenses (EBIDTA) | 229.22 | 210.06 | 713.42 | 713.47 |
| Finance costs | 66.80 | 6.11 | 277.46 | 177.14 |
| Depreciation & amortization expenses | 1.77 | 83.53 | 201.86 | 252.50 |
| Profit before Tax (PBT) | 160.65 | 120.42 | 234.10 | 283.84 |
| Tax expenses | 29.14 | 9.50 | 37.57 | 11.88 |
| Profit after Tax [net of minority interest ₹6.11 Crores (P.Y. ₹5.24 Crores)] | 131.51 | 110.93 | 190.42 | 266.72 |
| Other Comprehensive Income [net of minority interest ₹(0.06) Crores (P.Y. ₹(0.01) Crores)] | 0.13 | (0.16) | 1.64 | (0.32) |
| Total Comprehensive Income [net of minority interest ₹6.05 Crores (P.Y. ₹5.23 Crores)] | 131.64 | 110.77 | 192.06 | 266.41 |
| Profit brought forward from previous year | 489.46 | 378.69 | 1,902.44 | 1,636.03 |
| Transfer from other reserves | (122) | - | (156.92) | - |
| Balance Carried to Balance Sheet | 499.10 | 489.46 | 1,937.58 | 1,902.44 |
| Cash Profit | 133.28 | 194.46 | 479.88 | 573.49 |

### B) PERFORMANCE HIGHLIGHTS

**Standalone**

- The operating revenue and other income of your Company for fiscal 2020 is ₹357.50 crores as against ₹336.25 crores for fiscal 2019.
- The EBIDTA of your Company for fiscal 2020 is ₹229.22 crores as against ₹210.06 crores in fiscal 2019.
- Profit after tax for the year 2020 is ₹131.51 crores as against ₹110.93 crores in the year 2019.
- The net worth of your Company decreased to ₹1,049.91 crores at the end of fiscal 2020 from ₹1,414.89 crores at the end of fiscal 2019.

**Consolidated**

- The consolidated operating revenue and other income of your Company for the fiscal 2020 were at ₹1,237.37 crores as against ₹1,181.59 crores for fiscal 2019.
- The consolidated EBIDTA for fiscal 2020 is ₹713.42 crores as against ₹713.47 crores in fiscal 2019.
- The Consolidated Profit after tax for the year 2020 is ₹196.53 crores as against ₹271.96 crores in the year 2019.
- The Consolidated net worth of your Company decreased to ₹2,751.32 crores at the end of fiscal 2020 from ₹3,084.72 crores at the end of fiscal 2019.

## 2. COVID-19

Your Company has continued its operations during lockdown due to outbreak of COVID-19 as the port service is considered as one of the essential services by the Government. Based on initial assessment, the management does not expect any medium to long-term impact on the business of the Company. Your Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory, receivables and debt covenants basis the internal and external sources of information, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to above, and the Company's liquidity position, there is no uncertainty in meeting financial obligations over the foreseeable future.

## 3. Operations & Expansion Plan

Your Company being a part of $14 billion JSW Group, is one of the leading private sector infrastructure Company in India. The Company is engaged in developing and operating seaports and terminals, railway projects and providing end-to-end logistic solutions. The Company currently operates seaports and terminals in Odisha, Maharashtra and Goa with an operational capacity of 93 MTPA. The Company's facilities have total capacity of 93 MTPA which are located in – JSW Jaigarh Port, JSW Dharamtar Port in Maharashtra, and South West Port in Goa, Paradip Iron Ore Export Terminal in Odisha. These operating facilities equipped with state-of-art mechanised handling facilities and capable of handling various types of bulk efficiently. All the ports and terminals are well connected to the industrial hinterlands of Maharashtra, Goa, Odisha and Karnataka. In addition, the Company is currently developing a coal export terminal also at Paradip which is expected to be operational in FY 2021.

The Company is also undertaking expansion projects to increase cargo handling capacities at Jaigarh and Dharamtar. At Jaigarh, the Company continues to be engaged in the activities pertaining to Port Services and has Seven berths to handle over 45 million tonnes of bulk cargo. The Port capacity at Jaigarh is planned to be expected to be increased further to handle different types of cargo like Liquefied Petroleum Gas (LPG), Petroleum, Oil & Lubricants (POL) and Containers.

At Dharamtar, capacity expansion project is under progress. On completion of the expansion project, the port capacity will reach up to 34MTPA from current capacity of 15 MTPA. This will enable Dharamtar port to serve approximately 30 MTPA cargo handling requirement of JSW Steel Dolvi Plant after Steel Plant capacity expansion from 5 MTPA to 10 MTPA.

During the year, Paradip Iron Ore Export Terminal Commenced operation in the month of November 2019 and handled only 1.00 million MT cargo successfully. The Terminal has fully mechanised cargo handling system including 2 nos. of Stacker cum reclaimers, 2 nos. of stackers, conveying system from stockyard to berth, 2 nos. of Ship-Loaders, wagon tipplers etc. which in aggregate has capacity to handle upto 18 MTPA cargo.

Your Company is exploring various opportunities for setting up of new greenfield ports as well as brownfield acquisitions on both east and west coasts of India and it has plans to optimise the handling and transportation of cargo by addressing key connectivity issues. Your Company endeavours to equip ports with the latest technologies and advanced infrastructure to handle larger ships to make operations more economical and environment friendly.

During the year, your Company had handled cargo at Jaigarh, Goa, Dharamtar, Odisha and Fujairah in aggregate to 56.40 MT as against 65.20 MT in previous year.

## 4. Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profit in the profit and loss account except for an amount ₹122 crores which has been transferred to Debenture Redemption Reserve as required under the Companies Act, 2013.

## 5. Dividend

Your Directors have deemed it prudent not to recommend any dividend on equity shares for the year ended 31st March, 2020, in order to conserve the resources for future growth.

## 6. Change in Capital Structure

### A) SHARE CAPITAL

During the financial year under review, the equity share capital of the Company stands at ₹60.71 Crores.

The National Company Law Tribunal vide its order dated 20th September, 2019 approved the Scheme of Merger (by Absorption) of Sarvoday Advisory Services Private Limited and JSW Infrastructure Fintrade Private Limited and Nisarga Spaces Private Limited and Avani Spaces Private Limited and Dhamankhol Fintrade Private Limited and Nalwa Fintrade Private Limited and Vanity Fintrade Private Limited and JSW Jaigarh Infrastructure Development Private Limited with JSW Infrastructure Limited and their respective shareholders. Consequent to the above scheme of merger, correspondingly the authorised share capital of the Company during the year under review has increased from ₹151,00,00,000 to ₹11,13,28,51,500 comprising of 103,32,85,150 equity shares ₹10 each and 8,00,00,000 preference shares of ₹10 each.

Subsequent to the scheme of merger, 5,65,04,524 equity shares were allotted to the shareholders of Sarvoday Advisory Services Private Limited i.e Sajjan Jindal Family Trust to hold 93.07% stake in your Company and 34,24,336 equity shares were issued and allotted to the other shareholders of JSW Infrastructure Fintrade Private Limited i.e JSL Limited and Glebe Trading Private Limited each to hold 2.82% stake in your Company.

During the year under review, your Company has not issued any:

a) shares with differential rights

b) further issue of shares

c) sweat equity shares

d) preference shares

## 7. Disclosure under the Employees Stock Options Plan and Scheme

### JSWIL EMPLOYEE STOCK OWNERSHIP PLAN 2016

Your Company has introduced JSWIL Employee Stock Ownership Plan 2016 ("Plan 2016") through the Trust route. The said issue of shares under the Plan pursuant to Section 2(37), 62(1)(b) and 197(7) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014. The Board of Directors of the Company, at its meeting held on 23rd March, 2016 formulated the Plan which was approved by the shareholders in the Extra Ordinary General Meeting of the Company held on 28th March, 2016. The Plan has been implemented through JSW Infrastructure Employees Welfare Trust (Trust).

With an object to attract and retain talented human resource the Board of Directors of your Company at its meeting held on 5th May, 2018 amended the Plan 2016 which was approved by the shareholders in the Extra-Ordinary General Meeting of the Company held on 14th May, 2018.

As per the amended Plan 2016 a total of 9,00,000 (Nine lakhs) options would be available for grant to the eligible employees of your Company and its Indian Subsidiaries, including Whole-time Directors.

Accordingly, 7,85,081 options have been granted over a period of four years under this plan by the Compensation Committee to the eligible employees of the Company and its Indian subsidiaries, including Whole-time Directors of the Company. As per the ESOP plan, 50 % of these options will vest at the end of the third year and the balance 50 % at the end of the fourth year.

The Information with regard to ESOP 2016 is furnished in **Annexure A**.

## 8. Mergers and Amalgamation

The Board of directors at its meeting held on 30th October, 2018 had approved the Scheme of Merger (by Absorption) of Sarvoday Advisory Services Private Limited and JSW Infrastructure Fintrade Private Limited and Nisarga Spaces Private Limited and Avani Spaces Private Limited and Dhamankhol Fintrade Private Limited and Nalwa Fintrade Private Limited and Vanity Fintrade Private Limited and JSW Jaigarh Infrastructure Development Private Limited with your Company and their respective shareholders ("the Scheme") having the appointed date as 1st April, 2019 subject to required statutory approvals. Your Company had filed an application and petition with the National Company Law Tribunal (NCLT), Mumbai Bench. The NCLT vide its order dated 20th September, 2019 approved the scheme of merger which was released on 4th November, 2019. The Scheme became effective on 14th November, 2019 consequent to filing of the NCLT Order with Registrar of Companies.

Subsequent to the scheme of merger, 5,65,04,524 equity shares were allotted to the shareholders of Sarvoday Advisory Services Private Limited i.e. Sajjan Jindal Family Trust to hold 93.07% stake in your Company and 34,24,336 equity shares were issued and allotted to the other shareholders of JSW Infrastructure Fintrade Private Limited i.e. JSL Limited and Glebe Trading Private Limited each to hold 2.82% stake in your Company.

## 9. Finance

Your Company has outstanding long-term borrowing of ₹284.23 crores and short-term borrowings of ₹216.63 crores as on 31st March, 2020.

## 10. Non-Convertible Debentures

During the FY 2019-20, your Company has issued 5,424 Rated, Listed, Zero Coupon, Redeemable, Non-Convertible Debenture of the nominal value ₹10,00,000 each aggregating to ₹542.40 crores (NCD's) on Private Placement basis in two series i.e. Series A Debenture (ISIN: INE880J08013) and Series B Debenture (ISIN: INE880J08021). This NCD's are listed on the Bombay Stock Exchange Limited.

Your Company has redeemed 544 Series A Rated, Listed, Zero Coupon, Redeemable, Non-Convertible Debentures amounting to ₹55,84,65,451 (including accrued premium) prior to its maturity. Your Company has 4,880 Rated, Listed, Zero Coupon, Redeemable, Non-Convertible Debenture outstanding as on 31st March, 2020.

## 11. Report on Performance of Subsidiaries, Associates and Joint Venture Companies

The performance and financial position of each of the subsidiaries, associates and joint venture companies for the year ended 31st March, 2020 is attached as **Annexure B** in the prescribed format AOC-1 and forms part of the Board's report. The details of performance, financial position of each of the subsidiaries is appended below.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries will also be available for inspection during business hours at the registered office of your Company.

## 12. Subsidiary Companies

**JSW JAIGARH PORT LIMITED (JSWJPL)**

JSWJPL was incorporated for the purpose of developing a greenfield port at Jaigarh, Maharashtra. JSWJPL has operational capacity of 45 MMTPA with 7 berths. After the completion of current expansion plan, the Port will have 80 MMTPA capacity. The authorised share capital of the JSWJPL is ₹1,000 crores and paid-up capital is ₹400.50 crores as on 31st March, 2020, entire paid-up share capital is held by your Company.

**SOUTH WEST PORT LIMITED (SWPL)**

SWPL operates two multi-purpose cargo handling berths under a License Agreement with Mormugao Port Trust, Goa. During the year, SWPL has handled 6.62 MMT of bulk and break bulk cargo. Pursuant to the merger order the subsidiaries (which were the holding companies of SWPL) are merged with the Company, making SWPL a direct subsidiary of your Company.

**JSW DHARAMTAR PORT PRIVATE LIMITED (JSW DPPL)**

JSW DPPL was incorporated for the purpose of handling bulk cargo for operating and maintaining the Dharamtar jetty at Dharamtar, Maharashtra. During the year, JSW DPPL has handled 12.84 MMT of bulk cargo. JSW DPPL has undertaken the expansion project to expand its capacity up to 34 MTPA. DPPL has authorised capital of ₹50 crores as on 31st March, 2020 and paid-up share capital of ₹15.01 crores. Your Company holds 100% of the paid-up share capital of the JSW DPPL.

**NANDGAON PORT PRIVATE LIMITED (NPPL)**

NPPL is developing a multi-cargo port at Nandgaon, Maharashtra. The port construction is at preliminary stage. The authorised share capital of NPPL is ₹50 crores and paid-up capital ₹36.37 crores as on 31st March, 2020. Your Company holds 100% of the paid-up share capital of NPPL.

**JSW SHIPYARD PRIVATE LIMITED (JSW SPL)**

JSW SPL is developing a shipyard facility in Dhabol, Maharashtra. JSW SPL has executed the Lease Deed with Maharashtra Maritime Board and has submitted the detailed project report. The authorised share capital of JSW SPL is ₹2 crores and paid-up share capital is ₹0.81 crores. Your Company holds 100% of the paid-up capital of JSW SPL.

**JSW PARADIP TERMINAL PRIVATE LIMITED (JSW PARADIP)**

JSW Paradip Terminal Private Limited is a special purpose vehicle (SPV) incorporated to develop new berths for handling Iron Ore Exports at Paradip, Odisha on Build Operate Transfer (BOT) basis. JSW Paradip commenced its commercial operation since November 2019 and has handled 1.01 MMT of cargo till March 2020. The authorised share capital of JSW Paradip is ₹200 crores and paid-up share capital is ₹150 Crores. Your Company holds 74% of the paid-up share capital of JSW Paradip and 26% of the paid-up share capital is held by South West Port Limited.

**MASAD MARINE SERVICES PRIVATE LIMITED (MMSPL)**

MMSPL is a step down subsidiary of your Company. The Company is engaged in development of port at Masad Village, Maharashtra. The authorised share capital of MMSPL is ₹0.15 crores and paid-up share capital of is ₹0.01 Crores. Your Company's subsidiary, JSW Dharamtar Port Private Limited holds 100% of the paid-up share capital of MMSPL.

**JSW MANGALORE CONTAINER TERMINAL PRIVATE LIMITED (JSW MCTPL) FORMERLY KNOWN AS JSW TERMINAL (MORMUGAO) PRIVATE LIMITED**

The name of the Company was changed from JSW Terminal (Mormugao) Private Limited to JSW Mangalore Container Terminal Private Limited with effect from 26th September, 2019 to be in consonance with the object clause which was amended on 19th September, 2019. During the year, your Company was awarded Container Berth at Mangalore Port through bidding process. Your Company through its wholly-owned subsidiary JSW MCTPL has entered into the Concession Agreement with New Mangalore Port Trust to develop and operate its first container terminal project which will have a handling capacity of 4 lakhs Teu. The authorised share capital of the Company is ₹10 crores and the paid-up share capital of the Company is ₹0.51 crores. Your Company holds 100% of paid-up share capital of JSW MCTPL.

**JAIGARH DIGNI RAIL LIMITED (JDRL)**

JDRL is a step down subsidiary of your Company. The authorised share capital of JDRL is ₹193 crores and paid-up share capital is ₹100 crores. Your Company's subsidiary, JSW Jaigarh Port Limited holds 63% of the paid-up share capital of JDRL.

**JSW SALAV PORT PRIVATE LIMITED (JSW SALAV)**

JSW Salav is engaged in development of port at Salav, Maharashtra. The authorised and paid-up share capital of JSW Salav is ₹0.01 crores. Your Company holds 100% of the paid-up share capital of JSW Salav.

**PARADIP EAST QUAY COAL TERMINAL LIMITED (PARADIP EQ)**

Paradip East Quay Coal Terminal Private Limited (Paradip EQ) was incorporated on 19th April, 2016 for the purpose of development of mechanised Coal Terminal berth handling thermal coal exports and coastal movement at Paradip, Odisha.Currently the Project is under construction. The authorised share capital of Paradip EQ is ₹100 crores and paid-up share capital is ₹100 crores. Your Company holds 74% of the paid-up share capital of Paradip EQ and 26% of the paid-up share capital is held by South West Port Limited.

**WEST WAVES MARITIME & ALLIED SERVICES PRIVATE LIMITED (WEST WAVES)**

West Waves is a Special Purpose Vehicle formed for the purpose of development of port business and activities pertaining to port services at Mormuago Port. Avani Spaces Private Limited and Nisarga Spaces Private Limited each held 50% of the paid-up share capital of West Waves. Pursuant to the Merger order, your Company holds 100% of the paid-up capital of West Waves.

**JSW TERMINAL (MIDDLE EAST) FZE**

JSW Terminal (Middle East) FZE was incorporated on 5th December, 2016 at Fujairah Free Zone, UAE for the purpose of Port operations of Dry bulk handling at Fujairah Port. The authorised and paid-up capital of the Company is ₹0.27 crores (AED 18,90,000). Your Company holds 100% of the paid-up share capital of JSW Terminal (Middle East) FZE.

## 13. Deposits

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the details relating to deposits as required to be furnished in compliance with Chapter V of the Act is not applicable.

## 14. Material Changes and Commitments

In terms of Section 134(3)(l) of the Companies Act, 2013, except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

## 15. Significant and Material Orders Passed by Regulators or Courts or Tribunal

Except the merger order passed by National Company Law Tribunal no orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

## 16. Internal Financial Controls

**INTERNAL CONTROL AND INTERNAL AUDIT**

A robust system of internal control and audit, commensurate with the size and nature of the business, forms an integral part of the Company's policies. Internal control systems are an integral part of the Company's corporate governance structure. A well-established multidisciplinary Internal Audit & Assurance Services of JSW Group consists of qualified finance professionals, engineers and SAP an experienced executive is availed by your Company. They carry out extensive audits throughout the year, across all functional areas, and submit their reports to the Audit Committee about compliance with internal controls and efficiency and effectiveness of operations, and key processes and risks.

The internal auditor reports to the Audit Committee comprising Independent Directors. The Company extensively practices delegation of authority across its team, which creates effective checks and balances within the system to arrest all possible gaps. The internal audit team has access to all information which has been a largely facilitated by ERP implementation across the organisation.

## 17. Particulars of Loans, Guarantees, Investments and Securities

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided in the notes to the financial statement.

## 18. Particulars of Contracts or Arrangement with Related Parties

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and hence provisions of Section 188 of the Companies Act, 2013 are not applicable.

All related party transactions which are in the ordinary course of business and on arm's length basis, of repetitive nature and proposed to be entered during the financial year are placed before the Audit Committee and the Board for prior approval at the commencement of the financial year and also annexed to this report as **Annexure C** in Form AOC-2.

The details of transactions/ contracts/ arrangements entered by the Company with related parties are set out in the Notes to the Financial Statements.

## 19. Disclosure under Section 67(3) of the Companies Act, 2013

The Information with regard to ESOP 2016 is furnished in Annexure A. Voting rights on the shares, if any, as may be issued to employees under the aforesaid ESOP Plans are to be exercised by them directly or through their appointed proxy hence, the disclosure stipulated under Section 67(3) of the Companies Act, 2013, is not applicable.

## 20. Credit Rating

Credit Analysis and Research Limited (CARE) has withdrawn its credit rating for Long-term Bank facilities. It has assigned CARE A1+ (Single A One Plus) rating to the short-term non-fund based facilities of the Company.

In December 2019, Brickwork Ratings has assigned "BWR AA-(CE)/Stable" to the Non-Convertible Debentures (NCD's) of the Company.

## 21. Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Ms. Tarini Jindal Handa (DIN: 00506432) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers herself for reappointment.

During the year, Capt. BVJK Sharma (DIN: 00017758) ceased to be the Jt. Managing Director and Chief Executive Officer (CEO) w.e.f 17th April, 2019. Mr. Arun Maheshwari (DIN:01380000) was appointed as the Jt. Managing Director and CEO of the Company by the Board of Director w.e.f from 18th April, 2019 and by the members at the Extra- Ordinary Meeting held on 19th April, 2019.

Ms. Ameeta Chatterjee (DIN: 03010772) was appointed as the Independent Director of the Company for a tenure of five years with effect from 31st August, 2015. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors recommends the re-appointment of Ms. Chatterjee as an Independent Director for a period of five years w.e.f. 31st August, 2020 upto 30th August, 2025 subject to the approval of the shareholders at the Annual General Meeting.

During the year, Mr. Pawan Kumar Kedia (DIN: 00020570) has tendered his resignation from the Directorship of the Company w.e.f. 24th March, 2020.

The Company has received necessary declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013.

None of the Managerial Personnel except Mr. Arun Maheshwari (DIN: 01380000), Jt. Managing Director & CEO who is in receipt of remuneration from South West Port Limited, subsidiary of the Company where he is holding the position of President.

As disclosed above, there was no other change in the Key Managerial Personnel of the Company during the year.

## 22. Corporate Social Responsibility (CSR) Initiatives

The Company firmly believes that in order to be a responsible corporate citizen in its true sense, its role is much more than providing port services. As such, the Company aims to continuously foster inclusive growth and a value based empowered society. For this, the Company engages in such initiatives for the welfare of the society.

The Company continues to strengthen its relationship with the communities by engaging itself in rural development activites, promoting social development etc. as per the categories provided in the Companies Act, 2013.

**STRATEGY**

- The Company administers the planning and implementation of all the CSR interventions. It is guided by the CSR Committee appointed by the Board, which reviews the progress from time to time and provides guidance as necessary.
- Taking a note of the importance of synergy and interdependence at various levels, the CSR programmes are carried out directly as well as through strategic partnerships and in close coordination with the concerned State Governments.
- Priority is given to the villages in the immediate vicinity of the location, in order to get maximum effectiveness.

**THEMATIC AREAS**

The Company has aligned its CSR programmes under education, health, nutrition, agriculture, environment & water, skill enhancement. This helps the Company cover the following thematic interventions as per Schedule VII of the Companies Act, 2013:

- Improving Living Conditions (Health Initiatives)
- Promoting Social Developments (Development of Anganwadis)
- Addressing social inequalities
- Promotion of Sports
- Rural Development Projects
- Education Initiatives
- Swachh Bharat Abhiyan

As per the Companies Act, 2013, all Companies having net worth of ₹500 crores or more, or turnover ₹1,000 crores or more or a net profit of ₹5 crores or more during the financial year are required spend 2% of the average net profit of their three immediately preceding financial years on CSR related activities. Accordingly, the Company was required to spend ₹1.91 crores towards CSR activities. Your Company has successfully spent ₹1.91 crores towards the CSR activities for FY 2019-20.

The disclosure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as **Annexure D**.

## 23. Disclosures related to Board, Committees and Policies

### A) BOARD MEETINGS

The Board of Directors comprised of the following members:

| Name of the Director | Designation |
|---|---|
| Mr. N. K. Jain | Chairman/Independent Director |
| Mr. Arun Maheshwari | Jt. Managing Director & CEO |
| Ms. Tarini Jindal Handa | Non-Executive Director |
| Mr. K. N. Patel | Non-Executive Director |
| Mr. P. K. Kedia* | Non-Executive Director |
| Mr. Lalit Singhvi | Director & CFO |
| Mr. Kalyan Coomar Jena | Independent Director |
| Ms. Ameeta Chatterjee | Independent Director |

* Mr. P K Kedia ceased to be a Director w.e.f. 24th March, 2020.

The Board of Directors met seven times during the financial year ended 31st March, 2020 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the Board of Directors met during the financial year under review are as under:

| Sr. No. | Date of Board Meeting |
|---|---|
| 1. | 18th April, 2019 |
| 2. | 21st May, 2019 |
| 3. | 12th July, 2019 |
| 4. | 4th November, 2019 |
| 5. | 2nd December, 2019 |
| 6. | 30th January, 2020 |
| 7. | 20th March, 2020 |

## B) COMMITTEES AND POLICIES

### 1. Audit Committee

The composition of the Audit Committee is in conformity with the provisions of the Section 177 of the Companies Act, 2013. The Audit Committee is comprised of four members as follows on 31st March, 2020:

| Name | Designation |
|---|---|
| Ms. Ameeta Chatterjee | Chairperson |
| Mr. N. K. Jain | Member |
| Mr. K. C. Jena | Member |
| Mr. K. N. Patel | Member |

The Audit Committee met seven times during the financial year ended 31st March, 2020 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the Audit Committee met during the financial year under review are as under:

| Sr. No | Date of Audit Committee Meeting |
|---|---|
| 1. | 18th April, 2019 |
| 2. | 21st May, 2019 |
| 3. | 12th July, 2019 |
| 4. | 4th November, 2019 |
| 5. | 2nd December, 2019 |
| 6. | 30th January, 2020 |
| 7. | 20th March, 2020 |

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

### 2. Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee is in conformity with the provisions of the Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of following as on 31st March, 2020:

| Name | Designation |
|---|---|
| Ms. Ameeta Chatterjee | Chairperson |
| Mr. N. K. Jain | Member |
| Mr. K. C. Jena | Member |
| Mr. K. N. Patel | Member |

The Nomination and Remuneration Committee met thrice during the financial year ended 31st March, 2020 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the Nomination and Remuneration Committee met during the financial year under review are as under:

| Sr. No | Date of NRC Meeting |
|---|---|
| 1. | 18th April, 2019 |
| 2. | 21st May, 2019 |
| 3. | 30th January, 2020 |

Your Company has devised the Nomination Policy for the appointment of persons to serve as Directors on the Board of your Company and for the appointment of Key Managerial Personnel (KMP) of the Company, who have the capacity and ability to lead the Company towards achieving sustainable development.

Your Company has also devised a Policy for Performance Evaluation of Independent Directors, Board, Committees and other Individual Directors which includes criteria for Performance Evaluation of the Non-Executive Directors and Executive Directors. On the basis of the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

The NRC Policy of the Company is available on the Company's web-site www.jsw.in.

### 3. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is comprised of three members as follows on 31st March, 2020:

| Name | Designation |
|---|---|
| Ms. Ameeta Chatterjee | Chairperson |
| Mr. N K Jain | Member |
| Mr. K C Jena | Member |

The Corporate Social Responsibility Committee met thrice during the financial year ended 31st March, 2020 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the Corporate Social Responsibility Committee met during the financial year under review are as under:

| Sr. No | Date of CSR Meeting |
|---|---|
| 1. | 18th April, 2019 |
| 2. | 21st May, 2019 |
| 3. | 30th January, 2020 |

The CSR Policy of the Company is available on the Company's web-site www.jsw.in.

## 4. Whistle-Blower Policy (Vigil Mechanism) for the Directors and Employees

The Board has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Whistle Blower Policy and Vigil Mechanism" ("the Policy").

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

This Policy has been framed with a view to *inter alia* provide a mechanism *inter alia* enabling stakeholders, including Directors, individual employees of the Company and their representative bodies, to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievance as also to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

Mr. Arun Maheshwari, Jt. Managing Director and CEO is designated as the Ethics Counsellor.

The Whistle Blower Policy and Vigil Mechanism may be accessed on the Company's website www.jsw.in

## 5. Risk Management Policy

The Board of Directors of the Company has designed a Risk Management Policy.

The policy aims to ensure for Resilience for sustainable growth and sound corporate governance by having an identified process of risk identification and management in compliance with the provisions of the Companies Act, 2013.

Your Company follows the Committee of Sponsoring Organisations (COSO) framework of Enterprise Risk Management (ERM) to identify, classify, communicate, respond to risks and opportunities based on probability, frequency, impact, exposure and resultant vulnerability and ensure Resilience such that -

a) Intended risks, like for investments, are taken prudently so as to manage exposure which can withstand risks affecting investments and remain resilient.

b) Unintended risks related to performance, operations, compliances and systems are managed through direction setting vision/mission, prudent capital structuring, funds allocation commensurate with risks and opportunities, code of conduct, competency building, policies, processes, supervisory controls, audit reviews etc.

c) Knowable unknown risks in fast changing Volatile, Uncertain, Complex and Ambiguous (VUCA) conditions are managed through timely sensitisation of market trends.

d) Adequate provision is made for not knowable unknown risks.

e) Overall risk exposure of present and future risks remains within Risk capacity as may be perceived by the management.

All risks including investment risks be reviewed in the Board of Directors' meeting and risks related to operations, compliances and systems be reviewed in detail in the Audit Committee.

The Risk Management Policy may be accessed on the Company's website at the link www.jsw.in.

## 24. Annual Evaluation of Directors, Committee and Board

During the year, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors.

The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as understanding of Board members of their roles and responsibilities, time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, quality, quantity and timeliness of the information flow between Board members and management, Board's effectiveness in disseminating information to shareholders and in representing shareholder interests, Board information on industry trends and regulatory developments and discharge of fiduciary duties by the Board. Committee performance was evaluated on the basis of their effectiveness in carrying out respective mandates.

The performance evaluation of the Non-Independent Directors, the Board as a whole and Chairman of the Company was carried out by the Independent Directors.

## 25. Directors' Responsibility Statement

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013 with respect to Director's Responsibility Statement, it is hereby confirmed:

(a) that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

(c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the directors had prepared the annual accounts for the year under review, on a 'going concern' basis;

(e) that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

(f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 26. Auditors and Auditors Reports

### A. STATUTORY AUDITORS

The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2020 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark.

M/s. HPVS & Associates, Chartered Accountants, the Auditors of the Company, have been appointed by the shareholders at the 11$^{th}$ Annual General Meeting dated 1st August, 2017 until the conclusion of 16$^{th}$ Annual General Meeting.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away by Companies Amendment Act, 2017 vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly no resolution is to be proposed for ratification of the appointment of Auditors at the ensuing Annual General Meeting.

They have confirmed their eligibility to the effect that their appointment would be within the prescribed limits under the Act and that they are not disqualified for the continuance of their appointment.

**B. SECRETARIAL AUDITOR**

The Board had appointed M/s. Sunil Agarwal & Co., Company Secretaries to issue Secretarial Audit Report for the financial year 2019-20. Secretarial Audit Report issued by M/s. Sunil Agarwal & Co., Company Secretaries in Form MR-3 for the financial year 2019-20 forms part to this report. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013 and is annexed as **Annexure E**.

During the year, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**C. COST ACCOUNTS AND COST AUDITORS**

In terms of Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records are made and maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time, your Board has appointed M/s. Kishore Bhatia & Associates, Cost Accountants, as the cost auditors to conduct the cost audit of the Company for the Financial year 2019-20.

## 27. Extract of Annual Return

The extract of annual return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 for the year ended 31st March, 2020 is attached as **Annexure F** and is also available on the website of the Company: www.jsw.in

## 28. Management Discussion and Analysis/Corporate Governance

A detailed report on the Management Discussion and Analysis is provided as a separate section in the Annual Report.

## 29. Particulars of Employees and Related Disclosure

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the **Annexure G**.

## 30. Other Declaration

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year, the Company has complied with the provisions relating to constitution of "Internal Complaints Committee" under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 31. Awards

During the year your Company has won "Innovative Port of the Year" award in Samudra Manthan Awards.

## 32. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy technology absorption and foreign exchange earnings and outgo, required to be furnished pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are as under:

1. Part A and B of the Rules, pertaining to conservation of energy and technology absorption are not presently applicable.

2. In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 the information relating to foreign exchange earnings and outgo is provided in the notes forming part of financial statements.

3. Foreign Exchange Earnings and Outgo:

   Total foreign exchange used and earned during the year.

(₹ in Crores)

| | FY 2019-20 | FY 2018-19 |
|---|---|---|
| Foreign Exchange earned | - | - |
| Foreign Exchange used | 0.26 | 5.97 |

## 33. Appreciation and Acknowledgements

Your Directors would like to express their appreciation for the co-operation and assistance received from banks, financial institutions, vendors, customers and the shareholders.

Your Directors also wish to place on record their gratitude for the co-operation and guidance provided by Maharashtra Maritime Board, Mormugao Port Trust, Ministry of Railways and the Governments of Goa and Maharashtra, Odisha and Karnataka and other regulatory authorities.

Your Directors take this opportunity to place on record their appreciation for the valuable contribution made by the employees and officers for the progress of the Company.

For and on behalf of the Board of Directors

**N. K. Jain**
Chairman
(DIN:00019442)

**Place:** Mumbai
**Date:** 29th May, 2020

# ANNEXURE A

## Employee Stock Option Scheme

Information required to be disclosed under Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014

### ESOP Plan 2016

| Scheme Name | | First Grant | Second Grant | Third Grant | Fourth Grant |
|---|---|---|---|---|---|
| Sr. No. | Particulars | 2016-2017 | 2017-18 | 2018-19 | 2019-20 |
| 1 | Options Granted | 1,68,495 | 1,57,667 | 2,30,515 | 2,28,404 |
| 2 | Pricing Formula | | Capital Market link Valuation | | |
| 3 | Exercise Price (₹) | 897.00 | 996.00 | 869.00 | 973.00 |
| 4 | Options Vested | 94,860 | 78,834 | - | - |
| 5 | Options Exercised | - | - | - | - |
| 6 | Total number of Shares arising as a result of exercise of Options | - | - | - | - |
| 7 | Options Lapsed | 73,635 | 26,367 | 36,748 | 13,463 |
| 8 | Variations of terms of Options | - | - | - | - |
| 9 | Money realised by exercise of the Options | - | - | - | - |
| 10 | Total number of Options in force | 94,860 | 1,31,300 | 1,93,767 | 2,14,941 |
| 11 | Details of Options granted to senior managerial personnel and Key Managerial personnel (Live as at 31.03.2020) | | | | |
| | Mr. Lalit Singhvi WTD and CFO | 6,768 | 5,260 | 7,002 | 7,030 |
| | Gazal Qureshi Company Secretary | 1,589 | 908 | 1,126 | 1,523 |
| | i. Any other employee who receives in any One Year of grant of Options amounting to 5% or more of Options granted during that Year | None | None | None | None |
| | ii. Identified employees, who were granted Options, during any One Year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant | None | None | None | None |

# ANNEXURE B

## Form AOC-1

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

### PART A: SUBSIDIARIES

(₹ in crores except % of shareholding)

| Sr. No. | Name of the subsidiary | Financial year ended | Exchange rate | Share capital (paid-up) | Reserves and surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | % of shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | JSW Jaigarh Port Limited | 31st March, 2020 | INR | 400.50 | 895.00 | 3,434.75 | 2,139.25 | 63.00 | 600.13 | 28.95 | 8.43 | 20.52 | 100% |
| 2. | South West Port Limited | 31st March, 2020 | INR | 46.20 | 596.98 | 785.80 | 142.62 | 68.12 | 202.79 | 29.03 | 3.57 | 25.46 | 74% |
| 3. | JSW Shipyard Private Limited | 31st March, 2020 | INR | 0.81 | (0.37) | 1.18 | 0.73 | - | - | (0.01) | - | (0.01) | 100% |
| 4. | Nandgaon Port Private Limited | 31st March, 2020 | INR | 36.37 | (1.68) | 43.89 | 9.21 | - | 0.17 | (0.05) | - | (0.05) | 100% |
| 5. | JSW Dharamtar Port Private Limited | 31st March, 2020 | INR | 15.01 | 220.26 | 824.22 | 588.94 | 0.01 | 164.29 | 55.72 | 5.96 | 49.76 | 100% |
| 6. | JSW Mangalore Container Terminal Private Limited* | 31st March, 2020 | INR | 0.51 | (0.26) | 0.50 | 0.25 | - | - | 0.00 | - | 0.00 | 100% |
| 7. | Masad Marine Services Private Limited | 31st March, 2020 | INR | 0.01 | 0.02 | 0.00 | 0.01 | - | - | 0.00 | - | 0.00 | 100% |
| 8. | Jaigarh Digni Rail Limited | 31st March, 2020 | INR | 100.00 | 1.68 | 113.37 | 11.69 | - | - | 0.14 | 0.11 | 0.02 | 63% |
| 9. | JSW Salav Port Private Limited | 31st March, 2020 | INR | 0.01 | (0.03) | 0.01 | 0.03 | - | - | 0.00 | - | 0.00 | 100% |
| 10. | JSW Paradip Terminal Private Limited | 31st March, 2020 | INR | 150.00 | (9.61) | 828.62 | 688.23 | - | 56.17 | (24.28) | (6.74) | (17.54) | 93.24% |
| 11. | Paradip East Quay Coal Terminal Pvt Ltd. | 31st March, 2020 | INR | 100.00 | 21.42 | 655.45 | 534.03 | - | 13.80 | 13.02 | 3.21 | 9.80 | 93.24% |
| 12 | West Waves Maritime & Allied Services Private Limited | 31st March, 2020 | INR | 0.01 | (0.01) | 0.01 | 0.01 | - | - | 0.00 | - | 0.00 | 100% |
| 13. | JSW Terminal (Middle East) FZE | 31st March, 2020 | INR/ AED 18.90 | 0.27 | 18.98 | 27.26 | 8.02 | - | 33.23 | 13.88 | (0.98) | 14.86 | 100% |

* JSW Mangalore Container Terminal Private Limited formerly known as JSW Terminal (Mormugao) Private Limited.

**Notes:**

1. Proposed Dividend from any of the subsidiaries is NIL.
2. The following companies are yet to commence operation:

| Sr. No. | Name of Subsidiaries |
|---|---|
| 1. | JSW Shipyard Private Limited |
| 2. | Nandgaon Port Private Limited |
| 3. | JSW Mangalore Container Terminal Private Limited |
| 4. | Masad Marine Services Private Limited |
| 5. | JSW Salav Port Private Limited |
| 6. | Jaigarh Digni Rail Limited |
| 7. | West Waves Maritime & Allied Services Private Limited |
| 8. | Paradip East Quay Coal Terminal Private Limited |

For and on behalf of the Board of Directors

**N. K. Jain**
Chairman
(DIN: 00019442)

**Arun Maheshwari**
JMD & CEO
(DIN: 01380000)

**Lalit Singhvi**
Director & CFO
(DIN: 05335938)

**Gazal Qureshi**
Company Secretary
(M No. A16843)

**Place:** Mumbai
**Date:** 29th May, 2020

# ANNEXURE C

## Form No. AOC-2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis**
   There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2020 which were not at arm's length basis.

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

| Name of Related Party | Nature of Relationship | Duration of Contract | Salient Terms | Date of Approval by the Board/Audit Committee | Amount paid as advance, if any |
|---|---|---|---|---|---|
| **Nature of Contract** | | | | | |
| ***Purchase of Services** | | | | | |
| JSW IP Holdings Private Limited | Others | 12 months | Brand royalty fees | Approved by Audit Committee of Board of Directors of the Company on 8th February, 2019. | - |
| JSW Steel Limited | Others | 12 months | Reimbursement of expenses | | - |
| **Sale of Services** | | | | | |
| JSW Jaigarh Port Limited | Subsidiary Company | 12 months | Cargo handling services | | - |
| JSW Dharamtar Port Private Limited | Subsidiary Company | 12 months | Cargo handling services | | - |
| South West Port Limited | Subsidiary Company | 12 months | Cargo handling services | | - |
| JSW Steel Limited | Others | 12 months | Cargo handling services | | - |
| JSW Energy Limited | Others | 12 months | Cargo handling services | | - |
| **Purchase of Capital Goods** | | | | | |
| JSW Steel Limited | Others | - | Materials purchased | | - |

* Purchase & Sale of services is excluding service tax and GST.

** All the transaction are in the ordinary course of business and at arm's length basis.

For and on behalf of the Board of Directors

**N. K. Jain**
Chairman
(DIN:.00019442)

**Place:** Mumbai
**Date:** 29th May, 2020

# ANNEXURE D

## Annual Report on Corporate Social Responsibility (CSR) Activities

| | |
|---|---|
| A brief outline of the Company's policy, including overview of projects or programmes proposed to be undertaken and a reference to the weblink to the CSR policy and projects and the programmes and composition of CSR Committee. | Refer Section: Corporate Social Responsibility in this Report |
| The Composition of CSR Committee | Refer Section: Corporate Social Responsibility in this Report |

| **Particulars** | **Amount (₹ In Crores)** |
|---|---|
| Average net profit of the Company for last three financial years | 95.43 |
| Prescribed CSR Expenditure (2% of the average net profit) | 1.91 |
| Details of CSR Expenditure during the financial year: | |
| Total amount to be spent for the financial year | 1.91 |
| Amount Spent | 1.91 |
| Amount Unspent | - |
| Excess Spent | - |

Manner in which the amount spent during the financial year is detailed below:

(₹ In Crores)

| (1) Sr. No. | (2) CSR Project or Activity Identified | (3) Sector in which the project is covered | (4) Locality | (5) Amount Outlay | (6) Amount Spent | (7) Cumulative Expenditure | (8) Amount Spent: Direct or through Implementing Agency |
|---|---|---|---|---|---|---|---|
| 1 | Health camps | Improving Living Conditions | Village Dandi, Murbe, Nandgaon, Alewadi and Navapur, Tal./Dist. Palghar, Maharashtra | 0.04 | 0.04 | 0.04 | Direct |
| 2 | Health infrastructure development | Improving Living Conditions | Village Dandi, Murbe, Nandgaon, Alewadi and Navapur, Tal./Dist. Palghar, Maharashtra | 0.06 | 0.06 | 0.06 | Direct |
| 3 | Anganwadi Repairing and beautification at Nandgaon and Alewadi – 2 Centers 28 Children | Promoting Social Development | Village Dandi, Murbe, Nandgaon, Alewadi Tal./ Dist. Palghar, Maharashtra | 0.04 | 0.04 | 0.04 | Direct |
| 4 | Digital Education at 10 Government Schools 5 villages – Project management cost for digital education for 1300 children 77 teachers | Promoting Social Development | Village Dandi, Murbe, Nandgaon, Alewadi and Navapur, Tal./Dist. Palghar, Maharashtra | 0.27 | 0.27 | 0.27 | Gurujiworld Technologies Pvt. Ltd. - |
| 5 | Fishermen Livelihood support – 125 families at Nandngaon, Navapur and Dandi | Addressing Social Inequalities | Village Dandi, Nandgaon, Alewadi and Navapur, Tal./ Dist. Palghar, Maharashtra | 0.12 | 0.12 | 0.12 | Direct |
| 6 | Solar lights at Nandgaon and Alewadi – 20 units at Nandgaon and Alewadi | Addressing Environmental Issues | Village Dandi, Nandgaon, Alewadi and Navapur, Tal./ Dist. Palghar, Maharashtra | 0.05 | 0.05 | 0.05 | Direct |
| 7 | Sports Ground development at Nandgaon and Alewadi | Promotion of Sports | Village Dandi, Nandgaon, Alewadi and Navapur, Tal./ Dist. Palghar, Maharashtra | 0.09 | 0.09 | 0.09 | Direct |
| 8 | Sports coaching at Nandgaon and Alewadi – 12 groups | Promotion of Sports | Village Dandi, Nandgaon, Alewadi and Navapur, Tal./ Dist. Palghar, Maharashtra | 0.03 | 0.03 | 0.03 | Direct |
| 9 | Sports coaching to students at 3 high schools at Navapur, Murbe and Dandi | Promotion of Sports | Village Dandi, Nandgaon, Alewadi and Navapur, Tal./ Dist. Palghar, Maharashtra | 0.02 | 0.02 | 0.02 | Direct |

# ANNEXURE D

(₹ In Crores)

| (1) Sr. No. | (2) CSR Project or Activity Identified | (3) Sector in which the project is covered | (4) Locality | (5) Amount Outlay | (6) Amount Spent | (7) Cumulative Expenditure | (8) Amount Spent: Direct or through Implementing Agency |
|---|---|---|---|---|---|---|---|
| 10 | Internal Roads at Nandgaon and Alewadi 8 Roads | Rural Development Projects | Village Dandi, Nandgaon, Alewadi and Navapur, Tal./ Dist. Palghar, Maharashtra | 0.30 | 0.30 | 0.30 | Direct |
| 11 | Water supply projects of village Nandgaon and Alewadi – Replacing 4.5 km pipeline for 861 houses | Rural Development Projects | Village Dandi, Nandgaon, Alewadi and Navapur, Tal./ Dist. Palghar, Maharashtra | 0.60 | 0.60 | 0.60 | Direct |
| 12 | Development of community buildings at village Nandgaon and Alewadi | Rural Development Projects | Village Dandi, Nandgaon, Alewadi and Navapur, Tal./ Dist. Palghar, Maharashtra | 0.10 | 0.10 | 0.10 | Direct |
| 13 | Community toilets at Nandgaon and Alewadi | Swachh Bharat Abhiyan | Village Dandi, Nandgaon, Alewadi and Navapur, Tal./ Dist. Palghar, Maharashtra | 0.10 | 0.10 | 0.10 | Direct |
| 14 | JSW foundation capacity building and administrative cost of Jaigarh CSR field staff | Administration and Contingency | JSW Foundation | 0.10 | 0.10 | 0.10 | Direct |
| | **Total** | | | **1.91** | **1.91** | **1.91** | |

## CSR RESPONSIBILITIES

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR Objectives.

**Ms. Ameeta Chatterjee**
Chairperson CSR Committee
(DIN: 03010772)

**Mr. Arun Maheshwari**
JMD & CEO
(DIN: 01380000)

**Place:** Mumbai
**Date:** 29th May, 2020

# ANNEXURE E

## Form No. MR-3

**SECRETARIAL AUDIT REPORT**

for the Financial Year Ended 31st March, 2020

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members of
**JSW Infrastructure Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JSW Infrastructure Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company through electronic mode in PDF format, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board – processes and compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 are not applicable as the Company has not applied for delisting of shares from any stock exchanges;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 are not applicable as the Company has not bought back any shares during the period of Audit and

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance

# ANNEXURE E

thereof on test check basis, the Company has complied with the following laws applicable specifically to the Company:

1. Indian Contract Act, 1872
2. Maharashtra Tenancy and Agricultural Land Act, 1948
3. Contract Labour (Regulation and Abolition) Act, 1970
4. The Indian Ports Act, 1908
5. Land Policy for Major Ports, 2014
6. Major Port Trust Act, 1963
7. Guidelines for Regulation of Tariff at Major Ports Act, 2004 (TAMP Guidelines, 2004)
8. Policy for preventing Private Sector Monopoly in Major Ports, 2010
9. Inland Vessels Act, 1917
10. Dock Workers (Safety, Health and Welfare) Act, 1986
11. Dock Workers (Regulation of Employment) Act, 1948

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, Committee Meetings and agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings were taken unanimously wherever it was warranted.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has received order of Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 20th September, 2019, (released on 4th November, 2019 and filled with the Registrar of Companies on 14th November, 2019) for approval of the Scheme of Amalgamation of Sarvoday Advisory Services Private Limited ('SASPL' or 'the Transferor Company 1') and JSW Infrastructure Fintrade Private Limited ('JIFPL' or 'the Transferor Company 2') and Nisarga Spaces Private Limited ('NSPL' or 'the Transferor Company 3') Avani Spaces Private Limited ('ASPL' or 'the Transferor Company 4') and Dhamankhol Fintrade Private Limited ('DFPL' or 'the Transferor Company 5') and Nalwa Fintrade Private Limited ('NFPL'or 'the Transferor Company 6') and Vanity Fintrade Private Limited ('VFPL' or 'the Transferor Company 7') and JSW Jaigarh Infrastructure Development Private Limited ('JIDPL' or 'the Transferor Company 8') with JSW Infrastructure Limited ('JIL' or 'the Transferee Company' or the Company) and their respective shareholders ('Scheme' or 'the Scheme').

I further report that during the audit period the Company has issued 5,99,28,860 equity shares of ₹10/- to give effect the scheme of Amalgamation to the shareholders of transferor company as per Scheme of the same.

I further report that during the audit period the Company has issued 5,424 Rated, Listed, Zero Coupon, Redeemable, Non-Convertible Debenture of the nominal value ₹10,00,000 each aggregating to ₹542.40 crores (NCD'S) on Private Placement basis in two series i.e. Series A Debenture (ISIN: INE880J08013) and Series B Debenture (ISIN: INE880J08021). This

NCD's are listed on Bombay Stock Exchange Limited from 27th December 2019.

During the year under review, the Company has partially redeemed 544 Series A Rated, Listed, Zero Coupon, Redeemable, Non-Convertible Debenture amounting to ₹55,84,65,451 (including accrued premium) prior to its maturity.

I further report that during the period under review, the Company has won the bidding process for mechanisation of Berth 14 for handling containers and clean cargo at New Mangalore. The Company through its wholly owned subsidiary, JSW Mangalore Container Terminal Private Limited – Special Purpose Vehicle (SPV) has signed a Concession Agreement with New Mangalore Port Trust.

I further report that during the audit period the no major decision, specific events/actions occurred having a major bearing on the Company affairs in pursuance of the above referred laws, rules, regulations, guidelines standards.

**For Sunil Agarwal & Co.**
Company Secretaries

**Sunil Agarwal**
(Proprietor)
FCS No. 8706
C.P. No. 3286
UDIN: F008706B000285917

**Place:** Mumbai
**Date:** 29th May, 2020

# ANNEXURE E

To,
The Members
**JSW Infrastructure Limited**

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

1. As a result of countrywide lockdown due to COVID –19 outbreak I could not physically verify the secretarial and other records of the Company to carry out the Secretarial Audit for the year ended 31st March, 2020. However, I have conducted audit process and verified the information, records and documents maintained by the Company which were provided to me through electronic mode in PDF format for the year ended 31st March, 2020.
2. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, I believe that the processes and practices, I followed provide reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company. I relied on the statutory report provided by the Statutory Auditor as well as Internal Auditor of the Company for the financial year ending 31st March, 2020.
5. I have obtained the management representation wherever required about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provision and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
7. The secretarial audit reports neither an assurance as to the future liability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Sunil Agarwal & Co.**
Company Secretaries

**Sunil Agarwal**
(Proprietor)
FCS No. 8706
C.P. No. 3286
UDIN: F008706B000285917

**Place:** Mumbai
**Date:** 29th May, 2020

# ANNEXURE F

## Extract of Annual Return

As on financial year ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. Registration and Other Details

| | |
|---|---|
| CIN | U45200MH2006PLC161268 |
| Registration Date | 21st April, 2006 |
| Name of the Company | JSW Infrastructure Limited |
| Category/Sub-Category of the Company | Public Limited |
| Address of the Registered office and contact details | JSW Centre, Bandra-Kurla Complex,<br>Bandra East, Mumbai – 400 051 |
| Whether listed company | Yes (Debentures are listed) |
| Name, Address and Contact details of Registrar and Transfer Agent, if any: | **For Equity:**<br>Kfin Technologies Private Limited,<br>Selenium, Tower – B, Plot No. 31& 32, Financial District,<br>Nanakramguda, Serilingampally, Hyderabad – 500 032<br>Tel: +91 40-6716 1500 Fax: +91 40-23001153<br>**For Debentures:**<br>NSDL Database Management Limited<br>4th floor, A Wing, Trade World, Kamala Mills Compound,<br>Lower Parel (W), Mumbai – 400 013<br>Tel: +91 22 4914 2700 Fax: +91 22 4914 2503 |

## II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

| Sr. No. | Name and Description of main products/ services | NIC Code of the product/service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Port Services | 501 – Sea and coastal water transport | 100 |

## III. Particulars of Holding, Subsidiary and Associate Companies

| Sr. No. | Name of the Company | CIN / GLN | Holding/ subsidiary/ associate | % of shares held | Applicable section |
|---|---|---|---|---|---|
| 1. | JSW Jaigarh Port Limited | U45205MH2007PLC166784 | Subsidiary Company | 100.00 | Section 2(87) |
| 2. | South West Port Limited | U45203GA1997PLC002369 | Subsidiary Company | 74.00 | Section 2(87) |
| 3. | Nandgaon Port Private Limited | U93030MH2011PTC224380 | Subsidiary Company | 100.00 | Section 2(87) |
| 4. | JSW Dharamtar Port Private Limited | U93030MH2012PTC236083 | Subsidiary Company | 100.00 | Section 2(87) |
| 5. | JSW Shipyard Private Limited | U63032MH2008PTC177642 | Subsidiary Company | 100.00 | Section 2(87) |
| 6. | JSW Mangalore Container Terminal Private Limited* | U74900GA2014PTC007400 | Subsidiary Company | 100.00 | Section 2(87) |
| 7. | Masad Marine Services Private Limited | U74120MH2014PTC258571 | Subsidiary Company | 100.00 | Section 2(87) |
| 8. | **JSW Paradip Terminal Private Limited | U74999MH2015PTC262561 | Subsidiary Company | 93.24 | Section 2(87) |
| 9. | JSW Salav Port Private Limited | U74999MH2015PTC263447 | Subsidiary Company | 100.00 | Section 2(87) |
| 10. | Jaigarh Digni Rail Limited | U60232MH2015PLC264711 | Subsidiary Company | 63.00 | Section 2(87) |
| 11. | **Paradip East Quay Coal Terminal Private Limited | U74999MH2016PTC280001 | Subsidiary Company | 93.24 | Section 2(87) |
| 12. | West Waves Maritime & Allied Services Private Limited | U74999GA2014PTC007447 | Subsidiary Company | 100.00 | Section 2(87) |
| 13. | JSW Terminal (Middle East) FZE | 16-FZE-1685 | Subsidiary Company | 100.00 | Section 2(87) |

* JSW Mangalore Container Terminal Private Limited formerly known as JSW Terminal (Mormugao) Private Limited.

** Holding considered direct holding along with subsidiary holding.

# ANNEXURE F

## IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

### i. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 5,98,65,970 | 62,890 | 5,99,28,860 | 98.71 | 34,24,336 | - | 34,24,336 | 5.64 | (93.07) |
| e) Banks / FI | - | - | - | - | - | - | - | | - |
| f) Any other (Trust) | - | - | - | - | 5,65,04,524 | - | 5,65,04,524 | 93.07 | 93.07 |
| **Sub-total(A)(1):** | **5,98,65,970** | **62,890** | **5,99,28,860** | **98.71** | **5,99,28,860** | **-** | **5,99,28,860** | **98.71** | **00.00** |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs – Individuals | - | - | - | - | - | - | - | - | - |
| b) Other – Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| **Sub-total (A)(2):** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total shareholding of Promoter (A) = (A)(1)+(A)(2)** | **5,98,65,970** | **62,890** | **5,99,28,860** | **98.71** | **5,99,28,860** | **-** | **5,99,28,860** | **98.71** | **00.00** |
| **B. Public Shareholding** | | | | | | | | | |
| **(1) Institutions** | - | - | - | - | - | - | - | - | - |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| **Sub-total (B)(1):** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **(2) Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to ₹1 lakh | 8,262 | - | 8,262 | 0.01 | 284 | - | 284 | 0.00 | (0.01) |
| ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 2,42,656 | - | 2,42,656 | 0.40 | - | - | - | - | (0.40) |
| c) Others (Trust) | 5,30,214 | - | 5,30,214 | 0.87 | 7,80,848 | - | 7,80,848 | 1.29 | 0.41 |
| **Sub-total(B)(2):** | **7,81,132** | **-** | **7,81,132** | **1.29** | **7,81,132** | **-** | **7,81,132** | **1.29** | **00.00** |
| **Total Public Shareholding (B)=(B)(1)+(B)(2)** | **7,81,132** | **-** | **7,81,132** | **1.29** | **7,81,132** | **-** | **7,81,132** | **1.29** | **00.00** |
| **C. Shares held by Custodian for GDRs & ADRs** | - | - | - | - | - | - | - | - | - |
| **Grand Total (A+B+C)** | **6,06,47,102** | **62,890** | **6,07,09,992** | **100.00** | **6,07,09,992** | **-** | **6,07,09,992** | **100.00** | **0.00** |

Notes:

1. Trust under the head "Promoter" holds shares along with its nominees.
2. Change in the shareholding pattern due to the merger order passed by National Company Law Tribunal dated 20th September, 2019.

## ii. Shareholding of Promoters

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 1. | JSW Infrastructure Fintrade Private limited (including nominee shareholding) | 5,98,66,570 | 98.61 | 52.08 | - | - | - | (98.61) |
| 2. | Avani Spaces Private Limited | 31,145 | 0.05 | - | - | - | - | (0.05) |
| 3. | Nisarga Spaces Private Limited | 31,145 | 0.05 | - | - | - | - | (0.05) |
| 4. | *Sajjan Jindal Family Trust(held by Sajjan Jindal & Sangita Jindal as a Trustee) | - | - | - | 5,65,04,524 | 93.07 | 54.79 | 93.07 |
| 5. | JSL Limited | - | - | - | 17,12,168 | 2.82 | - | 2.82 |
| 6. | Glebe Trading Private Limited | - | - | - | 17,12,168 | 2.82 | - | 2.82 |
| | **Total** | **5,99,28,860** | **98.71** | **52.08** | **5,99,28,860** | **98.71** | **54.79** | **00.00** |

* Sajjan Jindal Family Trust holds shares along with its nominees.

## iii. Change in Promoters' Shareholding (Please specify, if there is no change)

| Sr. No | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | JSW Infrastructure Fintrade Private Limited* | | | | |
| | At the beginning of the year | 5,98,66,570 | 98.61 | 5,98,66,570 | 98.61 |
| | Purchase/Transfer | 5,98,66,570 | 98.61 | 5,98,66,570 | 98.61 |
| | At the End of the year | - | - | - | - |
| 2. | Avani Spaces Private Limited* | | | | |
| | At the beginning of the year | 31,145 | 0.05 | 31,145 | 0.05 |
| | Purchase/Transfer | 31,145 | 0.05 | 31,145 | 0.05 |
| | At the End of the year | - | - | - | - |
| 3. | Nisarga Spaces Private Limited* | | | | |
| | At the beginning of the year | 31,145 | 0.05 | 31,145 | 0.05 |
| | Purchase/Transfer | 31,145 | 0.05 | 31,145 | 0.05 |
| | At the End of the year | - | - | - | - |
| 4. | Sajjan Jindal Family Trust(held by Sajjan Jindal & Sangita Jindal as a Trustee) (including nominee) | | | | |
| | At the beginning of the year | - | - | - | - |
| | Purchase/Transfer | 5,65,04,524 | 93.07 | 5,65,04,524 | 93.07 |
| | At the End of the year | 5,65,04,524 | 93.07 | 5,65,04,524 | 93.07 |
| 5. | JSL Limited | | | | |
| | At the beginning of the year | - | - | - | - |
| | Purchase/Transfer | 17,12,168 | 2.82 | 17,12,168 | 2.82 |
| | At the End of the year | 17,12,168 | 2.82 | 17,12,168 | 2.82 |
| 6. | Glebe Trading Private Limited | | | | |
| | At the beginning of the year | - | - | - | - |
| | Purchase/Transfer | 17,12,168 | 2.82 | 17,12,168 | 2.82 |
| | At the End of the year | 17,12,168 | 2.82 | 17,12,168 | 2.82 |

* JSW Infrastructure Fintrade Private Limited, Avani Spaces Private Limited and Nisarga Spaces Private Limited merged with JSW Infrastructure Limited vide National Company Law Tribunal order dated 20th September, 2019.

# ANNEXURE F

### iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No | For each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | MSR Patrudu | | | | |
| | At the beginning of the year | 22,421 | 0.04 | 22,421 | 0.04 |
| | Purchase/ transfer during the year | 22,421 | 0.04 | 22,421 | 0.04 |
| | At the End of the year (or on the date of separation, if separated during the year) | - | - | - | - |
| 2. | Santhosh Nair | | | | |
| | At the beginning of the year | 5,894 | 0.01 | 5,894 | 0.01 |
| | Purchase/transfer during the year | 5,894 | 0.01 | 5,894 | 0.01 |
| | At the End of the year (or on the date of separation, if separated during the year) | - | - | - | - |
| 3. | Hiren Deshpande | | | | |
| | At the beginning of the year | 284 | 0.00 | 284 | 0.00 |
| | Purchase/ transfer during the year | 0 | 0.00 | 0 | 0.00 |
| | At the End of the year (or on the date of separation, if separated during the year) | 284 | 0.00 | 284 | 0.00 |
| 4. | Abir Dube | | | | |
| | At the beginning of the year | 2,084 | 0.00 | 2,084 | 0.00 |
| | Purchase/transfer during the year | 2,084 | 0.00 | 2,084 | 0.00 |
| | At the End of the year (or on the date of separation, if separated during the year) | - | - | - | - |
| 5. | JSW Infrastructure Employees Welfare Trust (held by Mr. Bharamappa Kuntageri, Mr. Munish Jindal and Mr. Umesh Kandoi as a Trustees) | | | | |
| | At the beginning of the year | 5,30,214 | 0.87 | 5,30,214 | 0.87 |
| | Transfer during the year | 2,50,634 | 0.42 | 2,50,634 | 0.42 |
| | At the End of the year | 7,80,848 | 1.29 | 7,80,848 | 1.29 |

### v. Shareholding of Directors and Key Managerial Personnel

| Sr. No | For each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | Capt. BVJK Sharma (JMD & CEO) | | | | |
| | At the beginning of the year | 2,20,235 | 0.36 | 2,20,235 | 0.36 |
| | Purchase/sale during the year | 2,20,235 | 0.36 | 2,20,235 | 0.36 |
| | At the End of the year | - | - | - | - |

Notes:

1. The shareholding if any in a capacity of nominee is not included.
2. The shareholding of Capt. BVJK Sharma (JMD & CEO) detailed above is in capacity of employee in South West Port Limited, subsidiary company of the Company and no ESOP has been granted as a Director of the Company.

## V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Crores)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | **-** | **-** | **-** | **-** |
| Change in Indebtedness during | | | | |
| the financial year | | | | |
| › Addition | - | 1,071.44 | - | 1,071.44 |
| › Reduction | - | (554.40) | - | (554.40) |
| **Net Change** | **-** | **517.04** | **-** | **517.04** |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | 500.86 | - | 500.86 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | 16.18 | - | 16.18 |
| **Total (i+ii+iii)** | **-** | **517.04** | **-** | **517.04** |

## VI. Remuneration of Directors and Key Managerial Personnel

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | #Capt. BVJK Sharma (till 17th April, 2019) | *Arun Maheshwari (Jt. Managing Director & CEO) | Lalit Singhvi (Director & CFO) |
|---|---|---|---|---|
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 2,56,27,121 | 2,64,86,945 | 1,65,75,592 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | 37,760 | - |
| | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | - others, specify | - | - | - |
| 5. | Others please specify | - | - | - |
| 6. | Employers Contribution towards PF | - | 9,89,215 | 5,55,120 |
| | **Total (A)** | **2,56,27,121** | **2,75,13,920** | **1,71,30,712** |
| | Ceiling as per the Act | NA | *NA | 2,50,00,000 |

* Arun Maheshwari is in receipt of remuneration from South West Port Limited (subsidiary company of the Company), where he is holding an office or place of profit. As there is no remuneration paid from the Company, ceiling as per the Act is not applicable.

# Capt. BVJK Sharma ceased to be Jt. Managing Director & CEO w.e.f. 17th April, 2019. The amount disclosed is the full and final settlement.

# ANNEXURE F

## B. REMUNERATION TO OTHER DIRECTORS

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---|---|---|---|---|---|
| | | Mr. N. K. Jain | Mr. K. C. Jena | Ms. Ameeta Chatterjee | |
| 1. | Independent Directors | | | | |
| | › Fee for attending board/committee meetings | 4,60,000 | 4,00,000 | 3,00,000 | 11,60,000 |
| | › Commission | - | - | - | - |
| | › Others, please specify | - | - | - | - |
| | **Total (1)** | **4,60,000** | **4,00,000** | **3,00,000** | **11,60,000** |
| 2. | Other Non-Executive Directors | | | | |
| | › Fee for attending board/ committee meetings | - | - | - | - |
| | › Commission | - | - | - | - |
| | › Others, please specify | - | - | - | - |
| | **Total (2)** | **-** | **-** | **-** | **-** |
| | **Total (B)=(1+2)** | **4,60,000** | **4,00,000** | **3,00,000** | **11,60,000** |
| | **Total Managerial Remuneration** | | | | **NA** |
| | **Overall Ceiling as per the Act** | | | | **NA** |

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | Total (₹) |
|---|---|---|---|---|
| | | *Ms. Gazal Qureshi (Company Secretary) | Mr. Lalit Singhvi (Chief Financial Officer/Whole-time Director) | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 22,13,092 | 1,65,75,592 | 1,87,88,684 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | - others, specify | - | - | - |
| 5 | Others please specify | - | - | - |
| 6 | Employers Contribution towards PF | 90,656 | 5,55,120 | 6,45,776 |
| | **Total** | **23,03,748** | **1,71,30,712** | **1,94,34,460** |

* Ms. Gazal Qureshi is in receipt of salary from subsidiary company, she is holding a position in secretarial department.

## VII. Penalties/ Punishment/ Compounding of Offences

There were no Penalties/ Punishment/ Compounding of Offences during the year ended 31st March, 2020.

# ANNEXURE G (I)

## Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### (a) TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN

| Sr. No. | Name and Age | Designation | Remuneration (INR) | Qualification and Exp. | Date of Commencement of Employment | Last Employment Held |
|---|---|---|---|---|---|---|
| 1. | Lalit Singhvi (56 years) | Senior Vice President | 1,71,30,712 | B. Com, CA, (35 years) | 15th January, 2015 | Shree Shubham Logistics Limited. |
| 2. | Jayesh Bhatt (58 years) | Senior Vice President | 1,60,37,832 | B.E, (Mechanical), PG(DBM), (38 years) | 23rd March, 2015, | IMC Limited |
| 3. | Devki Nandan (48 years) | Senior Vice President | 1,30,47,044 | B.E – Marine, PGDMA, IIM- Ahmedabad, Masters in Finance (London Business School),CFA (USA), (20 years) | 8th November, 2016 | APM Terminals |
| 4. | Naveen Kumar (50 years) | Vice President | 85,46,804 | PG Diploma (Personal Management & Industrial Relations – XLRI) (26 years) | 1st October, 2014 | Nomura Services |
| 5. | Rashmi Ranjan Patra (58 years) | Vice President | 89,12,839 | B.Tech, M.S. (Civil & Coastal Engg) – (36 years) | 7th March, 2011 | DHI Group |
| 6. | Majji Srinivasa Raja Papaiah Patrudu (54 years) | General Manager | 70,09,641 | Diploma (Civil) (32 years) | 4th May, 2006 | Boppana Civil Contructions |
| 7. | Kiran Padmakar Naik (54 years) | General Manager | 61,85,133 | Diploma (Computer Programmer) (33 years) | 21st October, 2015 | IBM India Limited |
| 8. | Vineeth Xavier (37 years) | Deputy General Manager | 58,26,460 | B.E, B. Bus. Administration (16 years) | 2nd November, 2016 | Adani Ports & SEZ Limited |
| 9. | Ritesh P. Udeshi (45 years) | General Manager | 53,54,833 | B. Com, CA (21 years) | 4th April, 2015 | Skechers South Asia |
| 10. | Kartikayan Singal (39 years) | Associate Vice President | 48,39,597 | B.E, M.Sc. (16 years) | 18 June, 2019 | Louis Berger Group |

# ANNEXURE G (I)

**(b) EMPLOYED THROUGHOUT FY 2019-20 AND WERE IN RECEIPT OF REMUNERATION AGGREGATING TO NOT LESS THAN ₹1.02 CRORES PER ANNUM**

| Sr. No | Name and Age | Designation | Remuneration (INR) | Qualification and Exp. | Date of Commencement of Employment | Last Employment Held |
|---|---|---|---|---|---|---|
| 1. | Lalit Singhvi (56 years) | Senior Vice President | 1,71,30,712 | B. Com, CA, (35 years) | 15th January, 2015 | Shree Shubham Logistics Limited. |
| 2. | Jayesh Bhatt (58 years) | Senior Vice President | 1,60,37,832 | B.E, (Mechanical), PG(DBM), (38 years) | 23rd March, 2015 | IMC Limited |
| 3. | Devki Nandan (48 years) | Senior Vice President | 1,30,47,044 | B.E – Marine, PGDMA, IIM-Ahmedabad, Masters in Finance (London Business School),CFA (USA), (20 years) | 8th November, 2016 | APM Terminals |

**(c) EMPLOYED FOR PART OF THE YEAR IN FY 2019-20 AND WERE IN RECEIPT OF REMUNERATION AGGREGATING TO NOT LESS THAN ₹8.50 LAKHS PER MONTH**

There was no employees who was in receipt of remuneration aggregating to not less than ₹8.50 lakhs per month for part of the year in FY 2019-20

**Note:**

Salary includes Basic Salary, House Rent Allowance, Bonus, use of Company's Car, Furniture & Equipment and perquisites, the monetary value of which has been calculated in accordance with the provisions of the Income Tax Act, 1961 (excluding perquisites arising on account of exercise of ESOP's) and Rules made thereunder but does not include Company's Contribution to Gratuity Fund, Leave Encashment, etc.

# ANNEXURE G (II)

## Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director/KMP for Financial Year 2019-20 | % increase in Remuneration in the Financial Year 2019-20 | Ratio of remuneration of each Director/ to median remuneration[5] of employees |
|---|---|---|---|---|
| 1. | Mr. Arun Maheshwari [1]<br>(JMD & CEO) | NA | NA | NA |
| 2. | Mr. N. K. Jain[3]<br>(Independent Director) | 4,60,000 | 64.29% | 0.29 : 1.00 |
| 3. | Mr. Kalyan Coomar Jena[3]<br>(Independent Director) | 4,00,000 | 81.81% | 0.25 : 1.00 |
| 4. | Ms. Ameeta Chatterjee[3]<br>(Independent Director) | 3,00,000 | 7.14% | 0.19 : 1.00 |
| 5. | Mr. Lalit Singhvi<br>(Director & CFO) | 1,71,30,712 | 16.05% | 10.68 : 1.00 |
| 6. | Ms. Tarini Jindal Handa<br>(Non-Executive Director) | - | - | - |
| 7. | Mr. Kantilal Narandas Patel<br>(Non-Executive Director) | - | - | - |
| 8. | Mr. Pawan Kumar Kedia[4]<br>(Non-Executive Director) | - | - | - |
| 9. | Ms. Gazal Qureshi[2]<br>(Company Secretary) | NA | NA | NA |

[1] Mr. Arun Maheshwari is in receipt of remuneration from South West Port Limited a subsidiary company of the Company, where he is holding an office or place of profit, no remuneration is paid from the Company.

[2] Ms. Gazal Qureshi is in receipt of salary from subsidiary company, she is holding a position in secretarial department.

[3] Reflects sitting fees.

[4] Ceased to be a Director with effect from 24th March, 2020.

[5] Median Remuneration does not include remuneration of labour class.

(ii) In the Financial year, there was an increase of 7.85% in the median remuneration of employees.

(iii) There were 116 permanent employees on the rolls of Company as on 31st March, 2020.

(iv) Average percentage increase made in the salaries of employees other than the managerial personnel in FY 2019-20 was 7.85%.

(v) The Key parameters for the variable component of remuneration in case of key managerial personnel(s) is linked with Company performance and individual performance.

(vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

# REPORT ON CORPORATE GOVERNANCE

## 1. Company's Governance Philosophy

The Company believes that it is imperative to manage the business affairs in the most fair and transparent manner with a firm commitment to corporate values. Good governance practices stem from the value system and philosophy of the organisation, and the Company is committed to meet the aspirations of all our stakeholders. For us, corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organisation's brand and reputation. This is demonstrated in shareholder returns, high credit ratings, governance processes and performance with conducive work environment. Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals. Corporate governance is about the way we do the business, encompassing every day activities. The Company believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders. The Company seeks to focus on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations, environment and regulatory compliances. The Company will focus its energies and resources in creating and safeguarding of shareholders' wealth and, at the same time, protect the interests of all its stakeholders. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a mix of experts of eminence and integrity, forming a core group of top level executives, including competent professionals across the organisation and putting in place best systems, process and technology.

## 2. Board of Directors

### 2.1 APPOINTMENT AND TENURE

The Directors of the Company are appointed by the Shareholders at General Meetings.

All Directors except Jt. Managing Director/ Independent Directors are subject to Company's Articles of Association/ Companies Act, 2013, liable to retirement by rotation and at every Annual General Meeting 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Sections 152 and 160 of the Companies Act, 2013 and that of the Articles of Association of the Company. The Executive Director on the Board serves in accordance with the terms of their contract of service with the Company.

### 2.2 COMPOSITION, MEETINGS AND ATTENDANCE RECORD OF EACH DIRECTOR

The Company has a balanced mix of Executive and Non-Executive Directors as at 31st March, 2020. The Board of Directors presently comprises of 7 Directors, of which 2 are Executive Directors, 2 are Non-Executive Non-Independent Directors and 3 are Independent Directors. The composition of the Board is in conformity with Companies Act, 2013. All Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

None of the Directors are related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 2013. The necessary disclosures regarding Committee positions have been made by the Directors.

The details of composition of the Board as at 31st March, 2020, the attendance record of the Directors at the Board Meetings held during the financial year 2019-20 and the last Annual General Meeting (AGM), and the details of their other Directorships are given below:

| Category | Name of Director | Position | Attendance at | | Other Directorships |
|---|---|---|---|---|---|
| | | | Board Meetings | 13th AGM held on 7th August, 2019 | Indian Companies |
| Executive | Mr. Arun Maheshwari[3] (DIN: 01380000) | Jt. Managing Director and CEO | 7 | Yes | 4 |
| | Mr. Lalit Singhvi (DIN: 05335938) | Director and CFO | 7 | Yes | 2 |
| Independent Director | Mr. Nirmal Kumar Jain (DIN: 00019442) | Director | 7 | Yes | 11 |
| | Ms. Ameeta Chatterjee (DIN: 03010772) | Director | 5 | Yes | 8 |
| | Mr. Kalyan Coomar Jena (DIN: 01833487) | Director | 6 | Yes | 2 |
| Non-Executive Non-Independent | Mr. Pawan Kumar Kedia[4] (DIN: 00020570) | Director | 5 | Yes | 4 |
| | Mr. Kantilal Narandas Patel (DIN: 00019414) | Director | 7 | Yes | 15 |
| | Ms. Tarini Jindal Handa (DIN: 00506432) | Director | 1 | No | 9 |

Notes.

1. During the Financial Year 2019-2020, seven Board Meetings were held and the gap between two meetings did not exceed 120 days. Board meetings were held on 18th April, 2019, 21st May, 2019, 12th July, 2019, 4th November, 2019, 2nd December, 2019, 30th January, 2020 and 20th March, 2020.
2. Directorship in private companies, foreign companies and Section 8 Companies are included.
3. Mr. Arun Maheshwari appointed as the Jt. Managing Director & CEO with effect from 18th April, 2019.
4. Mr. Pawan Kumar Kedia has tendered his resignation from the Directorship of the Company with effect from 24th March, 2020.

## 2.3 BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES

### A. Institutionalised decision-making process

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served. The Jt. Managing Director and CEO is in overseeing the functional matters of the Company. The Board has constituted several Standing Committees such as Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Finance Committee, and Compensation Committee. The Board constitutes additional functional Committees from time to time depending on the business needs.

### B. Scheduling and selection of Agenda Items for Board Meetings

(i) A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, and where possible, resolutions are passed by circulation.

(ii) The meetings are usually held at the Company's Registered Office at JSW Centre, Bandra-Kurla Complex, Bandra East, Mumbai – 400 051.

(iii) All divisions/departments of the Company are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion/ approval/ decision at the Board/ Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board/Committee meetings. In addition to items which are mandated to be placed before the Board for its noting and/or approval, information is provided on various significant items.

(iv) The Board is given presentations covering Economic Outlook, Company's Financials, Company's Performance, Business Strategy, Subsidiary Companies performance, the Risk Management practices, etc. before taking on record the quarterly/ half yearly/ annual financial results of the Company.

### C. Distribution of Board Agenda Material

Agenda setting out the business to be transacted the board meeting and Notes on Agenda are circulated to the Directors, at least 7 days before the meeting as required under Secretarial Standard (SS-1) issued by the Institute of Company Secretaries of India which came in to effect from 1st July, 2015. In the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focussed discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered. Your Company has complied with the provision of secretarial standard-1 (SS-1) pertaining to distribution of Board Agenda and Board Agenda material.

### D. Recording Minutes of proceedings at Board and Committee Meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. Draft minutes of the current meeting as well as signed minutes of the previous meeting are circulated to all the members of the Board/Committee within 15 days of the Board/Committee meeting for their comments as required under Secretarial Standard (SS-1) issued by the Institute of Company Secretaries of India which came in to effect from 1st July, 2015. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting/Chairman of the next meeting.

### E. Post Meeting Follow-up Mechanism

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/ Committees. Important decisions taken at the Board/Committee meetings are communicated to the concerned Functional Heads promptly. Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee members.

### F. Compliance

While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013 read with the Rules made thereunder.

### G. Separate Meeting Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the Independent Directors of the Company are required to hold at least one meeting without the presence/attendance of non-independent directors and members of the Management. During the lockdown imposed by the Central Government due to outbreak of COVID-19, the Ministry of Corporate Affairs vide its circular no. 11/2020 dated 24th March, 2020 has given a waiver for holding the meeting of the Independent directors for the financial year 2019-20.

## 3. Audit Committee

The Audit Committee comprises of four Directors, of which 3 are Independent Directors and 1 is Non-Executive Director. Ms. Ameeta Chatterjee is the Chairperson of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc.

The broad terms of reference of Audit Committee are to review the financial statements before submission to the Board, reports of the Auditors and Internal Auditor. In addition, the powers and role of the Audit Committee are as laid down under Section 177 of the Companies Act, 2013.

The Composition of the Committee as on 31st March, 2020 and detail of the meetings attended during the year by the Directors are as given below.

| Sr. No. | Name of Members | Category | Designation | No. of Meetings Attended |
|---|---|---|---|---|
| 1. | Ms. Ameeta Chatterjee* | Independent | Chairperson | 5 |
| 2. | Mr. N. K. Jain | Independent | Member | 7 |
| 3. | Mr. K. C. Jena | Independent | Member | 6 |
| 4. | Mr. K. N. Patel | Non-Executive | Member | 7 |

* Ms. Ameeta Chatterjee was appointed as the Chairperson on 2nd December, 2019.

The Audit Committee met seven times during the year under review on following dates.

| Sr. No. | Date | Committee Strength | No. of Member Present |
|---|---|---|---|
| 1. | 18th April, 2019 | 4 | 4 |
| 2. | 21st May, 2019 | 4 | 4 |
| 3. | 12th July, 2019 | 4 | 4 |
| 4. | 4th November, 2019 | 4 | 3 |
| 5. | 2nd December, 2019 | 4 | 3 |
| 6. | 30th January, 2020 | 4 | 3 |
| 7. | 20th March, 2020 | 4 | 4 |

The Audit Committee invites executives, as it considers appropriate (and particularly the head of the finance function) to be present in its meetings. The Statutory Auditors are also invited to the meetings. The Company Secretary is the Secretary of the Audit Committee.

## 4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of four Directors, all are Non-Executive Directors. The Committee met thrice during the year on 18th April, 2019, 21st May, 2019 and 30th January, 2020. Ms. Ameeta Chatterjee is the Chairperson of Committee. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013.

**MEETING DETAILS**

The Composition of Committee and details of the meeting attended by the Committee Members are as given below:

| Sr. No. | Name of Members | Category | Designation | No. of Meetings Attended |
|---|---|---|---|---|
| 1. | Ms. Ameeta Chatterjee | Independent | Chairperson | 2 |
| 2. | Mr. N K Jain | Independent | Member | 3 |
| 3. | Mr. K C Jena | Independent | Member | 3 |
| 4. | Mr. K N Patel | Non-Executive | Member | 3 |

Terms of reference of the Committee, *inter alia*, includes the following:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
2. To recommend to the Board their appointment and removal;
3. To carry out evaluation of every director's performance;
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
5. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; and
6. Any other matter as the Nomination & Remuneration Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

### 4.1 Remuneration Policy:

**A. Non-Executive Directors (NEDs):**

During the year, the Company paid sitting fees of ₹20,000/- per meeting to the NEDs (not associated with JSW Group) for attending meetings of the Board and Committee.

**B. Executive Directors:**

The Nomination and Remuneration Committee recommends the remuneration package for the Executive Directors (EDs) of the Board. In framing the remuneration policy, the Committee takes into consideration the remuneration practices of Companies of similar size and stature and the Industry Standards. Annual increments effective 1st April each year as recommended by the Remuneration Committee are placed before the Board for approval. The ceiling on Salary and Perquisites & allowances is approved by the Shareholders, within which the salary and perquisites & allowances is recommended by the Remuneration Committee and approved by the Board. The Directors' compensation is based on the appraisal system wherein their individual goals are linked to the organisational goals. EDs are paid, subject to the approval of the Board and of the Company in General Meeting as may be required/necessary, compensation as per the appointment terms/agreements entered into between them and the Company. The present remuneration structure of EDs comprises of salary, perquisites, allowances, performance linked incentive/special pay, ESOPs and contributions to Provident Fund & Gratuity.

**C. Management Staff:**

Remuneration of employees largely consists of basic remuneration, perquisites, allowances, ESOPs and performance incentives. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employees, responsibilities handled by them, their annual performance, etc. For the last few years, efforts have also been made to link the annual variable pay of employees with the performance of the Company. The variable pay policy links the performance pay of the officers with their individual and overall organisational performance on parameters aligned to Company's objectives whereas Variable Production Incentive Bonus is linked to the respective Plant's parameters.

### 4.2 Details of Remuneration paid to Directors:

**A. Payment to Non-Executive Directors**

The sitting fees paid to Non-Executive Directors (NEDs) for attending Board/ Committee Meetings, during the year is as under:

| | (Amount in ₹) |
|---|---|
| **Name of the Non-Executive Director** | **Sitting fees Paid** |
| Mr. Nirmal Kumar Jain | 4,60,000 |
| Mr. Kalyan Coomar Jena | 4,00,000 |
| Ms. Ameeta Chatterjee | 3,00,000 |
| **Total** | **11,60,000** |

**A. Other Committees of the Board of Directors**

In addition to the above referred Committees, the Board has constituted Finance Committee, Corporate Social Responsibility Committee, Compensation Committee etc. to consider various business matters and delegated thereto powers and responsibilities with respect to specific purposes.

**B. SEBI Complaints Redressal System (Scores) – Debt Listed**

There were no complaints received during the period under review.

**C. Company Secretary & Compliance Officer**

Ms. Gazal Qureshi, Company Secretary is the Compliance Officer for complying with the requirements of Companies Act, 2013.

**D. Listing Agreement**

The New Listing Agreement for debt securities as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was entered into between JSW Infrastructure Limited and BSE Limited on 16th February, 2016.

The current NCD's are listed on Bombay Stock Exchange with effect from 27th December, 2019.

## 5. Annual General Meetings

The details of date, time and location of Annual General Meetings (AGM) held in last 3 years are as under.

| AGM | Date | Time | Location | Special Resolution passed |
|---|---|---|---|---|
| 13th | 7th August, 2019 | 11.00 a.m. | JSW Centre, Bandra-Kurla Complex, Bandra East, Mumbai – 400 051 | No special Resolution was passed at this AGM |
| 12th | 1st August, 2018 | 10.30 a.m. | JSW Centre, Bandra-Kurla Complex, Bandra East, Mumbai – 400 051 | Special Resolution was passed at this AGM |
| 11th | 1st August, 2017 | 11.30 a.m. | JSW Centre, Bandra-Kurla Complex, Bandra East, Mumbai – 400 051 | No special Resolution was passed at this AGM |

Details of Special Resolutions passed in the previous three AGM/ EGM/ NCLT Convened meetings:

| AGM/ EGM/ NCLT convened Meetings | Particulars of Special Resolutions passed thereat |
|---|---|
| EGM dated 19th April, 2019 | 1. Approval of Mr. Arun Maheshwari's appointment & remuneration as President in South West Port Limited – Related Party Transaction (holding place of profit) u/s 188 of the Companies Act, 2013. |
| NCLT Convened meeting dated 9th April, 2019 | 1. Approval of Scheme of Amalgamation of Sarvoday Advisory Services Private Limited and JSW Infrastructure Fintrade Private Limited and Avani Spaces Private Limited and Nisarga Spaces Private Limited and Dhamankhol Fintrade Private Limited and Nalwa Fintrade Private Limited and Vanity Fintrade Private Limited and JSW Jaigarh Infrastructure Development Private Limited with JSW Infrastructure Limited and their respective shareholders. |
| AGM dated 1st August, 2018 | 1. Re-appointment of Mr. K. C. Jena as Independent Director for a period of five years |
| EGM dated 14th May, 2018 | 1. Approval of amendment of JSWIL Employees Stock Ownership Plan-2016<br>2. Approval to grant Stock Options to the eligible employees of the Company's subsidiary companies under the "JSWIL Employees Stock Ownership Plan-2016" |

## 6. Disclosures

6.1 There were no materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters, Directors or the Management, their Subsidiaries or relatives etc. that conflict with the interests of the Company.

6.2 No penalties have been imposed on the Company by any statutory authority.

6.3 The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.

6.4 The National Company Law Tribunal (NCLT) approved the Scheme of Merger (by Absorption) of Sarvoday Advisory Services Private Limited and JSW Infrastructure Fintrade Private Limited and Nisarga Spaces Private Limited and Avani Spaces Private Limited and Dhamankhol Fintrade Private Limited and Nalwa Fintrade Private Limited and Vanity Fintrade Private Limited and JSW Jaigarh Infrastructure Development Private Limited with the Company and their respective shareholders ("the Scheme") vide its order dated 20th September, 2019 which was released on 4th November, 2019. The Scheme became effective on 14th November, 2019 consequent to filing of the NCLT order with Registrar of Companies.

## 7. Subsidiary Companies Monitoring Framework

All the Subsidiary Companies of the Company are Board managed with their Boards having the rights and obligations to manage such Companies in the best interest of their stakeholders. The Company monitors the performance of subsidiary Companies, *inter alia*, by the following means.

a) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary Companies is placed before the Company's Board.

b) Subsidiary Company's Financials are also tabled before the Company's Board on half yearly basis.

## 8. Communication

Annual Report, *inter alia* containing Audited Consolidated Financial Statements and Standalone Statements, Directors' Report, Annexures forming part of Directors' Report, Corporate Governance Report, Auditors' Report and other important information is sent to Members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report.

## 9. General Shareholders Information

### 9.1 ANNUAL GENERAL MEETING

Date and Time: 5th August, 2020 at 11.30 a.m.

Venue: JSW Centre, Bandra-Kurla Complex,
Bandra East, Mumbai – 400 051.

### 9.2 LISTING ON STOCK EXCHANGE

The privately placed Rated, Listed, Zero Coupon, Redeemable, Non-Convertible Debenture (NCD's) issued by the Company are listed on Bombay Stock Exchange (BSE) details of which are as follows:

Series A Debenture (ISIN: INE880J08013)-2168 NCD's of ₹10 lakhs each

Series B Debenture (ISIN: INE880J08021)-2712 NCD's of ₹10 lakhs each

Your Company has partially redeemed 544 Series A Rated, Listed, Zero Coupon, Redeemable, Non-Convertible Debentures amounting to ₹55,84,65,451 (including accrued premium) prior to its maturity.

### 9.3 DEBENTURE TRUSTEE

Catalyst Trusteeship Limited
GDA House, Plot No. 85, Bhusari Colony ,
Paud Road, Pune – 411 038
Tel: +91 020 2528 0081
Fax: +91 020 2528 0275
E-mail: dt@ctltrustee.com
www.catalysttrustee.com
CIN: U74999PN1997PLC110262

### 9.4 REGISTRAR & SHARE TRANSFER AGENTS

**For Equity:**

Kfin Technologies Private Limited
Selenium, Tower – B, Plot No. 31& 32,
Financial District, Nanakramguda,
Serilingampally,
Hyderabad – 500 032
Tel: +91 40-6716 1500
Fax: +91 40-23001153
E-mail: einward.ris@kfintech.com
CIN: U72400TG2017PTC117649

**For Debenture:**

NSDL Database Management Limited
4th floor, A Wing, Trade World, Kamala Mills Compound, Lower Parel (W),
Mumbai – 400 013
Tel: +91 22 4914 2700
Fax: +91 22 4914 2503
E-mail: info_ndml@nsdl.co.in
www.nsdl.co.in
CIN: U72400MH2004PLC147094

### 9.5 SHAREHOLDING PATTERN

| Category | As on 31st March, 2020 | | As on 31st March, 2019 | |
|---|---|---|---|---|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Bodies Corporate (along with nominees) | 34,24,336 | 5.64 | 5,99,28,860 | 98.71 |
| Trust (shares held in the name of Trustees) | 5,72,85,372 | 94.36 | 5,30,214 | 0.87 |
| Individual | 284 | 0.00 | 2,50,918 | 0.41 |
| **Total** | **6,07,09,992** | **100.00** | **6,07,09,992** | **100.00** |

Note: Change in the shareholding pattern is due to the scheme of merger passed by the National Company Law Tribunal vide its order dated 20th September, 2019.

## 10. Corporate Ethics

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and Senior Management detailed below has been adopted by the Company.

### A. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT:

The Board of Directors of the Company adopted the Code of Conduct for its members and Senior Management. The Code is applicable to all Directors and specified Senior Management Executives. The Code impresses upon Directors and Senior Management Executives to uphold the interest of the Company and its stakeholders and to endeavour to fulfill all the fiduciary obligations towards them. Another important principle on which the Code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties.

**Declaration affirming compliance of Code of Conduct.**

The Company has received confirmations from the Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review. A declaration by the JMD & CEO affirming compliance of Board Members and Senior Management.

### B. CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS:

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended (the Regulations), the Board of the Directors of the Company has adopted the Code of Conduct to regulate, monitor and report Trading by Insiders (the "Code") for prevention of Insider Trading. The Code lays down guidelines and procedures to be followed and disclosures to be made by Insiders, Connected Person, Directors, Promoters, Key Managerial Personnel, Top level executives and certain staff whilst dealing in shares. The Code contains regulations for preservation of unpublished price sensitive information, pre-clearance of trade and monitoring and implementation of the Code. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

**C. WHISTLE-BLOWER POLICY (WBP):**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Code of Conduct, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The WBP specifies the procedure and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Code or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements. The Company affirms that no employee has been denied access to the Ethics Counsellor.

**D. ETHICS COMPLIANCE MANAGEMENT (ECM):**

The Board of Directors of the Company adopted the Ethics Compliance Management which is implemented by JSW Group ensure compliances in relation to Code of Conduct, Prevention of Sexual Harassment (POSH), Whistleblowers etc. and also to strive for zero tolerance against violations. These frameworks are applicable to all the JSW Group Companies. Your Company being a part of JSW Group has adopted the policy and its framework. ECM consists of setting up of Ethics and Fraud Management Framework; (consisting of human and technology resources), Investigation Support Services & Management and support through Ethics Helpline Services. A Group Ethics Committee/Central Investigation Unit is formed to carry out the compliances.

**E. LEGAL COMPLIANCE OF THE COMPANY'S SUBSIDIARIES:**

Periodical Audit ensures that the Company's Subsidiaries conducts its business with high standards of legal, statutory and regulatory compliances. As per the Compliance reports of the Management, there has been no material non-compliance with the applicable statutory requirements by the Company and its Subsidiaries.

## 11. Other Shareholder Information

**A. CORPORATE IDENTITY NUMBER (CIN)**

The CIN allotted to the Company by the Ministry of Corporate Affairs, Government of India is U45200MH2006PLC161268

**B. REGISTERED OFFICE**

JSW Centre, Bandra-Kurla Complex,
Bandra East, Mumbai – 400 051.
Tel: 022-4286 1000
Fax: 022-4286 3000

**C. WORKS ADDRESS**

- 1st Floor, Port Users Complex, Mormugao Harbour, Goa – 403 803
- 24, Kumbiwadi Niandiwadi, Jaigarh, Ratnagri – 415 614, Maharashtra
- Dharamatar, P O Dolvi, Taluka - Pen, District- Raigarh – 402 107, Maharashtra
- 4th Floor, Paradip Bhavan, Behind Paradip Port Trust Building, Paradip, Odisha – 754 142

# FINANCIAL STATEMENTS

**Standalone**



**Consolidated**

# INDEPENDENT AUDITORS' REPORT

**To the Members of**
**JSW Infrastructure Limited**

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the accompanying standalone financial statements of JSW Infrastructure Limited ("the Company"), which comprise the standalone balance sheet as at 31st March, 2020, and the standalone statement of Profit and Loss (including other comprehensive income), standalone statement of cash flows and standalone statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31st March, 2020, its profit including total comprehensive income, its cash flow and the changes in equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under sub-section (10) of Section 143 of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the financial year ended 31st March, 2020. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the Key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements Section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| The Key Audit Matter | Auditor's Response |
|---|---|
| **Accuracy and completeness of disclosure of related party transactions and compliance with the provisions of Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ('SEBI (LODR) 2015' (as described in note 42 of the standalone financial statements)** | |
| We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the standalone financial statements as a key audit matter due to:<br>- The significance of transactions with related parties during the year ended 31st March, 2020.<br>- Related party transactions are subject to the compliance requirement under the Act and SEBI (LODR) 2015. | Our procedures in relation to the disclosure of related party transactions included:<br>a) Obtaining an understanding of the Company's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the standalone financial statements.<br>b) Obtaining an understanding of the Company's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors.<br>c) Read minutes of shareholder meetings, board meetings and audit committee minutes regarding Company's assessment of related party transactions being in the ordinary course of business at arm's length.<br>d) Tested, on a sample basis, related party transactions with the underlying contracts/agreements, confirmation letters and other supporting documents, as part of our evaluation of the disclosure.<br>e) Assessing management evaluation of compliance with the provisions of Section 177 and Section 188 of the Act.<br>f) Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit. |
| **Recoverability of Minimum Alternate Tax ('MAT') Credit after the tax holiday period (as described in note 9 of the standalone financial statements)** | |
| The Company has accumulated MAT credit entitlement of ₹ 3,358.38 lakhs as at 31st March, 2020. The Company is under tax holiday and the utilisation of MAT credit depends on the ability of the Company to earn adequate profits.<br>In order to assess the utilisation of MAT credit, the Company has prepared revenue and profit projections which involves judgements and estimations.<br>The projections are based on management's input of key variables and market conditions. The forecasted profit has been determined using estimations of projected income and expenses of the Company.<br>We have identified this as a key audit matter, due to the judgement and estimation involved in the preparation of the forecasted profits for the utilisation of MAT credit. | Our procedures included the following:<br>a) We have assessed the eligibility of MAT credit recognised and the judgements applied to determine the forecasted taxable income to support the recognition of MAT credit entitlement.<br>b) We have tested the inputs and assumptions used in preparation of forecasted taxable income against historical levels of taxable profits.<br>c) We compared the forecast of future taxable income to business plan and previous forecasts to the actual results and analysed results for material differences, if any.<br>d) We evaluated the arithmetical accuracy of the model used to compute the recoverability of deferred tax asset.<br>e) We have assessed the related disclosures in note 9 to the standalone financial statements. |

# INDEPENDENT AUDITORS' REPORT

| The Key Audit Matter | Auditor's Response |
|---|---|
| **Accounting for the effects of the scheme of amalgamation in respect of merger (as described in note 51 of the standalone financial statements)** | |
| The Company has entered into a scheme of amalgamation ("the scheme") for merger of JSW SARVODAY ADVISORY SERVICES PRIVATE LIMITED ('SASPL' or 'The Transferor Company 1'), JSW INFRASTRUCTURE FINTRADE PRIVATE LIMITED ('JIFPL' or The Transferor Company 2'), NISARGA SPACES PRIVATE LIMITED ('NSPL' or 'The Transferor Company 3'), AVANI SPACES PRIVATE LIMITED ('ASPL' or The Transferor Company 4'), DHAMANKHOL FINTRADE PRIVATE LIMITED ('DFPL' or 'The Transferor Company 5'), NALWA FINTRADE PRIVATE LIMITED ('NFPL' or The Transferor Company 6'), VANITY FINTRADE PRIVATE LIMITED ('VFPL' or 'The Transferor Company 7') and JSW JAIGARH INFRASTRUCTURE DEVELOPMENT PRIVATE LIMITED ('JIDPL' or 'The Transferor Company 8') with JSW INFRASTRCUTURE LIMITED ('JIL' or 'The Transferee Company').<br><br>The scheme has been approved by National Company Law Tribunal, Mumbai Bench ("NCLT").<br><br>This is a key audit matter as the scheme has a pervasive impact on the standalone financial statements of the Company.<br><br>The Company has accounted for merger in its books as per the scheme of amalgamation as approved by the NCLT. | Our procedures included the following:<br><br>a) Inspected agreements related to the merger as mentioned in the scheme.<br><br>b) Verified compliance with the Ind AS 103 read with the MCA General Circular dated 21st August, 2019 for merger accounting entries passed. |

## INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

## RESPONSIBILITIES OF THE MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

› Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

› Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under clause (i) of sub-section (3) of Section 143 of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

› Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

› Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the

# INDEPENDENT AUDITORS' REPORT

matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by sub-section (3) of Section 143 of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the standalone statement of cash flows and standalone statement of changes in equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us and based on our examination of the records of the Company, the Managing director of the Company is holding place of profit in the Subsidiary Company and the remuneration is paid by the Subsidiary Company. Hence, the Company has not paid/provided for any managerial remuneration during the year. Accordingly, the provision of Section 197 of the Act is not applicable to the Company.

   h) 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, 2015, 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 standalone financial statements – Refer Note 37 of the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For HPVS & Associates**
Chartered Accountants
Firm Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
M. No.: 144084
UDIN: 20144084AAAABB2975

Place: Mumbai
Date: 29th May, 2020

# ANNEXURE A

## TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JSW Infrastructure Limited of even date)**

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

(b) The Company has a programme of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date except the following:

| Particulars | Gross Block as on 31st March, 2020 | Net Block as on 31st March, 2020 | Remarks |
|---|---|---|---|
| Freehold Land | ₹ 1,232.16 lakhs | ₹ 1,232.16 lakhs | The title deeds are in the names of erstwhile companies that merged with the Company under Section 230 to 232 of the Companies Act, 2013 pursuant to Scheme of Merger as approved by the National Company Law Tribunal. |

In respect of immovable properties that have been taken on lease and disclosed as property, plant and equipment or Right of Use Assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification.

(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 Act. Accordingly, reporting under paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Accordingly, compliance under Section 185 of the Act is not applicable to the Company. According to the information and explanations given to us, the provisions of Section 186 of the Act in respect of the loans given, guarantees given or securities provided are not applicable to the Company, since it is covered as a company engaged in business of providing infrastructural facilities. The Company has not made any investments during the year. Accordingly, compliance under Section 186 of the Act in respect of investment made during the year is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, reporting under paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records

# ANNEXURE A

have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us, and the records of the Company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, duty of excise, value added tax, and cess which have not been deposited on account of any dispute except as follows:

| Name of the Statute | Nature of the Dues | Amount# (₹ in Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| The Income Tax Act, 1961 | Income tax | 27.16 | AY 2008-09 | |
| | | 46.12 | AY 2011-12 | ITAT |
| | | 46.13 | AY 2012-13 | CIT (A) |

\# Net of amounts paid under protest

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to debenture holders during the year. The Company has not taken any loan or borrowings from a financial institution, banks and government.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilised the monies raised by way of non-convertible debentures for the purposes for which they were raised. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.

(x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that no material fraud by the Company and on the Company by its officer or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Managing Director of the Company is holding place of profit in the Subsidiary Company and remuneration is paid to him by the Subsidiary Company. However, the Company has not paid/provided for any managerial remuneration during the year in accordance with the provisions of Section 197 read with Schedule V of the Act. Accordingly, the provision of clause 3(xi) of the Order is not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, transactions during the year with the related parties were approved by the Audit Committee and are in compliance with Section 177 of the Act where applicable and since the said transactions were in the ordinary course of business of the Company and were at arm's length basis, the provisions of

Section 188 are not applicable, and the details have been disclosed in the standalone 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/private placement of shares or fully or partly convertible debentures during the year.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3 (xvi) of the Order is not applicable to the Company.

**For HPVS & Associates**
Chartered Accountants
Firm Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
M. No.: 144084
UDIN: 20144084AAAABB2975

Place: Mumbai
Date: 29th May, 2020

# ANNEXURE B

TO THE INDEPENDENT AUDITORS' REPORT

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

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

## Opinion

We have audited the internal financial controls over financial reporting of JSW Infrastructure Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to these standalone financial statements and such internal financial controls were operating effectively as at 31st March, 2020, based on the internal financials control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## 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 (the "Guidance Note") 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

## Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements 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.

**For HPVS & Associates**
Chartered Accountants
Firm Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
M. No.: 144084
UDIN: 20144084AAAABB2975

Place: Mumbai
Date: 29th May, 2020

# STANDALONE BALANCE SHEET

As at 31st March, 2020

CIN: U45200MH2006PLC161268

(₹ in Lakhs)

| Particulars | Note No. | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant & Equipment | 2 | 10,200.26 | 9,124.71 |
| Right-of-Use Assets | 3 | 6.38 | - |
| Other Intangible Assets | 4 | 21.03 | 26.89 |
| Investments in Subsidiaries | 5 | 67,271.83 | 54,665.48 |
| Financial Assets | | | |
| Investments | 6 | 35,696.16 | 2,886.00 |
| Loans | 7 | 152.00 | 152.00 |
| Other Financial Assets | 8 | 306.26 | 182.96 |
| Deferred Tax Assets (Net) | 9 | 5,148.88 | 5,527.33 |
| Other Non-Current Assets | 10 | 35.50 | 338.74 |
| **Total Non-Current Assets** | | **118,838.30** | **72,904.11** |
| **Current Assets** | | | |
| Inventories | 11 | 74.67 | 55.81 |
| Financial Assets | | | |
| Investments | 12 | 3,115.77 | 11,675.36 |
| Trade Receivables | 13 | 15,000.77 | 19,082.30 |
| Cash and Cash Equivalents | 14 | 4,939.74 | 1,606.41 |
| Bank Balances other than Cash and Cash Equivalents | 15 | - | 2,123.97 |
| Loans | 16 | 13,363.88 | 37,254.45 |
| Other Financial Assets | 17 | 6,629.65 | 6,731.28 |
| Current Tax Assets (Net) | 9 | 1,163.51 | 1,426.93 |
| Other Current Assets | 18 | 179.96 | 189.69 |
| **Total Current Assets** | | **44,467.95** | **80,146.20** |
| **TOTAL ASSETS** | | **163,306.25** | **153,050.31** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 19 | 5,992.91 | 6,017.98 |
| Other Equity | 20 | 98,997.87 | 135,470.58 |
| **Total Equity** | | **104,990.78** | **141,488.56** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 21 | 28,422.52 | - |
| Other Financial Liabilities | 22 | 1,543.36 | 1,148.14 |
| Provisions | 23 | 149.31 | 96.70 |
| Other Non-Current Liabilities | 24 | 810.33 | - |
| **Total Non-Current Liabilities** | | **30,925.52** | **1,244.84** |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| Trade Payables | 25 | | |
| Total outstanding, due of micro enterprises and small enterprises | | - | - |
| Total outstanding, due of creditors other than micro enterprises and small enterprises | | 1,875.76 | 742.52 |
| Other Financial Liabilities | 26 | 24,730.46 | 1,027.13 |
| Other Current Liabilities | 27 | 772.72 | 8,538.45 |
| Provisions | 28 | 11.01 | 8.81 |
| **Total Current Liabilities** | | **27,389.95** | **10,316.91** |
| **TOTAL EQUITY AND LIABILITIES** | | **163,306.25** | **153,050.31** |
| Significant accounting policies and key accounting estimates and judgement | 1 | | |

The accompanying notes form an integral part of standalone financial statements.

As per our attached report of even date

**For HPVS & Associates**
Chartered Accountants
Firm's Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
Membership No.: 144084
UDIN: 20144084AAAABB2975

**Dated:** 29th May, 2020
**Place:** Mumbai

For and on behalf of the Board of Directors

**N. K. Jain**
Chairman
DIN: 00019442

**Arun Maheshwari**
JMD & CEO
DIN: 01380000

**Lalit Singhvi**
Director & CFO
DIN: 05335938

**Gazal Qureshi**
Company Secretary
M No.: A16843

# STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2020

(₹ in Lakhs Except EPS)

| Particulars | Note No. | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | 29 | 28,457.12 | 27,083.34 |
| Other Income | 30 | 7,293.11 | 6,541.74 |
| **TOTAL INCOME (1)** | | **35,750.23** | **33,625.08** |
| **EXPENSES** | | | |
| Operating Expenses | 31 | 8,880.56 | 9,394.34 |
| Employee Benefits Expense | 32 | 2,332.13 | 1,895.13 |
| Finance Costs | 33 | 6,679.89 | 610.53 |
| Depreciation and Amortisation Expenses | 34 | 177.29 | 162.44 |
| Impairment of Goodwill | 35 | - | 8,190.67 |
| Other Expenses | 36 | 1,615.21 | 1,329.30 |
| **TOTAL EXPENSES (2)** | | **19,685.08** | **21,582.41** |
| **Profit Before Tax (1-2)** | | 16,065.15 | 12,042.67 |
| **Tax Expenses** | | | |
| Current Tax | 9 | 1,403.04 | 3,144.30 |
| Deferred Tax | 9 | 1,510.93 | (2,194.71) |
| **Total Tax Expenses** | | **2,913.97** | **949.59** |
| **Profit for the year (3)** | | **13,151.18** | **11,093.08** |
| **Other Comprehensive Income** | | | |
| Items that will not be reclassified to profit or loss in subsequent period | | | |
| Remeasurement of defined benefit expenses | | 17.71 | (18.77) |
| Income tax relating to items that will not be reclassified to profit or loss | | (5.16) | 2.85 |
| **Total Other Comprehensive Income/(Loss) for the year (4)** | | **12.55** | **(15.92)** |
| **Total Comprehensive Income for the year (3+4)** | | 13,163.73 | 11,077.16 |
| **Earnings per Equity Share** | | | |
| (Face value of equity share of ₹ 10 each) | | | |
| Basic (₹) | | 21.94 | 18.43 |
| Diluted (₹) | | 21.62 | 18.25 |
| Significant accounting policies and key accounting estimates and judgement | 1 | | |

The accompanying notes form an integral part of standalone financial statements.

As per our attached report of even date

**For HPVS & Associates**
Chartered Accountants
Firm's Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
Membership No.: 144084
UDIN: 20144084AAAABB2975

**Dated:** 29th May, 2020
**Place:** Mumbai

For and on behalf of the Board of Directors

**N. K. Jain**
Chairman
DIN: 00019442

**Arun Maheshwari**
JMD & CEO
DIN: 01380000

**Lalit Singhvi**
Director & CFO
DIN: 05335938

**Gazal Qureshi**
Company Secretary
M No.: A16843

# STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2020

## A) Equity Share Capital

(₹ in Lakhs)

| Balance as at 1st April, 2019 | Movement during the year | Balance as at 31st March, 2020 |
|---|---|---|
| 6,017.98 | (25.07) | 5,992.91 |

(₹ in Lakhs)

| Balance as at 1st April, 2018 | Movement during the year | Balance as at 31st March, 2019 |
|---|---|---|
| 6,017.98 | - | 6,017.98 |

## B) Other Equity

(₹ in Lakhs)

| Particulars | Retained Earnings | Capital Reserve | Debenture Redemption Reserve | Securities Premium Reserve | Share Options Outstanding | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|
| **Balance as at 1st April, 2019** | 48,969.83 | 17.88 | - | 83,735.47 | 2,770.87 | (23.47) | 135,470.58 |
| Transferred to/from Debenture Redemption Reserve | (12,200.00) | - | 12,200.00 | - | - | - | - |
| Recognition of Shared Based Payments | - | - | - | - | 1,926.16 | - | 1,926.16 |
| Profit for the Year | 13,151.18 | - | - | - | - | - | 13,151.18 |
| Effect on account of Merger (Refer Note No 51) | - | - | - | (51,562.60) | - | - | (51,562.60) |
| Remeasurements Gain on Defined Benefit Plans (Net of Tax) | - | - | - | - | - | 12.55 | 12.55 |
| **Balance as at 31st March, 2020** | **49,921.01** | **17.88** | **12,200.00** | **32,172.87** | **4,697.03** | **(10.92)** | **98,997.87** |

(₹ in Lakhs)

| Particulars | Retained Earnings | Capital Reserve | Debenture Redemption Reserve | Securities Premium Reserve | Share Options Outstanding | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|
| **Balance as at 1st April, 2018** | 37,876.75 | 17.88 | - | 83,735.47 | 1,952.58 | (7.55) | 123,575.13 |
| Recognition of Shared Based Payments | - | - | - | - | 818.29 | - | 818.29 |
| Profit for the year | 11,093.08 | - | - | - | - | - | 11,093.08 |
| Remeasurement Gain/(Loss) on Defined Benefit Plans (Net of Tax) | - | - | - | - | - | (15.92) | (15.92) |
| **Balance as at 31st March, 2019** | **48,969.83** | **17.88** | **-** | **83,735.47** | **2,770.87** | **(23.47)** | **135,470.58** |

The accompanying notes form an integral part of standalone financial statements.

As per our attached report of even date

**For HPVS & Associates**
Chartered Accountants
Firm's Registration No: 137533W

**Vaibhav L. Dattani**
Partner
Membership No.: 144084
UDIN: 20144084AAAABB2975

**Dated:** 29th May, 2020
**Place:** Mumbai

For and on behalf of the Board of Directors

**N. K. Jain**
Chairman
DIN: 00019442

**Arun Maheshwari**
JMD & CEO
DIN: 01380000

**Lalit Singhvi**
Director & CFO
DIN: 05335938

**Gazal Qureshi**
Company Secretary
M No.: A16843

# STANDALONE STATEMENT OF CASH FLOWS

For the year ended 31st March, 2020

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| **[A] Cash Flows from Operating Activities** | | |
| **Profit before Tax** | 16,065.15 | 12,042.67 |
| Adjustments for: | | |
| Depreciation and Amortisation Expense | 177.29 | 162.44 |
| Impairment of Goodwill | - | 8,190.67 |
| ESOP Expenses | 727.74 | - |
| Finance Costs | 6,679.89 | 610.53 |
| Dividend Income | (2,226.64) | - |
| Interest Income | (4,329.41) | (2,574.77) |
| Realised Exchange Gain | - | (1.84) |
| Profit on Sale of Investments (Net) | (733.48) | (392.81) |
| Loss/(Profit) on Sale of Fixed Assets (Net) | (3.04) | 0.97 |
| | 16,357.50 | 18,037.86 |
| **Operating Profit before Working Capital Changes** | | |
| Adjustments for: | | |
| (Increase)/Decrease in Trade and Other Receivables | 3,057.29 | (7,073.01) |
| (Increase)/Decrease in Inventories | (18.86) | (5.01) |
| Increase/(Decrease) in Trade and Other Payables | (2,695.91) | 7,470.35 |
| Increase/(Decrease) in Provisions | 72.52 | (14.41) |
| | 415.04 | 377.92 |
| Cash Generated from Operations | 16,772.54 | 18,415.78 |
| Direct Taxes Paid (Net of Refunds) | (3,601.53) | (2,051.03) |
| **Net Cash generated from Operating Activities [ A ]** | 13,171.01 | 16,364.75 |
| **[B] Cash Flows from Investing Activities** | | |
| **Inflows** | | |
| Sale of Current Investments | 48,801.06 | 64,676.94 |
| Interest Received | 360.23 | 2,583.83 |
| Dividend Received | 2,226.64 | - |
| | 51,387.93 | 67,260.77 |
| **Outflows** | | |
| Purchase/Sale of Property, Plant and Equipment and Intangible Assets (Net) | 6.08 | 33.40 |
| Purchase of Investments | 39,508.00 | 75,209.94 |
| Loan Given | 1,002.17 | - |
| Investments Made in Subsidiaries | 9,298.52 | 4,443.80 |
| | 49,814.77 | 79,687.14 |
| **Net Cash Generated from Investing Activities [B]** | 1,573.16 | (12,426.38) |
| **[C] Cash Flows from Financing Activities** | | |
| **Inflows** | | |
| Proceeds of Borrowings | 54,392.80 | - |
| Realised Exchange Gain | - | 1.84 |
| | 54,392.80 | 1.84 |
| **Outflows** | | |
| Repayments of Borrowings | 55,440.00 | 5,380.74 |
| Interest Paid | 10,410.54 | 610.53 |
| | 65,850.54 | 5,991.27 |
| **Net Cash Generated from Financing Activities [C]** | (11,457.74) | (5,991.27) |
| **Net Increase in Cash and Bank Balances [A+B+C]** | 3,286.43 | (2,052.90) |
| **Cash and Cash Equivalents at beginning of the year** | 1,606.42 | 3,659.29 |
| Add: Cash and cash equivalents pursuant to business combinations (Refer Note 51) | 46.89 | - |
| **Cash and Cash Equivalents at end of the year** | 4,939.74 | 1,606.42 |

Notes:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Acccounting Standard (Ind AS-7) – Statement of Cash Flow

(b) As the cash and cash equivalents at the beginning of the year pertaining to entities merged under business combination (Refer Note 51) is shown separately with closing cash balance in cash flow statement, movement of assets and liabilities due to business combination have not been disclosed separately in each cash flow head.

# STANDALONE STATEMENT OF CASH FLOWS

For the year ended 31st March, 2020

(c) Cash and Cash Equivalents comprises of

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Cash on Hand | 5.11 | 3.57 |
| Balances with Banks: | | |
| Current Accounts | 217.64 | 149.84 |
| Deposits with Bank with Maturity less than 3 Months | 4,716.99 | 1,453.00 |
| **Cash and Cash Equivalents in Cash Flow Statement** | **4,939.74** | **1,606.41** |

(d) Reconciliation Part of Cash Flows

(₹ in Lakhs)

| Particulars | As at 31st March, 2019 | Cash Flows | Non-Cash Changes | | | As at 31st March, 2020 |
|---|---|---|---|---|---|---|
| | | | Foreign Exchange Movement | Fair Value Changes | Impact on account of Merger (Refer Note 51) | |
| Long-Term Borrowings | - | (22,727.20) | - | (20.28) | 51,170.00 | 28,422.52 |
| Short-Term Borrowings | - | 21,680.00 | | (16.70) | - | 21,663.30 |
| **Total liabilities from Financing Activities** | **-** | **(1,047.20)** | **-** | **(36.98)** | **51,170.00** | **50,085.82** |

(₹ in Lakhs)

| Particulars | As at 31st March, 2018 | Cash Flows | Non-Cash Changes | | As at 31st March, 2019 |
|---|---|---|---|---|---|
| | | | Foreign Exchange Movement | Fair Value Changes | |
| Long-Term Borrowings | - | - | - | - | - |
| Short-Term Borrowings | 5,380.74 | (5,380.74) | - | - | - |
| **Total Liabilities from Financing Activities** | **5,380.74** | **(5,380.74)** | **-** | **-** | **-** |

The accompanying notes form an integral part of standalone financial statements.

As per our attached report of even date

**For HPVS & Associates**
Chartered Accountants
Firm's Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
Membership No.: 144084
UDIN: 20144084AAAABB2975

**Dated:** 29th May, 2020
**Place:** Mumbai

For and on behalf of the Board of Directors

**N. K. Jain**
Chairman
DIN: 00019442

**Arun Maheshwari**
JMD & CEO
DIN: 01380000

**Lalit Singhvi**
Director & CFO
DIN: 05335938

**Gazal Qureshi**
Company Secretary
M No.: A16843

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## General Information

JSW Infrastructure Limited is a public limited company, domiciled in India and incorporated in under the provision of Companies Act applicable in India.

The Company is engaged in developing and operating mechanised modern ports and Marine transport at suitable locations over the country to support.

JSW Group in addition to catering to third party cargo handling requirement. Apart from this, the Company is also planning to undertake various logistic related activities like Shipping, Roads, Railways, Marine Infrastructures, etc.

### 1. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

#### i. Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act, 2013, (Ind AS Compliant Schedule III), as applicable to standalone financial statement.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the standalone Statement of Profit and Loss, the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "Standalone financial statements").

These standalone financial statements are approved for issue by the Board of Directors on 29th May, 2020.

#### ii. Basis of preparation of standalone financial statements

The Standalone Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting year, as explained in the accounting policies below.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS-116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1,2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

**Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

**Level 2** inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

**Level 3** inputs are unobservable inputs for the asset or liability.

The Standalone Financial Statement is presented in INR and all values are rounded to the nearest lakhs except when otherwise stated.

**Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

An asset is classified as current when it satisfies any of the following criteria:

› it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle. it is held primarily for the purpose of being traded;

› it is expected to be realised within 12 months after the reporting date; or

› it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

› it is expected to be settled in the Company's normal operating cycle;

› it is held primarily for the purpose of being traded;

› it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non- current only.

**1. Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from port operations services/ multi-model service including cargo handling and other ancillary port services are recognised on proportionate completion method basis based on services completed till reporting date. Revenue on take-or-pay charges are recognised for the quantity that is difference between annual agreed tonnage and actual quantity of cargo handled.

Income from fixed price contract – Revenue from infrastructure development project/ services under fixed price contract. Where there is no uncertainty as to measurement or collectability of consideration is recognised based on milestones reached under the contract.

The amount recognised as revenue is exclusive of goods & services tax where applicable.

**2. Other Income**

Other income is comprised primarily of interest income, mutual fund income, exchange gain/loss. All Financial Assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate exactly discounts the estimated cash payments or receipt over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of financial liability. When calculating the EIR, the Company estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Mutual fund is recognised at fair value through Profit and Loss.

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**3. Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term and the lease term is as follows.

| Class of assets | Years |
|---|---|
| Buildings | 3 years |

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test. Refer to the accounting policies no. 14 for Impairment of non-financial assets.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities has been presented under the head "Other Financial Liabilities". Lease liabilities has been presented under the head "Other Financial Liabilities".

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e. below ₹50,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**A) New and amended accounting standards:**

**Ind AS 116 – Leases**

Ind AS 116 supersedes Ind AS 17 Leases including evaluating the substance of transactions involving the legal form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Effective 01 April 2019, the Company has adopted Ind AS 116 "Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. 01 April 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognised at an amount equal to the lease liability adjusted for any prepayments/ accruals recognised in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note No. 3 on Leases for the accounting policy beginning 1st April, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

**Leases previously accounted for as operating leases**

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The right-of-use assets were recognised at amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Most of the contracts that contains extension terms are on mutual agreement between both the parties and hence the potential future rentals cannot be assessed. Certain contracts where the extension terms are unilateral are with unrelated parties and hence there is no certainty about the extension being exercised.

The weighted average incremental borrowing rate applied to the newly recognised lease liabilities pursuant to Ind AS 116 adoption as at 1 April 2019 is 9.25%

**4. Foreign Currency Transactions**

The standalone financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Standalone Statement of Profit and Loss. Monetary assets and liabilities denominated

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

in foreign currencies are transacted at the functional currency spot rate of exchange at the reporting date.

5. **Borrowing Costs**

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

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

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

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

6. **Employee Benefits**

**Retirement benefit costs and termination benefits:**

Payments to defined contribution retirement benefit plans are recognised 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 year. Re-measurement, 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 statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the Company recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

› service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

› net interest expense or income; and

› 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 recognised in the standalone 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 recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**Short-term and other long-term employee benefits**

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

Liabilities recognised 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 recognised 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.

**7. Share-based payment arrangements**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity – settled share-based transactions are set out in Note No. 44.

The fair value determined at the grant date of the equity – settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The Company has created an Employee Benefit Trust for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Company from the market, for giving shares to employees. The Company treats Trust as its extension and shared held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting year are satisfied with treasury shares.

**8. Taxes**

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

**Current tax**

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised 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 utilised. Such deferred tax assets and liabilities are not recognised 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 recognised if the temporary difference arises from the initial recognition of goodwill. The carrying

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

amount of deferred tax assets is reviewed at the end of each reporting year 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 relating to items recognised outside the standalone statement of profit and loss is recognised outside the standalone statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 a deferred tax asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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

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.

The Company is eligible and claiming tax deduction available under Section 80IA of Income Tax Act, 1961 for 2 if its units for a period of 10 years w.e.f. FY 2013-14 for Jaigarh Unit and w.e.f. FY 2016-17 for Dolvi Unit. The Company is eligible for tax deduction available under Section 80IA of the Income Tax Act, 1961 for a period of 10 years out of eligible period of 15 years. In view of the Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognised in respect of temporary difference, which reverses after the tax holiday period in the year in which the temporary difference originates and no deferred tax (assets or liabilities) is recognised in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax the temporary difference which originates first are considered to reverse first.

**Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

**9. Property, Plant and Equipment**

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and accumulated impairment losses. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by Management. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as prescribed under Part C of schedule II of the Companies Act, 2013 except for the assets mentioned below for which useful life estimated by the management. The Identified components of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets.

The Company has estimated the following useful lives to provide depreciation on its certain fixed assets based on assessment made by experts and management estimates.

| Assets | Estimated useful lives |
|---|---|
| Building | 5-28 Years |
| Plant and Machinery | 2-18 Years |
| Office equipment | 3-20 Years |
| Computer equipment | 3-6 Years |
| Furniture and fixtures | 10-15 Years |
| Vehicles | 8-10 Years |

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Borrowing cost relating to acquisition/ construction of Property, Plant and Equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

**Freehold land is not depreciated**

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in net profit in the standalone Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the standalone Statement of Profit and Loss. Assets to be disposed-off are reported at the lower of the carrying value or the fair value less cost to sell.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the standalone Statement of Profit and Loss when the item is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company has policy to expense out the assets which is acquired during the year and value of such assets is below ₹5,000.

**10. Intangible Assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss when the asset is derecognised.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**Useful lives of intangible assets**

Estimated useful lives of the intangible assets are as follows:

| Assets | Estimated useful lives |
|---|---|
| Computer Software | 3-5 Years |

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

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 company 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 recognised immediately in the Standalone 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 to the extent of revaluation reserve.

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

**12. Inventories**

Consumables, construction materials and stores and spares are valued at lower of cost and net realisable value. Obsolete, defective, unserviceable and slow/non-moving stocks are duly provided for. Cost is determined by the weighted average cost method. Net Realisable Value in respect of stores and spares is the estimated current procurement price in the ordinary course of the business.

**13. Investment in subsidiaries, associates and Joint ventures**

Investment in subsidiaries, associates are shown at cost. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Standalone Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Standalone Statement of Profit and Loss.

**14. Fair Value Measurement**

The Company measures financial instruments at fair value in accordance with accounting policies at each reporting 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.

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

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

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

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

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

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

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

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

**Financial Instruments**

For assets and liabilities that are recognised in the Balance Sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

**a) Investments and other financial assets:**

**Classification**

The Company classifies its financial assets in the following measurement categories:

i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

ii) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**Initial recognition and measurement**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Standalone Statement of Profit and Loss.

**Subsequent measurement**

After initial recognition, financial assets are measured at:

i) fair value (either through other comprehensive income or through profit or loss) or,

ii) amortised cost.

**Debt instruments**

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Standalone Statement of Profit and Loss.

**Measured at fair value through other comprehensive income (FVTOCI):** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Standalone Statement of Profit and Loss.

**Gains or Losses on De-recognition**

In case of investment in equity instruments classified as the FVTOCI, the gains or losses on de-recognition are re-classified to retained earnings.

In case of Investments in debt instruments classified as the FVTOCI, the gains or losses on de–recognition are reclassified to Standalone Statement of Profit and Loss.

**Measured at fair value through profit or loss (FVTPL):** A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Standalone Statement of Profit and Loss.

**Gains or Losses on De-recognition**

In case of investment in equity instruments classified as the FVTOCI, the gains or losses on de-recognition are re-classified to retained earnings.

In case of Investments in debt instruments classified as the FVTOCI, the gains or losses on de–recognition are reclassified to Standalone Statement of Profit and Loss.

**De-recognition**

A financial asset is de-recognised only when

i) The Company has transferred the rights to receive cash flows from the financial asset or

ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Impairment**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

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.

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 Standalone Balance Sheet.

**Income recognition**

**Effective Interest Method**

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

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

b) **Financial liabilities & Equity instruments**

**Equity instruments**

The Company subsequently measures all investments in equity instruments at fair value. The Management of the Company has elected to present fair value gains and losses on its investment equity instruments in other comprehensive income, and there is no subsequent reclassification of these fair value gains and losses to the Standalone Statement of Profit and Loss. Dividends from such investments continue to be recognised in the Standalone Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Standalone Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**Financial liabilities**

Classification as debt or equity Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

Subsequent measurement Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Standalone Statement of Profit and Loss.

**Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the standalone statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised 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 amortisation is included as finance costs in the standalone statement of profit and loss.

This category generally applies to borrowings.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value through profit or loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as pe impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**De-recognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

| Original classification | Revised classification | Accounting treatment |
|---|---|---|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in standalone Statement of Profit and Loss. |
| FVTPL | Amortised Cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised 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 amortised 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 recognised in OCI is reclassified to Standalone Statement of Profit and Loss at the reclassification date. |

**15. 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 insignificant risk of changes in value.

For the purpose of the Standalone Statement of cash flows, cash and cash equivalent consists 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.

**16. Provisions, Contingent liabilities, Contingent assets and commitments**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

› a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

› a present obligation arising from past events, when no reliable estimate is possible.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

› a possible obligation arising from past events, when the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

**17. Earnings per Equity Share**

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**18. Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition-date fair values of the assets transferred by the Company, Liabilities incurred by the Company to the former owners of the acquire and the equity interests issued by the group in exchange for control of the acquiree. Acquisition related costs are generally recognised in the standalone statement of Profit and Loss as incurred.

**19. Recent Accounting Pronouncements**

Ministry of corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

**20. New and amended standards adopted by the Company**

The Company has applied the following standards and amendments for the first time for annual reporting period commencing from April 01, 2019.

(1) Ind AS 12 – Income Taxes – Appendix C, Uncertainty over Income Tax Treatments: -

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit/loss, tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition – i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The standard became effective from April 01, 2019. The

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

Company has adopted the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 01, 2019 if any without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C is insignificant in the standalone financial statements.

(2) Amendment to Ind AS 12 – Income taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The adoption of the standard did not have any material impact to the standalone financial statements. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12

(3) Amendment to Ind AS 19 – Employee benefit – plan amendment, curtailment or settlement.

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The adoption of the standard did not have any material impact to the standalone financial statements.

**1.1 Key accounting estimates and Judgements**

The preparation of the Company's standalone financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

**Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**Property, plant and equipment**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful lives and the expected residual value at the end of its lives. The useful lives and residual values of Company's assets are determined by Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**Impairment of investments in subsidiaries and associates**

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses/ operations of the investee companies as more fully described. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

**Impairment of financial assets**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Taxes**

MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a specified period in which MAT credit arises, subject to the limits prescribed.

**Defined benefit plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Fair value measurement of financial instruments**

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

**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 crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. The cases which have been determined as remote by the Company are not disclosed.

Contingent assets are neither recognised nor disclosed in the standalone financial statements unless when an inflow of economic benefits is probable.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 2:- Property, Plant and Equipment

(₹ in Lakhs)

| Particulars | Freehold land | Buildings | Plant and machinery | Furniture and fittings | Office equipments | Computers | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | |
| **As at 31st March, 2018** | **7,768.33** | **344.15** | **1,614.84** | **2.47** | **2.72** | **35.97** | **53.55** | **9,822.03** |
| Additions | - | - | - | - | - | 3.63 | 28.60 | 32.23 |
| Disposals/transfers | - | - | - | - | - | - | 14.35 | 14.35 |
| **As at 31st March, 2019** | **7,768.33** | **344.15** | **1,614.84** | **2.47** | **2.72** | **39.60** | **67.80** | **9,839.91** |
| Additions | - | - | - | - | - | - | 15.08 | 15.08 |
| Additions on Account of Merger (Refer Note No. 51) | 1,232.16 | - | - | - | - | - | - | 1,232.16 |
| Disposals/transfers | - | - | 81.45 | - | - | - | - | 81.45 |
| **As at 31st March, 2020** | **9,000.49** | **344.15** | **1,533.39** | **2.47** | **2.72** | **39.60** | **82.88** | **11,005.70** |
| **Accumulated Depreciation:** | | | | | | | | |
| **As at 31st March, 2018** | **-** | **37.57** | **496.24** | **2.46** | **1.91** | **23.18** | **5.01** | **566.37** |
| Depreciation charge for the year | - | 14.14 | 121.67 | 0.22 | 0.16 | 7.58 | 11.37 | 155.14 |
| Disposals/transfers | - | - | - | - | - | - | 6.31 | 6.31 |
| **As at 31st March, 2019** | **-** | **51.71** | **617.91** | **2.68** | **2.07** | **30.76** | **10.07** | **715.20** |
| Depreciation charge for the year | - | 14.14 | 138.82 | - | 0.00 | 2.02 | 11.92 | 166.90 |
| Disposals/transfers | - | - | 76.66 | - | - | - | - | 76.66 |
| **As at 31st March, 2020** | **-** | **65.85** | **680.07** | **2.68** | **2.07** | **32.78** | **21.99** | **805.44** |
| **Net book value** | | | | | | | | |
| **As at 31st March, 2019** | **7,768.33** | **292.44** | **996.93** | **-** | **0.65** | **8.84** | **57.73** | **9,124.71** |
| **As at 31st March, 2020** | **9,000.49** | **278.30** | **853.32** | **-** | **0.65** | **6.82** | **60.89** | **10,200.26** |

* The title deeds of freehold land includes an amount aggregating to ₹1,232.16 lakhs in respect of transferror company pursuant to the scheme of merger is pending for transfer in the name of the Company.

## Note 3:- Right-of-Use Assets

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Cost (Building)** | | |
| Recognition on Initial Application of Ind AS 116 as at April 01, 2019 (Refer Note [1 (II) (3)]) | 10.76 | - |
| Reclassified on account of adoption Ind AS 116 | - | - |
| Addition during the year | - | |
| **As at 31st March, 2020** | **10.76** | |
| **Accumulated Depreciation** | | |
| Depreciation for the Year | 4.38 | |
| **As at 31st March, 2020** | **4.38** | - |
| **Net Book Value** | | |
| **As at 31st March, 2020** | **6.38** | - |

**Note 3.1:-** Ind AS 116 - Leases, has become applicable effective annual reporting period beginning 1st April, 2019. The Company has adopted the standard beginning 1st April, 2019, using the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognised at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet immediately before the date of initial application. Accordingly, the Company has not restated the comparative information. This has resulted in recognising a "Right of use asset" of ₹10.76 lakh, and a corresponding "Lease liability" of ₹10.76 lakh as at 1st April, 2019

**Note 3.2:-** Total Right-of-use assets recognised as on 1st April, 2019, the increase in total assets was ₹10.76 lakh.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 3.3: Following are the amount recognised in statement of Profit or Loss

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| Depreciation Expense of Right-of-Use Assets | 4.38 |
| Interest expense on Lease Liabilities | 0.74 |
| Rent expense - short-term leases and leases of low value assets | - |
| **Total amounts recognised in Profit or Loss** | **5.12** |

## Note 4:- Other Intabgible Assets

(₹ in Lakhs)

| Particulars | Computer Software |
|---|---|
| **Cost:** | |
| **As at 31st March, 2018** | **51.68** |
| Additions | 8.19 |
| Disposals/transfers | - |
| **As at 31st March, 2019** | **59.87** |
| Additions | |
| Disposals/transfers | |
| **As at 31st March, 2020** | **59.87** |
| **Accumulated Amortisation:** | |
| **As at 31st March, 2018** | **25.70** |
| Amortisation charge for the year | 7.28 |
| Disposals/transfers | |
| **As at 31st March, 2019** | **32.98** |
| Amortisation charge for the year | 5.86 |
| Disposals/transfers | - |
| **As at 31st March, 2020** | **38.84** |
| **Net book value:** | |
| **As at 31st March, 2019** | **26.89** |
| **As at 31st March, 2020** | **21.03** |

## Note 5:- Investments in Subsidiaries

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Investment in Equity Instruments** | | |
| **Unquoted Investment** | | |
| Subsidiaries – at Cost (Refer Note 5.1 & Note 51) | 67,271.83 | 54,665.48 |
| | **67,271.83** | **54,665.48** |
| Aggregate amount of carrying value of unquoted investment | 67,271.83 | 54,665.48 |
| Aggregate amount of impairment value of unquoted investment | | - |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 5.1: Investment in Equity Instruments of Subsidiaries

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| JSW Jaigarh Port Limited | 40,050.00 | 40,050.00 |
| 400,500,000 (31st March, 2019: 400,500,000) Equity Shares ₹ 10 each fully paid-up | | |
| JSW Jaigarh Infrastructure Development Private Limited | - | 100.00 |
| Nil (31st March, 2019: 1,000,000) Equity Shares of ₹ 10 each fully paid-up | | |
| JSW Shipyard Private Limited | 81.08 | 81.08 |
| 810,770 (31st March, 2019: 810,770) Equity Shares of ₹ 10 each fully paid-up | | |
| Nalwa Fintrade Private Limited | - | 5.00 |
| Nil (31st March, 2019: 50,000) Equity Shares of ₹ 10 each fully paid-up | | |
| Vanity Fintrade Private Limited | - | 5.00 |
| Nil (31st March, 2019: 50,000) Equity Shares of ₹ 10 each fully paid-up | | |
| Dhamankhol Fintrade Private Limited | - | 5.00 |
| Nil (31st March, 2019: 50,000) Equity Shares of ₹ 10 each fully paid-up | | |
| Nandgaon Port Private Limited | 3,636.64 | 3,636.64 |
| 36,366,400 (31st March, 2019: 36,366,400) Equity Shares of ₹ 10 each fully paid-up | | |
| JSW Dharamtar Port Private Limited | 1,501.00 | 1,501.00 |
| 15,010,000 (31st March, 2019: 15,010,000) Equity Shares of ₹ 10 each fully paid-up | | |
| JSW Paradip Terminal Private Limited | 11,100.00 | 4,440.74 |
| 111,000,000 (31st March, 2019: 44,407,400) Equity Shares of ₹ 10 each fully paid-up | | |
| JSW Salav Port Private Limited | 1.00 | 1.00 |
| 10,000 (31st March, 2019: 10,000) Equity Shares of ₹ 10 each fully paid-up | | |
| Paradip East Quay Coal Terminal Private Limited | 7,400.00 | 4,810.74 |
| 73,999,999 (31st March, 2019: 48,107,400) Equity Shares of ₹ 10 each fully paid-up | | |
| JSW Terminal (Middle East) FZE | 28.29 | 28.29 |
| 1,000 (31st March, 2019: 1,000) Equity Shares of AED 150 each fully paid-up equivelent to ₹ 28.29 lakhs | | |
| JSW Mangalore Container Terminal Private Limited | 51.00 | 1.00 |
| 510,000 (31st March, 2019: 10,000) Equity Shares of ₹ 10 each fully paid-up | | |
| South West Port Limited | 3,421.82 | - |
| 34,188,000 (31st March, 2019: Nil) Equity Shares of ₹ 10 each fully paid-up | | |
| West Waves Maritime and Allied Services Private Limited | 1.00 | - |
| 10,000 (31st March, 2019: Nil) Equity Shares of ₹ 10 each fully paid-up | | |
| **Total** | **67,271.83** | **54,665.49** |

## Note 6:- Non-Current Financial Assets – Investments

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Unquoted Zero Coupon Optionally Convertible Debenture (OCD) (At Amortised Cost)* | | |
| JSW Sports Limited | | |
| 30,900 Debentures (31st March, 2019: NIL) of ₹ 100,000/- each | 30,900.00 | - |
| Other Investment | | |
| Additions on account of ESOP | 2,840.41 | 1,639.17 |
| Additions on account of Corporate Guarantee (Refer Note 42) | 1,955.75 | 1,246.83 |
| **Total** | **35,696.16** | **2,886.00** |
| Aggregate amount of unquoted investment | 35,696.16 | 2,886.00 |
| Aggregate amount of impairment in the value of investments | - | - |

* Terms of Conversion: The OCD shall be redeemable at premium or shall be converted into equity shares on the basis of the following terms at the option of the issuer

**(a) Redemption:**

On maturity the Issuer shall pay the OCD Holder the Face Value of ₹ 100,000/- along with Redemption Premium of ₹ 142,000/- for each OCD. Provided further that Issuer shall have the right to redeem the OCD any time during the Tenure, either in part or in full and in one or more tranches, by giving two days notice in writing, at face value along with accumulated premium computed @ 9.5% p.a. from the date of allotment till the date of redemption after adjusting the amount of TDS paid/payable for such number of OCD as it intends to redeem.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**(b) Conversion:**

Any time during the tenure of OCD, the Issuer may, by giving fifteen days prior notice, convert all or part of the outstanding OCD at face value along with accumulated premium computed @ 9.5% p.a. from the date of allotment till the date of conversion, after adjusting the amount of TDS paid/payable for such number of OCD as it intends to convert, into such number of equity shares as may be derived based on fair market value determined by an Independent Registered Valuer as per applicable regulations.

## Note 7:- Non-Current Financial Assets – Loans

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Unsecured, considered good** | | |
| Loans to Related Parties * (Refer Note 42) | 152.00 | 152.00 |
| **Total** | **152.00** | **152.00** |
| **Note:** | | |
| Loans receivable considered good: Secured | - | - |
| Loans receivable considered good: Unsecured | 152.00 | 152.00 |
| Loans receivable which have significant increase in Credit Risk | - | - |
| Loans receivable - credit impaired | - | - |
| **Total** | **152.00** | **152.00** |

* For business purpose

## Note 8:- Non-Current Financial Assets – Others

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Margin Money | 173.29 | 164.99 |
| Fixed Deposit | 130.00 | - |
| Security Deposits | 2.97 | 17.97 |
| **Total** | **306.26** | **182.96** |

Margin money deposits with a carrying amount of ₹ 173.29 (31st March, 2019: ₹ 164.99 lakhs ) are subject to charge for securing the Company's Bank Guarantee facility.

## Note 9:- Taxation

Income tax related to items charged or credited directly to profit or loss during the year:

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Current Income Tax (MAT Liability) (a) | 1,403.04 | 3,144.30 |
| Tax (credit) under Minimum Alternative Tax (b) | - | - |
| Relating to origination and reversal of temporary differences (c) | 1,510.93 | (2,194.71) |
| **Total Expenses Reported in the Statement of Profit and Loss (a+b+c)** | **2,913.97** | **949.59** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

### Income Tax Expense

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| **Reconciliation:** | | |
| Profit/(loss) before tax | 16,065.15 | 12,042.67 |
| Accounting profit/(loss) before income tax | 16,065.15 | 12,042.67 |
| Enacted tax rate in India | 29.12% | 34.94% |
| Expected Income tax expense at statutory tax rate | 4,678.17 | 4,208.19 |
| Expense not deductible in determining taxable profit | 226.64 | 5,063.93 |
| Tax allowances and concessions | (2,632.73) | (3,141.79) |
| Income from Other Sources and capital gains | 1,272.31 | - |
| Deduction under chapter VI A | (2,530.35) | (2,986.02) |
| Tax paid at lower rate | 389.00 | - |
| Temporary differences (Refer table below)* | 1,510.93 | (2,194.71) |
| **Total tax expenses for the year** | **2,913.97** | **949.59** |
| Effective Income Tax Rate | 18.14% | 7.89% |

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Income Tax Assets | 15,735.96 | 13,344.46 |
| Income Tax Liabilities | (14,572.45) | (11,917.53) |
| **Total** | **1,163.51** | **1,426.93** |

### *Deferred tax relates to the following:

(₹ in Lakhs)

| Particulars | Balance Sheet | | Recognised in statement of profit or loss | | Recognised in/reclassified from Other Comprehensive Income | |
|---|---|---|---|---|---|---|
| | As at 31st March, 2020 | As at 31st March, 2019 | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| Other items giving rise to temporary differences | 30.06 | 437.25 | (402.03) | (857.89) | - | - |
| Accelerated depreciation for tax purposes | - | 1,039.16 | (1,039.16) | 960.97 | - | - |
| Timing Difference on account of Book Depreciation and Tax Depreciation | 1,755.27 | 1,823.24 | (67.97) | 2,091.62 | - | - |
| Income tax relating to items that will not be reclassified to Profit or Loss from OCI | 5.16 | 6.93 | (1.77) | - | (5.16) | 2.85 |
| Net (Income)/Expense | - | - | - | 2,194.70 | - | - |
| **Deferred tax Asset/(Liability)** | **1,790.49** | **3,306.58** | **(1,510.93)** | **2,194.70** | **(5.16)** | **2.85** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**Reconciliation of Deferred Tax Assets/(Liabilities) Net**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Opening balance as of 1st April | 3,306.59 | 1,109.04 |
| Tax income/(expense) during the year recognised in profit or loss | (1,510.93) | 2,194.70 |
| Remeasurement of defined benefit expense throgh OCI | (5.16) | 2.85 |
| **Closing Balance** | **1,790.50** | **3,306.59** |

**Movement in MAT Credit Entitlement**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Balance at the beginning of the year | 2,220.75 | 3,102.40 |
| Add: MAT credit entitlement availed during the year | 1,137.63 | - |
| Less: MAT credit utilised during the year | - | (881.65) |
| **Balance at the end of the year** | **3,358.38** | **2,220.75** |

1. Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on 20th September, 2019 effective from April 01, 2019, domestic companies have an option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("25.17%") subject to certain conditions. The Company has made an assessment of the impact of the Ordinance and decided to continue with existing tax structure until utilisation of accumulated Minimum Alternate Tax (MAT) credit.

2. Further, Ind AS 12 requires deferred tax assets and liabilities to be measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. The Company has made estimates, based on its budget, regarding income anticipated in the foreseeable future year when those temporary differences are expected to reverse and measured the same at New tax rate. Accordingly, the Company has re-measured the outstanding deferred tax balances that is expected to be reversed in future at New tax rate and an amount of ₹ Nil lakhs and ₹ Nil lakhs have been written back in the Statement of Profit and Loss and Other Equity respectively during the current financial year.

## Note 10:- Non-Current Assets – Others

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Unsecured, considered good** | | |
| Capital Advances | 11.37 | 329.61 |
| Security Deposits | 24.13 | 9.13 |
| **Total** | **35.50** | **338.74** |

## Note 11:- Inventories

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Inventories (At cost )** | | |
| Stores, Spares and Packing Materials | 74.67 | 55.81 |
| **Total** | **74.67** | **55.81** |

Cost of inventory recognised as an expense for the year ended 31st March, 2020 ₹118.79 lakhs (PY ₹ 69.02 lakhs).

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 12:- Current Financial Assets – Investments

(₹ in Lakhs Except No. of Units)

| Particulars | No. of Units 31st March, 2020 | No. of Units 31st March, 2019 | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|---|
| **Investments in Mutual Funds measured at Fair Value Through Profit or Loss (Quoted)** | | | | |
| **Units Name** | | | | |
| Aditya Birla Sun Life | - | 391,732.96 | - | 1,171.30 |
| Axis Liquid Fund | - | 43,704.31 | - | 902.54 |
| BNP Paribhas | 16,575.66 | - | 503.22 | - |
| DSP Liquid Regular | 21,340.10 | - | 602.25 | - |
| Edelweiss Liquid Fund | - | 8,074.00 | - | 192.76 |
| Franklin India Liquid Fund | - | 52,227.05 | - | 1,456.18 |
| ICICI Prudential Liquid Fund | - | 473,901.51 | - | 1,305.21 |
| JM Liquid Fund-Growth | - | 2,490,818.93 | - | 1,268.77 |
| Kotak Liquid Fund | - | 18,709.00 | - | 705.83 |
| L&T Liquid Plan | 22,210.22 | - | 602.06 | - |
| Mirae Asset Cash Management Fund | - | 91,231.66 | - | 1,778.53 |
| Reliance Liquid Fund | - | 34,219.93 | - | 1,553.32 |
| Sundaram | 1,217,925.39 | - | 507.17 | - |
| Tata Liquid | 1,725.35 | - | 53.72 | - |
| Tata Liquid | 19,343.38 | - | 602.26 | - |
| UTI Liquid | 7,570.39 | 43,965.77 | 245.09 | 1,340.92 |
| | | | 3,115.77 | 11,675.36 |
| **Aggregate of Quoted Investments** | | | | |
| At Book Value | | | 3,099.98 | 11,504.33 |
| At Market Value | | | 3,115.77 | 11,675.36 |

## Note 13:- Trade Receivables

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Trade Receivables Considered Good – Secured | | - |
| Trade receivables considered good – Unsecured (Including Related Parties) (Refer Note 42) | 15,000.77 | 19,082.30 |
| Trade receivables which have significant increase in credit risk | - | - |
| Less: Allowance for doubtful debts | - | - |
| Trade receivable – credit impaired | - | - |
| Less: Allowance for doubtful debts | - | - |
| **Total** | **15,000.77** | **19,082.30** |

Amount of ₹ 298.19 lakhs (PY ₹ 1,359.55 lakhs) are due from firms or private Companies in which any director is a partner, a director or a member.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

### Ageing of Receivables that are past due

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Within the credit period | 6,407.26 | 7,604.82 |
| 31-60 days | 2,033.17 | 1,881.28 |
| 61-90 days | 2,127.14 | 1,794.99 |
| 91-180 days | 3,689.19 | 3,071.42 |
| 181-365 days | 224.83 | 4,042.86 |
| More than 365 Days | 519.18 | 686.93 |
| **Total** | **15,000.77** | **19,082.30** |

The credit period on rendering of services ranges from 1 to 30 days with or without security.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 14:- Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Bank Balances | | |
| In Current accounts | 217.64 | 149.84 |
| In Term Deposits with maturity less than 3 months at inception | 4,716.99 | 1,453.00 |
| Cash on Hand | 5.11 | 3.57 |
| **Total** | **4,939.74** | **1,606.41** |

## Note 15:- Bank Balances Other than Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| In Term Deposit Accounts with original maturity more than 3 months but less than 12 months at inception | - | 2,123.97 |
| **Total** | **-** | **2,123.97** |

## Note 16:- Current Financial Assets – Loans

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Unsecured, considered good** | | |
| Inter Corporate Deposits (Refer note 42)* | 10,756.61 | 37,254.45 |
| Loand and Advances (Refer Note 42) | 2,607.27 | - |
| **Total** | **13,363.88** | **37,254.45** |
| **Note:** | | |
| Loans receivable considered good: Secured | - | - |
| Loans receivable considered good: Unsecured | 13,363.88 | 37,254.45 |
| Loans receivable which have significant increase in Credit Risk | - | - |
| Loans receivable - credit impaired | - | - |
| **Total** | **13,363.88** | **37,254.45** |

* for business purpose

## Note 17:- Current Financial Assets – Others

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| Advances recoverable in cash or in kind or for value to be received (Including Related Parties) (Refer Note 42) | 4,792.81 | 3,584.73 |
| Interest accrued on Fixed Deposits | 9.52 | 189.77 |
| Interest accrued on Loans and Advance given (Refer Note 42) | 1,827.32 | 2,956.78 |
| **Total** | **6,629.65** | **6,731.28** |

## Note 18:- Current Assets – Others

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Unsecured, considered good** | | |
| Advance to Suppliers | 171.04 | 175.76 |
| Prepaid Expenses | 3.30 | 2.79 |
| Other Receivables | 5.62 | 11.14 |
| **Total** | **179.96** | **189.69** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 19:- Share Capital

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|---|
| **Share Capital** | Number of Shares | | ₹ in Lakhs | |
| **Authorised:** | | | | |
| Equity shares of ₹ 10/- each | 1,033,285,150 | 71,000,000 | 103,328.52 | 7,100.00 |
| Preference shares of ₹ 10/- each | 80,000,000 | 80,000,000 | 8,000.00 | 8,000.00 |
| | 1,113,285,150 | 151,000,000 | 111,328.52 | 15,100.00 |
| **Issued, Subscribed and paid-up:** | | | | |
| Equity shares of ₹ 10/- each, fully paid-up | 60,709,992 | 60,709,992 | 6,071.00 | 6,071.00 |
| Less: Treasury shares held under ESOP trust (Refer note a below) | (780,848) | (530,214) | (78.09) | (53.02) |
| **Total** | 59,929,144 | 60,179,778 | 5,992.91 | 6,017.98 |

**(a) Note for Shares held under ESOP Trust**

ESOP is the primary arrangement under which shared plan service incentive are provided to certain specified employees of the Company and it's subsidiaries in India. The Company treats ESOP trust as its extension and shares held by ESOP trust are treated as treasury shares.

**Movement in Treasury Shares**

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|---|
| **Shares of ₹ 10/- each fully paid-up help under ESOP Trust** | Number of Shares | | ₹ in Lakhs | |
| Equity shares as at 1st April | 530,214 | 530,214 | 53.02 | 53.02 |
| Changes during the year | 250,634 | - | 25.06 | - |
| Equity shares as at 31st March | 780,848 | 530,214 | 78.08 | 53.02 |

**(b) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year:**

(₹ in Lakhs)

| Issued and Subscribed and paid-up share capital | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance at the beginning of the year | 60,179,778 | 6,017.98 | 60,179,778 | 6,017.98 |
| Movement during the year | (250,634) | (25.07) | - | - |
| Shares cancelled due to Merger (Refer Note 51) | (59,928,860) | (5,992.89) | - | - |
| Shares issued on account of Merger (Refer Note 51) | 59,928,860 | 5,992.89 | - | - |
| Balance at the end of the year | 59,929,144 | 5,992.91 | 60,179,778 | 6,017.98 |

**(c) Terms/rights attached to equity shares:**

The Company has one class of share capital, i.e. equity shares having face value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(d) Shares held by Holding Compnay and fellow subsidiaries**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| Sajjan Jindal Family Trust (SJFT) (held by Sajjan Jindal & Sangita Jindal as a Trustee) | 56,504,513 | 5,650.45 | - | - |
| JSW Infrastructure Fintrade Private Limited, the holding company along with its nominee shareholders | - | - | 59,866,570 | 5,986.66 |
| Nisarga Spaces Private Limited | - | - | 31,145 | 3.11 |
| Avani Spaces Private Limited | - | - | 31,145 | 3.11 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**(e) Details shareholders holding more than 5 % shares in the Company:**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | No. of Shares | Percentage | No. of Shares | Percentage |
| JSW Infrastructure Fintrade Private Limited, the holding company along with its nominee shareholders | - | - | 59,866,570 | 99.90% |
| Sajjan Jindal Family Trust (SJFT) (held by Sajjan Jindal & Sangita Jindal as a Trustee) | 56,504,513 | 93.07% | - | - |

**(f) There are no shares reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment.**

**(g) There are not bonus shares issued during the period of five years immediately preceding the reporting date.**

## Note 20:- Other Equity

(₹ in Lakhs)

| Particulars | Retained Earnings | Capital Reserve | Debenture Redemption Reserve | Securities Premium Reserve | Share based Payment Reserve | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|
| **Balance as at 1st April, 2019** | 48,969.83 | 17.88 | - | 83,735.47 | 2,770.87 | (23.47) | 135,470.58 |
| Transferred to/from Debenture Redumption Reserve | (12,200.00) | - | 12,200.00 | - | - | - | - |
| Recognition of Shared Based Payments | - | - | - | - | 1,926.16 | - | 1,926.16 |
| Profit for the year | 13,151.18 | - | - | - | - | - | 13,151.18 |
| Effect on account of Merger (Refer Note No. 51) | - | - | - | (51,562.60) | - | - | (51,562.60) |
| Remeasurements Gain on defined benefit plans (Net of Tax) | - | - | - | - | - | 12.55 | 12.55 |
| **Balance as at 31st March, 2020** | **49,921.01** | **17.88** | **12,200.00** | **32,172.87** | **4,697.03** | **(10.92)** | **98,997.87** |

(₹ in Lakhs)

| Particulars | Retained Earnings | Capital Reserve | Debenture Redemption Reserve | Securities Premium Reserve | Share based Payment Reserve | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|
| **Balance as at 1st April, 2018** | 37,876.75 | 17.88 | - | 83,735.47 | 1,952.58 | (7.55) | 123,575.13 |
| Recognition of Shared Based Payments | - | - | - | - | 818.29 | - | 818.29 |
| Profit for the year | 11,093.08 | - | - | - | - | - | 11,093.08 |
| Remeasurement Gain/(Loss) on defined benefit plans (Net of Tax) | - | - | - | - | - | (15.92) | (15.92) |
| **Balance as at 31st March, 2019** | **48,969.83** | **17.88** | **-** | **83,735.47** | **2,770.87** | **(23.47)** | **135,470.58** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**Nature and purpose of reserves:**

**(1) Retained earnings**

Retained earnings are the profits that Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings are free reserves available to the Company.

**(2) Capital Reserve:**

Forfeiture of equity share warrant on account of option not exercised by the warrant holders. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

**(3) Debenture redemption reserve:**

Debenture Redemption reserve was created for redemption of debentures.

**(4) Security premium account:**

The amount received in excess of face value of equity sahres is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

**(5) Share based payments reserve:**

For details of shares reserved under employee stock option (ESOP) of the Company refer note 44.

**(6) Items of Other Comprehensive Income**

Remeasurement of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised in 'Other Comprehensive Income' and subsequently not reclassified to the statement of Profit and Loss.

## Note 21:- Non-Current Financial Liabilities – Borrowings

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current |
| **Unsecured Loans** | | | | |
| From Related Parties (Refer Note No 42) | | | | |
| JSW Techno Projects Management Limited | 850.00 | - | - | - |
| Sahyog Holdings Private Limited | 472.80 | - | - | - |
| Debentures* | 27,120.00 | 21,680.00 | - | - |
| Less: Unamortised upfront fees on borrowings | (20.28) | (16.70) | - | - |
| | 28,422.52 | 21,663.30 | - | - |

The debentures are secured by the pledge of equity shares of JSW Steel Limited and JSW Energy Limited under the Pledge Agreement dated 16th December, 2019 between the Debenture Trustee and the Pledgers." (Refer Note 42)

* Shares of JSW Steel Limited and JSW Energy Limited are pledged against Debentures by

Vividh Finvest Private Limited (28,624,000 Shares of JSW Steel Limited ₹ 10 each)

JSW Investments Private Limited (16,025,000 Shares of JSW Energy Limited of ₹ 10 each)

Indusglobe Multiventures Private Limited (23,265,000 Shares of JSW Energy Limited of ₹ 10 each)

JSW Holdings Limited (25,000,000 Shares of JSW Steel Limited of ₹ 10 each)

Sahyog Holdings Private Limited (6,420,000 Shares of JSW Steel Limited of ₹ 10 each)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 21.1 Nature of Security and Terms of Repayment

(₹ in Lakhs)

| Lender | As at 31st March, 2020 | | As at 31st March, 2019 | | Rate of interest | | Nature of security | Repayment terms |
|---|---|---|---|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current | As at 31st March, 2020 | As at 31st March, 2019 | | |
| Credit Suisse AG Singapore Branch | 13,560.00 | - | - | - | Zero rated, redeemable with premium at 11% IRR | - | Unsecured | Redemption Date 4th March, 2022 |
| DB International Asia Ltd. | 13,560.00 | - | - | - | Zero rated, redeemable with premium at 11% IRR | - | Unsecured | Redemption Date 4th March, 2022 |
| DB International Asia Ltd. | - | 10,840.00 | - | - | Zero rated, redeemable with premium at 11% IRR | - | Unsecured | Redemption Date 5th March, 2021 |
| Credit Suisse AG Singapore Branch | - | 10,840.00 | - | - | Zero rated, redeemable with premium at 11% IRR | - | Unsecured | Redemption Date 5th March, 2021 |
| JSW Techno Projects Management Limited | 850.00 | - | - | - | 11% | - | Unsecured | Repayment Date 1st April, 2022 |
| Sahyog Holdings Private Limited | 472.80 | - | - | - | 11% | - | Unsecured | Repayment Date 19th November 2022 |

## Note 22:- Non-Current Financial Liabilities – Others

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Financial Guarantee Obligation (Refer Note [1 (II) (14) (b)]) | 1,541.02 | 1,148.14 |
| Lease Liabilities (Refer Note [1 (II) (3)]) | 2.34 | - |
| **Total** | **1,543.36** | **1,148.14** |

**NOTE 22.1:-** The Company has adopted the standard beginning 1st April, 2019 which has resulted in recognising a 'Lease Liability' of ₹ 10.76 lakhs as at 1st April, 2019.

During the year the Company has recognised ₹ 0.74 lakhs as finance charge on lease and has paid ₹ 4.80 lakhs as lease rent. At the end of the year Company has reported total lease liability of ₹ 6.70 lakhs, out of which Non-current lease liability is ₹ 2.34 lakhs. And Current lease liability is ₹ 4.36 lakhs.

**NOTE 22.2:-** The operating lease commitments as of 31st March, 2019 reconciled with lease liabilities as at April 01, 2019 are as follows:

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| Operating Lease commitments as at 31st March, 2019 | 12.00 |
| Weighted average incremental borrowing rate as at April 01, 2019 | 9.25% |
| Discounted operating lease commitment as at April 01, 2019 | 10.76 |
| Lease liabilities as at April 01, 2019 | 10.76 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**NOTE 22.3:-** Total Lease liabilities recognised as on 1st April, 2019, the increase in total liabilities was ₹ 10.76 lakh.

## Note 22.4:- Details of future minimum lease payment are as follows:

(₹ in Lakhs)

| Particulars | Less than one year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| Lease Liabilities | 4.36 | 2.34 | - | 6.70 |
| | **4.36** | **2.34** | **-** | **6.70** |

## Note 23:- Non-Current Liabilities – Provisions

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Provision for Employee Benefits** | | |
| Provision for Gratuity (Refer Note 43) | 36.76 | 2.60 |
| Provision for Leave Encashment (Refer Note 43) | 112.55 | 94.10 |
| **Total** | **149.31** | **96.70** |

## Note 24:- Other Non-Current Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Premiun on Redemption on Debenture | 810.33 | - |
| **Total** | **810.33** | **-** |

## Note 25:- Current Financial Liabilities – Trade Payables

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Total Outstandings | - | - |
| Due to micro, small and medium enterprises (Refer Note 25.1) | - | - |
| Total outstanding, due of creditors other than micro enterprises and small enterprises | 1,875.76 | 742.52 |
| **Total** | **1,875.76** | **742.52** |

Note: Payables are normally settled within 1 to 180 days.

## Note 25.1:- Details of Dues to Micro, Small and Medium Enterprises as Defined under the Micro Small Medium Enterprises Act, 2006

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | - | - |
| Principal amount due to micro, small and medium enterprises | - | - |
| Interest due on above | - | - |
| **Total** | **-** | **-** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 26:- Current – Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Financial Liabilities at Amortised Cost: | | |
| Current Maturities of Long-Term Debt (Refer Note 21) | 21,663.30 | - |
| Premiun on Redemption on Debenture | 665.50 | - |
| Interest Accrues but not due on Borrowing (Refer Note 42) | 142.39 | - |
| Retention Money | 6.86 | 4.33 |
| Security Deposit | 32.61 | - |
| Payable to Employees | 392.76 | 360.52 |
| Lease Liabilities (Refer Note [1 (II) (3)]) | 4.36 | - |
| Others including Related Party * (Refer Note 42) | 1,822.68 | 662.28 |
| **Total** | **24,730.46** | **1,027.13** |

* Others include payment to vendors, consultants etc.

## Note 27:- Other Current Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Other Payables: | | |
| Advances Received from Customer (Refer Note 42) | 495.00 | 8,288.48 |
| Statutory Liabilities | 277.72 | 249.97 |
| **Total** | **772.72** | **8,538.45** |

## Note 28:- Current Liabilities – Provisions

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Provision for Employee Benefits** | | |
| Provision for Leave Encashment (Refer Note 43) | 10.06 | 8.81 |
| Provision for Gratuity (Refer Note 43) | 0.95 | - |
| **Total** | **11.01** | **8.81** |

## Note 29:- Revenue from Operations

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Income from Contracts with Customers | | |
| Cargo Handling Income | 28,457.12 | 27,083.34 |
| **Total** | **28,457.12** | **27,083.34** |

**Revenue recognised from Contract Liability (Advances from Customers)**

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Trade Receivable (Gross) (Refer Note. No. 13) | 15,000.77 | 19,082.30 |
| **Contract Liabilities** | | |
| Closing Balance of Contract Liability (Refer Note No. 27) | 495.00 | 8,288.48 |

The contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st March, 2020.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 30:- Other Income

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Interest Income earned on Financial Assets that are not designted at FVTPL | | |
| Loan to Related Parties | 3,627.71 | 3,130.48 |
| On Bank Deposits | 137.04 | 270.81 |
| Other Interest Income | 564.66 | 2,574.77 |
| Dividend Income | 2,226.64 | - |
| Gain on Sale of Current Investments designated at FVTPL | 717.69 | 392.81 |
| Fair Valuation Gain arising from Financials Instrumenst designated at FVTPL | 15.79 | 171.03 |
| Foreign Exchange Gain (Net) | 0.54 | 1.84 |
| Profit on Sale/Discard of Property, Plant and Equipment | 3.04 | - |
| **Total** | **7,293.11** | **6,541.74** |

## Note 31:- Operating Expenses

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Cargo Handling Expenses | 8,694.75 | 9,200.63 |
| Stores & Spares Consumed | 118.79 | 69.02 |
| Repairs & Maintenance for Plant and Machinery | 67.02 | 124.69 |
| **Total** | **8,880.56** | **9,394.34** |

## Note 32:-Employee Benefits Expense

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Salaries, Wages and Bonus | 1,369.53 | 1,244.11 |
| Contributions to Provident and Other Fund | 76.77 | 75.49 |
| Gratuity Expense (Refer Note 43) | 93.61 | 17.90 |
| ESOP Expenses (Refer Note 43) | 727.74 | 495.98 |
| Staff Welfare Expenses | 40.84 | 59.23 |
| Staff Education and Training Expenses | 23.64 | 2.42 |
| **Total** | **2,332.13** | **1,895.13** |

## Note 33:- Finance Costs

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Interest on Loans | 4,632.22 | 548.12 |
| Premium on Debentures | 1,620.48 | - |
| Interest on Lease Liabilities (Refer Note 3) (Refer Note [1 (II) (3)]) | 0.74 | - |
| Other Finance Costs | 426.45 | 62.41 |
| **Total** | **6,679.89** | **610.53** |

## Note 34:- Depreciation and Amortisation Expense

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Depreciation on Tangible Assets | 167.05 | 155.16 |
| Depreciation on ROU Assets (Refer Note 3) | 4.38 | - |
| Amortisation on Intangible Assets | 5.86 | 7.28 |
| **Total** | **177.29** | **162.44** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 35:- Impairment of Goodwill

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Impairment of Goodwill | - | 8,190.67 |
| **Total** | **-** | **8,190.67** |

## Note 36:- Other Expenses

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Rent, Rates & Taxes (Refer Note Lease 3) | 26.79 | 21.68 |
| Printing & Stationary | 34.62 | 15.88 |
| Advertisement Expenses | 39.66 | 13.97 |
| Branding Fees | 20.49 | 16.35 |
| Directors Sitting Fees | 11.40 | 7.80 |
| Remuneration to Auditors (Refer Note 38) | 9.25 | 9.75 |
| Legal, Professional & Consultancy Charges | 322.72 | 231.04 |
| Insurance | 15.03 | 5.73 |
| Business Support Services | - | 310.66 |
| Vehicle Hiring Maintenance | 38.31 | 40.54 |
| Corporate Social Responsibilities Expenses (Refer Note 39) | 191.00 | 182.00 |
| Loss on Sale of Fixed Assets | - | 0.97 |
| General Office Expenses and Overheads | 466.94 | 354.21 |
| Travelling Expenses | 110.71 | 111.47 |
| Donations | 300.00 | 1.54 |
| Others | 28.29 | 5.71 |
| **Total** | **1,615.21** | **1,329.30** |

## Note 37:- Contingent Liabilities and Commitments

**A. Contingent Liabilities: (to the extent not provided for)**

(₹ in Lakhs)

| Particulars | | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| (a) | Guarantee and collateral provided by the Company for bidding | - | - |
| (b) | Guarantee and collateral provided by the Company on behalf of subsidiaries | 2,527.27 | 1,848.82 |
| (c) | Disputed Income Tax Liability | | |
| | AY 2008-09 | 27.16 | - |
| | AY 2011-12 | 46.12 | 46.12 |
| | AY 2012-13 | 46.13 | 46.10 |
| **Total** | | **2,646.68** | **1,941.04** |

(a) The Company does not expect any reimbursement in respect of the above contingent liabilities.

(b) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters above, pending resolution of the arbitration/ appellate proceedings.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 38:- Remuneration to Auditors (Exclusive of GST)

(₹ in Lakhs)

| Nature of transaction/relationship | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Statutory Audit Fees | 9.25 | 9.25 |
| Out of Pocket Expenses | - | 0.50 |
| **Total** | **9.25** | **9.75** |

## Note 39:- Corporate Social Responsibility (CSR)

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | | For the year ended 31st March, 2019 | |
|---|---|---|---|---|
| | In Cash | Yet to be Paid in Cash | In Cash | Yet to be Paid in Cash |
| Amount required to be spent as per Section 135 of the Act | 191.00 | - | 182.00 | - |
| Amount spent during the year on | | | | |
| (i) Construction/Acquisition of an Asset | - | - | - | - |
| (ii) On Purchase Other than (i) Above | 33.88 | 157.12 | 144.07 | 37.93 |

## Note 40:- Imported and Indigenous Raw Materials, Components and Spare Parts Consumed

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | % of Total Consumptions | Value | % of Total Consumptions | Value |
| Spare Parts | | | | |
| Indigenous | 100.00 | 117.94 | 100.00 | 67.39 |
| **Total** | **100.00** | **117.94** | **100.00** | **67.39** |

## Note 41:- Expenditure in Foreign Currency (Accrual Basis)

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Travelling and Conveyance | 26.31 | 48.23 |
| Interest on Foreign Currency Loan | - | 548.12 |
| **Total** | **26.31** | **596.35** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 42:- Disclosures as Required by Indian Accounting Standard (Ind AS) 24 Related Party Disclosures

**A) List of Related Parties:**

| Name of the Related Parties | Country of Incorporation | % Equity Interest | |
|---|---|---|---|
| | | As at 31st March, 2020 | As at 31st March, 2019 |
| **Subsidiaries** | | | |
| JSW Jaigarh Port Limited | India | 100% | 100% |
| JSW Dharamtar Port Private Limited | India | 100% | 100% |
| JSW Shipyard Private Limited | India | 100% | 100% |
| Nandgaon Port Private Limited | India | 100% | 100% |
| JSW Paradip Terminal Private Limited | India | 74% | 74% |
| Paradip East Quay Coal Terminal Private Limited | India | 74% | 74% |
| JSW Mangalore Container Terminal Private Limited | India | 100% | 100% |
| JSW Salav Port Private Limited | India | 100% | 100% |
| South West Port Limited | India | 74% | 74% |
| Jaigarh Digni Rail Limited | India | 63% | 63% |
| Masad Marine Services Private Limited | India | 100% | 100% |
| West Waves Maritime and Allied Services Private Limited | India | 100% | 100% |
| JSW Terminal (Middle East) FZE | UAE | 100% | 100% |

| Name | Nature of Relation |
|---|---|
| Sajjan Jindal Family Trust | Ultimate Holding |
| South West Port Limited | Subsidiary |
| Jaigarh Digni Rail Limited | Step Down Subsidiary |
| Masad Marine Services Private Limited | Step Down Subsidiary |
| West Waves Maritime and Allied Services Private Limited | Subsidiary |
| JSW Steel Limited | Others |
| JSW Infrastructure Employees Welfare Trust | Others |
| South West Employees Welfare Trust | Others |
| JSW Infrastructure Group Gratuity Trust | Others |
| JSW Jaigarh Employee Welfare Trust | Others |
| JSW IP Holdings Private Limited | Others |
| JSW Holdings Limited | Others |
| Amba River Coal Limited | Others |
| JSW Steel Coated Limited | Others |
| JSW Cement Limited | Others |
| JSW Projects Limited | Others |
| JSW Energy Limted | Others |
| JSW Foundation | Others |
| Realcom Realty Private Limited | Others |
| JSW Sports Private Limited | Others |
| JSW Techno Projects Management Limited | Others |
| Vividh Finvest Private Limited | Others |
| JSW Investments Private Limited | Others |
| Indusglobe Multiventures Private Limited | Others |
| Sahyog Holdings Private Limited | Others |
| JSW Global Business Solutions Limited | Others |

**Key Managerial Personnel**

| Name | Nature of Relation |
|---|---|
| Capt. BVJK Sharma (Up to 17th April, 2020) | JMD & CEO |
| Arun Maheshwari (From 17th April, 2020) | JMD & CEO |
| Lalit Singhvi | Director & CFO |
| Gazal Qureshi | Company Secretary |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**B) The following transactions were carried out with the related parties in the ordinary course of business:**

(₹ in Lakhs)

| Nature of transaction/relationship | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| **Purchase of goods and services** | | |
| JSW Steel Limited | 580.99 | 658.13 |
| JSW IP Holdings Private Limited | 20.49 | 16.35 |
| **Total** | **601.48** | **674.48** |
| **Purchase of capital goods** | | |
| JSW Steel Limited | - | 8.19 |
| **Total** | **-** | **8.19** |
| **Sales of goods and services** | | |
| JSW Dharamtar Port Private Limited | 3,086.96 | 2,963.74 |
| JSW Steel Limited | 7,311.38 | 9,152.09 |
| JSW Jaigarh Port Limited | 8,000.00 | 7,779.24 |
| South West Port Limited | 9,177.50 | 6,151.03 |
| JSW Energy Limted | 707.53 | 972.56 |
| **Total** | **28,283.37** | **27,018.66** |
| **Dividend Income** | | |
| JSW Terminal (Middle East) FZE | 2,226.64 | - |
| **Total** | **2,226.64** | **-** |
| **Financial Guarantee Income** | | |
| JSW Paradip Terminal Private Limited | 110.00 | 5.94 |
| Paradip East Quay Coal Terminal Pvt. Limited | 133.65 | 6.58 |
| JSW Jaigarh Port Limited | 72.39 | 70.37 |
| **Total** | **316.05** | **82.88** |
| **Pledge Fees** | | |
| Vividh Finvest Private Limited | 31.30 | - |
| JSW Investments Private Limited | 24.92 | - |
| Indusglobe Multiventures Private Limited | 313.08 | - |
| **Total** | **369.30** | **-** |
| **Interest Expenses** | | |
| JSW Techno Projects Management Limited | 93.50 | - |
| Sahyog Holdings Private Limited | 43.92 | - |
| **Total** | **137.42** | **-** |
| **Interest Income** | | |
| JSW Paradip Terminal Private Limited | 770.31 | 444.35 |
| Paradip East Quay Coal Terminal Pvt. Limited | 139.25 | 71.10 |
| JSW Terminal (Middle East) FZE | - | 0.10 |
| Realcom Realty Private Limited | 18.20 | 152.26 |
| JSW Global Business Solutions Private Limited | 16.77 | 88.07 |
| JSW Sports Private Limited | 2,701.38 | 2,374.60 |
| JSW Investments Private Limited | 7.20 | - |
| **Total** | **3,653.11** | **3,130.48** |
| **Recovery of Expenses** | | |
| JSW Jaigarh Port Limited | 729.71 | 654.70 |
| JSW Infrastructure Employees Welfare Trust | 1.05 | 1.37 |
| South West Port Limited | 127.86 | 308.71 |
| JSW Dharamtar Port Private Limited | 136.30 | 159.88 |
| JSW Shipyard Private Limited | 0.57 | 1.33 |
| JSW Nandgaon Port Private Limited | 101.13 | 738.21 |
| JSW Steel Limited | - | 13.67 |
| JSW Mangalore Container Terminal Private Limited | 11.02 | 0.39 |
| JSW Salav Port Private Limited | 0.26 | 0.34 |
| JSW Middle East Terminal FZE | - | 0.62 |
| South West Employee Welafre Trust' | 0.40 | - |
| West Waves Maritime and Allied Services Private Limited | 0.25 | 0.22 |
| Masad Marine Services Private Limited | 0.25 | 0.29 |
| **Total** | **1,108.81** | **1,879.74** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

(₹ in Lakhs)

| Nature of transaction/relationship | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| **CSR Expenses** | | |
| JSW Foundation | 144.95 | - |
| **Total** | **144.95** | **-** |
| **Reimbursement of Expenses** | | |
| JSW Energy Limited | 34.70 | - |
| Jaigarh Digni Rail Limited | - | 0.50 |
| JSW Dharamtar Port Private Limited | - | 5.82 |
| **Total** | **34.70** | **6.32** |

**C) Amount due to/from related parties**

(₹ in Lakhs)

| Nature of transaction/relationship | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Accounts Payable** | | |
| JSW Steel Limited | 779.34 | 105.39 |
| JSW IP Holdings Private Limited | 6.47 | - |
| JSW Foundation | 144.95 | - |
| **Total** | **930.76** | **105.39** |
| **Accounts Receivable** | | |
| JSW Jaigarh Port Limited | 6,352.11 | 4,868.88 |
| South West Port Limited | 3,039.01 | 1,806.56 |
| JSW Dharamtar Port Private Limited | 835.98 | 987.23 |
| JSW Steel Limited | 6,625.61 | 6,311.16 |
| JSW Energy Limited | 3.93 | 119.82 |
| **Total** | **16,856.65** | **14,093.66** |
| **Loans and Advances Receivables** | | |
| JSW Global Business Solutions Private Limited | 152.00 | 152.00 |
| JSW Paradip Terminal Private Limited | 9,398.07 | 8,395.90 |
| Paradip East Quay Coal Temrinal Pvt. Limited | 1,358.54 | 1,422.53 |
| JSW Infrastructure Employees Welfare Trust | 1,830.58 | 425.90 |
| JSW Investments Pvt. Ltd. | 72.00 | - |
| Realcom Reality Pvt. Ltd. | 2,535.27 | - |
| **Total** | **15,346.46** | **10,396.33** |
| **Loans and Advances Payables** | | |
| JSW Techno Projects Management Limited | 850.00 | - |
| Sahyog Holdings Private Limited | 472.80 | - |
| **Total** | **1,322.80** | **-** |
| **Interest Receivables** | | |
| JSW Paradip Terminal Private Limited | 1,330.90 | 741.55 |
| Paradip East Quay Coal Terminal Private Limited | 239.78 | 63.99 |
| JSW Global Business Solutions Limited | 29.19 | 14.10 |
| JSW Sports Private Limited | 204.59 | 2,137.14 |
| Realcom Realty Private Limited | 16.38 | - |
| JSW Investments Pvt. Ltd. | 6.48 | - |
| **Total** | **1,827.32** | **2,956.78** |
| **Interest Payable** | | |
| JSW Techno Projects Management Limited | 99.85 | - |
| Sahyog Holdings Private Limited | 42.54 | - |
| **Total** | **142.39** | **-** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

(₹ in Lakhs)

| Nature of transaction/relationship | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Receovery on Account of Expenses** | | |
| JSW Infrastructure Employees Welfare Trust | 26.05 | 23.64 |
| JSW Jaigarh Employee Welfare Trust | 0.77 | - |
| South West Employee Welafre Trust' | 3.31 | - |
| JSW Shipyard Private Limited | 12.91 | 12.34 |
| Nandgaon Port Private Limited | 1,090.11 | 970.32 |
| JSW Mangalore Container Terminal Private Limited | 23.75 | 12.72 |
| JSW Salav Port Private Limited | 2.35 | 2.09 |
| JSW Terminal (Middle East) FZE | - | 23.20 |
| West Waves Maritime and Allied Services Private Limited | 1.02 | 0.77 |
| Masad Marine Services Private Limited | 0.87 | 0.62 |
| **Total** | **1,161.14** | **1,045.70** |
| **Optional Convertible Debenture (Unquoted)** | | |
| JSW Sports Private Limited | 30,900.00 | - |
| **Total** | **30,900.00** | **-** |
| **Financial Guarantee Liability** | | |
| JSW Paradip Terminal Private Limited | 772.32 | 173.40 |
| Paradip East Quay Coal Terminal Private Limited | 261.04 | 394.69 |
| JSW Jaigarh Port Limited | 507.66 | 580.05 |
| **Total** | **1,541.02** | **1,148.14** |
| **Financial Guarantee Given** | | |
| JSW Paradip Terminal Private Limited | 888.00 | 179.08 |
| Paradip East Quay Coal Terminal Private Limited | 404.00 | 404.00 |
| JSW Jaigarh Port Limited | 663.75 | 663.75 |
| **Total** | **1,955.75** | **1,246.83** |
| **Collateral Received** | | |
| Collateral Received from Other related parties (Refer Note below *) | 48,800.00 | - |
| **Total** | **48,800.00** | **-** |
| **Other Payables** | | |
| Vividh Finvest Private Limited | 33.80 | - |
| JSW Investments Private Limited | 26.92 | - |
| Indusglobe Multiventures Private Limited | 19.04 | - |
| Jaigarh Digni Rail Limited | - | 2.93 |
| **Total** | **79.76** | **2.93** |

*** Shares of JSW Steel Limited and JSW Energy Limited are pledged as follows: (Refer Note 21)**

(₹ in Lakhs)

| Particulars | Shares of Company | No. of Shares |
|---|---|---|
| Vividh Finvest Private Limited | JSW Steel Limited | 28,624,000 |
| JSW Investments Private Limited | JSW Energy Limited | 16,025,000 |
| Indusglobe Multiventures Private Limited | JSW Energy Limited | 23,265,000 |
| JSW Holdings Limited | JSW Steel Limited | 25,000,000 |
| Sahyog Holdings Private Limited | JSW Steel Limited | 6,420,000 |
| **Total** | | **99,334,000** |

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

### Terms and Conditions

**Sales:**

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended 31st March, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

**Purchases:**

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are based on made on normal commercial terms and conditions and market rates.

**Loans to Related Parties:**

The Company had given loans to related parties for business requirement. These loans are unsecured in nature. Interest on loan given to related parties is charged at arm's length.

**Interest Income**

Interest is accrued on loan given to related party as per terms of agreement.

**Financial Guarantee given**

Financial guarantees given on behalf of subsidiary company are for availing term loan and the transactions are in ordinary course of business and at arms' length basis.

**Dividend Income**

Dividend Income is received from Company's subsidiary.

**Payment of Salaries, Commission and Perquisites**

(₹ in Lakhs)

| Nature of transaction/relationship | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Short-Term Employee Benefits | 171.31 | 142.65 |
| Post Employment Benefits (Refer Note (a) below) | - | - |
| Other Long-Term Benefits | - | - |
| Terminal Benefits | - | - |
| Share Based Payments (Refer Note (a) below) | - | - |
| **Total Compensation paid to Key Managerial Personnel** | **171.31** | **142.65** |

Employee benefits paid to Mr. BVJK Sharma, Mr. Arun Maheshwari and Ms. Gazal Qureshi of ₹ 256.27 lakhs ₹ 275.14 lakhs and ₹ 23.04 lakhs respectively has been paid by South West Port Limited.

(a) As the future liability of the gratuity is provided on actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

## Note 43:- Disclosures as Required by Indian Accounting Standard (Ind AS 19) Employee Benefits

**(a)** Defined contribution plans: Amount of ₹ 75.78 lakh (Previous year ₹ 73.19 lakh) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans:

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Benefits (Contribution to): | | |
| Provident Fund | 57.08 | 52.27 |
| Employee State Insurance Scheme | 3.31 | 5.82 |
| Family Pension | 15.38 | 15.10 |
| **Total** | **75.78** | **73.19** |

**(b) Defined Benefit Plans:**

**Gratuity:**

**Gratuity (Funded)**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days' salary for each completed year of service. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

The Company makes annual contributions to the Life Insurance Corporation, which is funded defined benefit plan for qualifying employees.

The plans in India typically expose the Group 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**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 following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(₹ in Lakhs)

| Particulars | Gratuity | |
|---|---|---|
| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| **Change in present value of defined benefit obligation during the year** | | |
| Present value of defined benefit obligation at the beginning of the year | 108.36 | 77.69 |
| Interest cost | 8.43 | 6.03 |
| Current service cost | 20.67 | 18.10 |
| Benefits paid | (9.15) | (12.07) |
| Actuarial (gains)/losses on obligations – due to change in financial assumptions | 10.60 | (0.06) |
| Actuarial (gains)/losses on obligations – due to experience | 7.11 | 18.67 |
| Present value of benefit obligation at the end of the year | 146.03 | 108.36 |
| **Change in fair value of plan assets during the year** | | |
| Fair value of plan assets at the beginning of the year | 130.59 | 80.56 |
| Interest income | 10.15 | 6.23 |
| Contribution by the employer | 35.08 | 48.33 |
| Benefits paid from the fund | (3.44) | (4.37) |
| Return on plan assets, excluding interest income | (0.10) | (0.15) |
| Fair value of plan assets at the end of the year | 172.28 | 130.59 |
| **Net asset/(liability) recognised in the balance sheet** | | |
| (Present value of benefit obligation at the end of the period) | (146.03) | (108.36) |
| Fair value of plan assets at the end of the year | 172.28 | 130.59 |
| Funded status (surplus/(deficit) | 26.25 | 22.23 |
| Net (Liability)/Asset Recognised in the Balance Sheet | 26.25 | 22.23 |
| **Expenses recognised in the statement of profit and loss for the year** | | |
| Current service cost | 20.67 | 18.10 |
| Net interest cost | (1.72) | (0.20) |
| **Total expenses included in employee benefits expense** | **18.95** | **17.90** |
| **Recognised in other comprehensive income for the year** | | |
| Actuarial (gains)/losses on obligation for the period | 17.71 | 18.61 |
| Return on plan assets, excluding interest iIncome | 0.10 | 0.15 |
| Net (income)/expense for the period recognised in OCI | 17.81 | 18.77 |
| **Maturity profile of defined benefit obligation** | | |
| Within the next 12 months (next annual reporting period) | 3.51 | 2.27 |
| Between 2 and 5 years | 58.71 | 40.97 |
| Between 6 and 10 years | 47.09 | 36.52 |
| **Quantitative sensitivity analysis for significant assumption is as below:** | | |
| Increase/(decrease) on present value of defined benefits obligation at the end of the year: | | |
| One percentage point increase in discount rate | (11.69) | (9.44) |
| One percentage point decrease in discount rate | 13.62 | 11.01 |
| One percentage point increase in rate of salary Increase | 13.60 | 11.10 |
| One percentage point decrease in rate of salary Increase | (11.89) | (9.67) |
| One percentage point increase in employee turnover rate | 0.55 | 0.95 |
| One percentage point decrease in employee turnover rate | (0.66) | (1.14) |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

(₹ in Lakhs)

| Particulars | Gratuity | |
|---|---|---|
| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| **Sensitivity Analysis Method:** | | |
| Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count. There was no change in methods and assumptions used in preparing the sensitivity analysis from prior years. | | |
| **Actuarial assumptions** | | |
| Rate of discounting | 6.87%-6.89% | 7.73%-7.79% |
| Rate of salary increase | 6.00% | 6.00% |
| Mortality rate during employment | 2006-08 | 2006-08 |
| Mortality post retirement rate | NA | NA |
| Rate of employee turnover | 2.00% | 2.00% |
| **Other details** | | |
| No. of active members | 116.00 | 119.00 |

**Experience adjustments:-**

(₹ in Lakhs)

| Particulars | Current Year | 2018-19 | 2017-18 | 2016-17 | 2015-16 |
|---|---|---|---|---|---|
| Defined benefit obligation | (146.03) | (108.36) | (77.69) | (63.28) | 3.35 |
| Plan assets | 172.28 | 130.59 | 80.56 | 48.26 | 4.83 |
| Surplus/(deficit) | 318.30 | 238.95 | 158.25 | 111.54 | 1.48 |
| Experience adjustments on plan liabilities - loss/(gain) | 7.11 | 18.67 | (2.00) | (3.80) | (1.08) |
| Experience adjustments on plan assets - loss/(gain) | (0.10) | (0.15) | 0.89 | (3.04) | 0.33 |

a) The Company expects to contribute ₹ Nil (previous year ₹ Nil ) to its gratuity plan for the next year.

b) In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

c) 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 after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

d) The estimates of future salary increase, 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 after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

e) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

**Compensated Absences**

Assumptions used in accounting for compensated absences

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Present value of unfunded obligation (₹ in Lakhs) | 122.61 | 102.91 |
| Expense recognised in statement of profit and loss (₹ in Lakhs) | 37.96 | 34.18 |
| Discount Rate (p.a.) | 6.87%-6.89% | 7.73%-7.79% |
| Salary escalation rate (p.a.) | 6.00% | 6.00% |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 44:- Employee Stock Option Plan (ESOP)

The board of directors approved the Employee Stock Option Plan 2016 on 23rd March, 2016 for issue of stock options to the employee of the Company and its subsidiaries. According to ESOP plans, the employee selected by the ESOP committee from time to time will be entitled to option based upon the CTC/fixed pay, subject to satisfaction of the prescribed vesting conditions. The other relevant terms of the grant are as follows:

| Particulars | ESOP Plan 2016 | | | |
|---|---|---|---|---|
| | First Grant | Second Grant | Third Grant | Fourth Grant |
| | 13th June, 2016 | 17th May, 2017 | 3rd July, 2018 | 21st May, 2019 |
| Vesting period | 1 year | 3.5 years | 3.5 years | 3.5 years |
| Exercise period | 1 year | 1 year | 1 year | 1 year |
| Expected life | 5.5 years | 5.63 years | 5 years | 4.61 years |
| Weighted average Exercise price on the date of grant | ₹ 897.00 | ₹ 996.00 | ₹ 869.00 | ₹ 973.00 |
| Weighted average fair value as on grant date | ₹ 516.82 | ₹ 685.00 | ₹ 585.02 | ₹ 603.90 |

| Particulars | ESOP Plan 2016 | | | |
|---|---|---|---|---|
| | First Grant | Second Grant | Third Grant | Fourth Grant |
| | 13th June, 2016 | 17th May, 2017 | 3rd July, 2018 | 21st May, 2019 |
| Options Granted | 168,495 | 157,667 | 230,515 | 228,392 |
| Option Vested | 101,639 | 132,453 | 195,723 | 216,872 |
| Options Exercised | - | - | - | - |
| Options lapsed | 45,316 | 25,214 | 34,792 | 11,520 |
| Options bought-out during the year | 21,540 | - | - | - |
| **Total number of options outstanding** | **101,639** | **132,453** | **195,723** | **216,872** |

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of ₹ 10 each.

The following table exhibits the net compensation expenses arising from share based payment transaction:

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Expense arising from equity settled share based payment transactions | 727.74 | 495.98 |

Out of the total expneses of ₹ 1,928.99 lakhs (PY ₹ 855.40 lakhs) ₹ 1,201.25 lakhs (PY ₹ 359.42 lakhs) have been allocated to subsidiaries and same has not been debited to Statement of Profit & Loss for the year.

For options granted under ESOP 2016 Scheme, the weighted average fair values have been determined using the Black Scholes Option Pricing Model considering the following parameters:

| Particulars | ESOP Plan 2016 | | | |
|---|---|---|---|---|
| | First Grant | Second Grant | Third Grant | Fourth Grant |
| **Grant Date** | 13th June, 2016 | 17th May, 2017 | 3rd July, 2018 | 21st May, 2019 |
| Weighted average share price on the date of grant | ₹ 997.00 | ₹ 1,245.00 | ₹ 1,086.00 | ₹ 1,217.00 |
| Weighted average Exercise price on the date of grant | ₹ 897.00 | ₹ 996.00 | ₹ 869.00 | ₹ 973.00 |
| Expected volatility (%) | 38.33% | 37.71% | 37.09% | 35.20% |
| Expected life of the option (years) | 5.5 years | 5.63 years | 5 years | 4.61 years |
| Expected dividends (%) | 0% | 0% | 0% | 0% |
| Risk-free interest rate (%) | 7.43% | 6.98% | 7.97% | 6.97% |
| Weighted average fair value as on grant date | ₹ 516.82 | ₹ 685.00 | ₹ 585.02 | ₹ 603.90 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

The activity in the ESOP Plans for equity-settled share based payment transactions during the year ended 31st March, 2020 is set out below:

| Particulars | ESOP Plan 2016 | | | |
|---|---|---|---|---|
| | First Grant | Second Grant | Third Grant | Fourth Grant |
| **Grant Date** | **13th June, 2016** | **17th May, 2017** | **3rd July, 2018** | **21st May, 2019** |
| **Oustanding as at 1st April 2018** | **127,810** | **157,667** | **-** | **-** |
| Granted during the year | - | - | 230,515 | - |
| Forfeited during the year | 4,631 | 14,286 | 18,071 | - |
| Exercised during the year | - | - | - | - |
| Bought-out during the year | - | - | - | - |
| **Oustanding as at 31st March 2019** | **123,179** | **143,382** | **212,444** | **-** |
| Granted during the year | - | - | - | 228,392 |
| Forfeited during the year | - | 10,928 | 16,721 | 11,520 |
| Exercised during the year | - | - | - | - |
| Bought-out during the year | 21,540 | - | - | - |
| **Oustanding as at 31st March 2020** | **101,639** | **132,453** | **195,723** | **216,872** |

## Note 45:- Financial Instruments - Accounting Classifications and Fair Value Measurements

### 45.1 Capital Risk Management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Long-term borrowings | 28,422.52 | - |
| Current maturities of long-term debt and finance lease obligations | 21,663.30 | - |
| Short-term borrowings | - | - |
| Less: Cash and cash equivalent | (4,939.74) | (1,606.41) |
| Less: Bank balances other than cash and cash equivalents | - | (2,123.97) |
| Less: Current investments | (3,115.77) | (11,675.36) |
| **Net debt** | **42,030.31** | **-** |
| **Total equity** | **104,990.78** | **141,488.56** |
| **Gearing ratio** | **0.40** | **-** |

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

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## 45.2 Categories of financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash, trade and other short-term receivables, trade payables, other current liabilities, short-term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

(₹ in Lakhs)

| Particulars | Level | Carrying amount | | Fair value | |
|---|---|---|---|---|---|
| | | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2020 | As at 31st March, 2019 |
| **Financial assets at amortised cost:** | | | | | |
| Trade receivables | | **15,000.77** | 19,082.30 | **15,000.77** | 19,082.30 |
| Investments (Non-Current) | | **35,696.16** | 2,886.00 | **35,696.16** | 2,886.00 |
| Loans and other receivables (Non-Current) | | **152.00** | 152.00 | **152.00** | 152.00 |
| Loans and other receivables (Current) | | **13,363.88** | 37,254.45 | **13,363.88** | 37,254.45 |
| Cash and bank balances | | **4,939.74** | 1,606.41 | **4,939.74** | 1,606.41 |
| Bank deposit | | **-** | 2,123.97 | **-** | 2,123.97 |
| Other financial assets (Non-Current) | | **306.26** | 182.96 | **306.26** | 182.96 |
| Other financial assets (Current) | | **6,629.65** | 6,731.28 | **6,629.65** | 6,731.28 |
| **Total** | | **76,088.46** | **70,019.37** | **76,088.46** | **70,019.37** |
| **Financial assets at fair value through profit or loss:** | 1 | | | | |
| Investments | | **3,115.77** | 11,675.36 | **3,115.77** | 11,675.36 |
| **Total** | | **3,115.77** | **11,675.36** | **3,115.77** | **11,675.36** |
| **Financial liabilities at amortised cost:** | | | | | |
| Loans and borrowings (Non-Current) | 2 | **28,422.52** | - | **28,422.52** | - |
| Loans and borrowings (Current) | 2 | **-** | - | **-** | - |
| Trade and other payables | | **1,875.76** | 742.52 | **1,875.76** | 742.52 |
| Other financial liabilities (Non-Current) | | **1,543.36** | 1,148.14 | **1,543.36** | 1,148.14 |
| Other financial liabilities (Current) | | **24,730.46** | 1,027.13 | **24,730.46** | 1,027.13 |
| **Total** | | **56,572.09** | **2,917.79** | **56,572.09** | **2,917.79** |

The carrying amount of trade receivables, trade payables, Capital creditors, Cash & Cash Equivalents, other bank balances, other financial assets and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

### Fair value hierarchy

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

**Level 2 -** Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

**Level 3 -** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company has mutual fund investment, which are fair valued at the end of reporting period using Level 1 fair value hierarchy.

## Note 46:- Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and foreign exchange risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimise the Group's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

### Exposure to interest rate risk

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Fixed Rate Borrowings | 1,322.80 | - |
| Floating Rrate Borrowings | 48,800.00 | - |
| Less: Upfront Fees | (36.98) | - |
| **Total Borrowings** | **50,085.82** | **-** |

### A change of 25 basis points in interest rates would have following impact on profit before tax.

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| 25 bp increase – Decrease in profit | 122.00 | - |
| 25 bp decrease – Increase in profit | 122.00 | - |

### Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

### Foreign currency risk:

The Company operates only in domestic market, however Company has given loan to its foreign subsidiary in foreign currency and has borrowed money from bank as foreign currency loan. The Company is exposed to exchange rate fluctuation to the extent of loan given or taken.

(₹ in Lakhs)

| Foreign currency exposure | Foreign Currency | | INR (₹) | |
|---|---|---|---|---|
| | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2020 | As at 31st March, 2019 |
| **Assets** | | | | |
| Foreign Currency Investment (AED) | 1.38 | 1.50 | 28.29 | 28.29 |
| **Liabilities** | | | | |
| Corporate Guarantee for subsidiary (AED) | 70.00 | - | 1,437.52 | - |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**Foreign currency sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax.

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | | For the year ended 31st March, 2019 | |
|---|---|---|---|---|
| | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Loan to Subsidiary (AED) | - | - | - | - |
| Increase/(decrease) in Profit or Loss | - | - | - | - |
| Foreign Currency Loan (USD) | - | - | - | - |
| Increase/(decrease) in Profit or Loss | - | - | - | - |

**Credit risk:**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 15,000.77 lakhs and ₹ 19,082.30 lakhs as of 31st March, 2020 and 31st March, 2019, respectively. The Company has its entire revenue from group companies. Hence no credit risk is perceived.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units with high credit rating mutual funds.

**Liquidity risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Long-term borrowings generally mature between one and 10 years. Liquidity is reviewed on a daily basis based on weekly cash flow forecast.

As of 31st March, 2020, the Company had a working capital of ₹ 17,078.01 lakhs. As of 31st March, 2019, the Company had a working capital of ₹ 69,829.29 lakhs. The Company is confident of managing its financial obligation through short-term borrowing and liquidity management.

**Maturity Profile**

(₹ in Lakhs)

| As at 31st March, 2020 | Less than one year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Investments | - | 910.84 | 34,785.32 | 35,696.16 |
| Loans | - | - | 152.00 | 152.00 |
| Other Financial Assets (Non-Current) | - | 306.26 | - | 306.26 |
| Investments | 3,115.77 | - | - | 3,115.77 |
| Trade Receivables | 15,000.77 | - | - | 15,000.77 |
| Cash and Cash Equivalents | 4,939.74 | - | - | 4,939.74 |
| Bank Balances other than Cash and Cash Equivalents | - | - | - | - |
| Loans | 13,363.88 | - | - | 13,363.88 |
| Other Financial Assets (Current) | 6,629.65 | - | - | 6,629.65 |
| | **43,049.81** | **1,217.10** | **34,937.32** | **79,204.23** |
| **Financial Liabilities** | | | | |
| Borrowings (Non-Current) | - | 28,422.52 | - | 28,422.52 |
| Borrowings (Current) | 21,663.30 | - | - | 21,663.30 |
| Trade Payables | 1,875.76 | - | - | 1,875.76 |
| Other Financial Liabilities (Non-Current) | - | 1,008.79 | 534.57 | 1,543.36 |
| Other Financial Liabilities (Current) | 3,067.16 | - | - | 3,067.16 |
| | **26,606.22** | **29,431.30** | **534.57** | **56,572.09** |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

(₹ in Lakhs)

| As at 31st March, 2019 | Less than one year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Financial Assets | | | | |
| Investments | - | 417.43 | 2,468.57 | 2,886.00 |
| Loans | - | - | 152.00 | 152.00 |
| Other Financial Assets (Non-Current) | - | 182.96 | - | 182.96 |
| Investments | 11,675.36 | - | - | 11,675.36 |
| Trade Receivables | 19,082.30 | - | - | 19,082.30 |
| Cash and Cash Equivalents | 1,606.41 | - | - | 1,606.41 |
| Bank Balances other than Cash and Cash Equivalents | 2,123.97 | - | - | 2,123.97 |
| Loans | 37,254.45 | - | - | 37,254.45 |
| **Other Financial Assets (Current)** | **6,731.28** | **-** | **-** | **6,731.28** |
| | 78,473.77 | 600.39 | 2,620.57 | 81,694.73 |
| Financial Liabilities | | | | |
| Borrowings (Non-Current) | - | - | - | - |
| Borrowings (Current) | - | - | - | - |
| Trade Payables | 742.52 | - | - | 742.52 |
| Other Ffinancial Liabilities (Non-Current) | - | 1,148.14 | - | 1,148.14 |
| **Other Financial Liabilities (Current)** | **1,027.13** | **-** | **-** | **1,027.13** |
| | 1,769.65 | 1,148.14 | - | 2,917.79 |

**Capital management:**

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

## Note 47:- Disclosures as Required by Indian Accounting Standard (Ind AS 33) Earnings Per Share

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Earnings per share has been computed as under | | |
| Profit for the year (₹) (a) | 1,315,117,571.45 | 1,109,307,823.00 |
| Face value of equity share (₹) | 10.00 | 10.00 |
| Weighted average number of equity shares outstanding (b) | 59,929,144.00 | 60,179,778.00 |
| Effect of Dilution | | |
| Weighted average number of treasury shares held under ESOP Trust | 780,848 | 530,214.00 |
| Effect of Dilutive common equivalent shares – share option outstanding | 119,274.87 | 83,480.92 |
| Weighted average number of equity shares outstanding (c ) | 60,829,267 | 60,793,473 |
| **Earnings per equity share (Face value of Equity share of ₹ 10/- each)** | | |
| Basic (₹/share) [(a)/(b)] | 21.94 | 18.43 |
| Diluted (₹/share) [(a)/(c )] | 21.62 | 18.25 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 48:- Segment Reporting

The Company is primarily engaged in one business segment, namely developing, operating and maintaining the Ports services, Ports related Infrastructure development activities and development of infrastructure as determined by chief operational decision maker, in accordance with Ind-AS 108 "Operating Segment".

Considering the inter relationship of various activities of the business, the chief operational decision maker monitors the operating results of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

(₹ in Lakhs)

| Customers contributing more than 10% of Revenue | For the year ended 31st March, 2020 |
|---|---|
| JSW Steel Limited | 7,311.38 |
| Dharamtar Port Private Limited | 3,086.96 |
| JSW Jaigarh Port Limited | 8,000.00 |
| South West Port Limited | 9,177.50 |
| | 27,575.84 |

**Note 49:-** In the opinion of the management the current assets, loans and advances (including capital advances) have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

**Note 50:-** The Company is yet to receive balance confirmation in respect of certain sundry creditors, advances and debtors. The management does not expect any material difference affecting the current years financial statements due to the same.

## Note 51:- Business combination (Ind-AS 101)

Considering the business needs, it is thought fit to reduce the number of subsidiaries, so as to enable JSW Infrastructure Limited to incorporate/acquire new subsidiaries in future. Application for merger of some group companies was filed in NCLT Mumbai Bench on 20th December, 2018. The scheme was approved by NCLT, Mumbai on 4th November, 2019 with appointed date as on 1st April, 2019.

## Note 51.a) The following entities have been merged with JSW Infrastructure Limited as a going concern w.e.f. 1 April 2019:

| Name of Company | | Nature of the business |
|---|---|---|
| a) | Dhamankhol Fintrade Private Limited | Management & Consultancy Services |
| b) | JSW Jaigarh Infrastructure Development Private Limited | Developing infrastructure |
| c) | Nalwa Fintrade Private Limited | Management & Consultancy Services |
| d) | Vanity Fintrade Private Limited | Management & Consultancy Services |
| e) | Avani Spaces Private Limited | Real Estate |
| f) | Nisagra Spaces Private Limited | Real Estate |
| g) | Sarvodaya Advisory Services Private Limited | Management & Consultancy Services |
| h) | JSW Infrastructure Fintrade Private Limited | Developing infrastructure |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## 51.b) Consideration

As the merged entities were under same group, cross holdings were cancelled and new shares of transferee issued to ultimate shareholders as below:

| Shares of transferee company held by transferor company cancelled | Nos. of shares | % of share |
|---|---|---|
| JSW Infrastructure Fintrade Limited | 59,866,570 | 98.61% |
| Nisarga Spaces Private Limited | 31,145 | 0.05% |
| Avani Spaces Private Limited | 31,145 | 0.05% |

| Shares of transferee company issued to shareholders of transferor company | Nos. of shares | % of share |
|---|---|---|
| Sajjan Jindal Family Trust (including nominee shareholder) | 56,504,524 | 93.07% |
| JSL Limited | 1,712,168 | 2.82% |
| Glebe Trading Private Limited | 1,712,168 | 2.82% |

## 51. c) Accounting

Difference between the consideration and the value of net identifiable assets acquired is accounted as below:

| Particulars | ₹ in Lakhs |
|---|---|
| Net Fixed Assets | 1,232.16 |
| Non-Current Assets | 58,769.39 |
| Current Assets | 57,700.93 |
| Elimination | (112,446.80) |
| **Total Assets** | **5,255.67** |
| Non-Current Liabilities | 57,890.01 |
| Current Liabilities | 1,543.47 |
| Add: Elimination | (2,615.21) |
| **Total Liabilities** | **56,818.27** |
| **Net asset taken over** | **(51,562.60)** |
| Consideration Paid | - |
| Securities Premium Account | (51,562.60) |

The Company, under the Scheme of Merger, Sarvoday Advisory Services Private Limited and JSW Infrastructure Fintrade Private Limited and Nisarga Spaces Private Limited and Avani Spaces Private Limited and Dhamankhol Fintrade Private Limited and Nalwa Fintrade Private Limited and Vanity Fintrade Private Limited and JSW Jaigarh Infrastructure Development Private Limited with JSW Infrastructure Limited and their respective Shareholders ('Scheme'), under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, which was approved by the National Company Law Tribunal (NCLT), Mumbai Bench on 4th November, 2019; as per the scheme the appointed date being 1st April, 2019. However, under the MCA circular dated 21st August, 2019 as the common control transaction, the scheme contains a date of acquisition (1st April, 2019) that is not consistent with the date of acquisition as determined under Ind AS 103.

The company has complied with Ind AS 103 read with MCA general circular dated 21.08.2019 and accordingly merger accounting has been done with effect from appointed date 01.04.2019.

## Note: 52 Covid Note

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus pandemic. Considering that the Company is in the business of essential services, management believes that there is not much of an impact likely due to this pandemic including the utilisation of install capacity.

**Going Concern Assessment:**

The Company has continued its operations during lockdown due to the outbreak of COVID-19 as the Port Service is considered as one of the essential services by the Government. The Company's substantial port infrastructure capacities are tied up under medium to long-term service agreements with its customers, which insulates revenue of the Company under such contracts.

Based on initial assessment, the management does not expect any medium to long-term impact on the business of the Company. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, its infrastructure assets, inventory, loans, receivables and debt covenants basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to above, and the Company's liquidity position, there is no uncertainty in meeting financial obligations over the foreseeable future.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**Note 53:-** The additional information pursuant to Schedule III of Companies Act, 2013 is either NIL or Not Applicable.

**Note 54:-** Previous year's figures have been reclassified and regrouped wherever necessary to confirm with the current year classification.

**Note 55:-** The financial statements are approved for issue by the Audit Committee at its meeting held on 29th May, 2020 and by the Board of Directors on 29th May, 2020.

As per our attached report of even date

**For HPVS & Associates**
Chartered Accountants
Firm's Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
Membership No.: 144084
UDIN: 20144084AAAABB2975

**Dated:** 29th May, 2020
**Place:** Mumbai

For and on behalf of the Board of Directors

**N. K. Jain**
Chairman
DIN: 00019442

**Arun Maheshwari**
JMD & CEO
DIN: 01380000

**Lalit Singhvi**
Director & CFO
DIN: 05335938

**Gazal Qureshi**
Company Secretary
M No.: A16843

# INDEPENDENT AUDITORS' REPORT

**To the Members of**
**JSW Infrastructure Limited**

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying consolidated financial statements of **JSW Infrastructure Limited** ("the Holding Company"), and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group"), comprising of consolidated Balance sheet as at 31st March, 2020, the consolidated Statement of Profit and Loss including other comprehensive income, consolidated Statement of Cash Flows and consolidated Statement of Changes in Equity and for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements/financial information of the subsidiaries referred to in sub-paragraph (a) of the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group as at 31st March, 2020 and their consolidated profit including other comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under sub-section (10) of Section 143 of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the Key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind financial statements.

| The Key Audit Matter | Auditor's Response |
|---|---|
| **Accuracy and completeness of disclosure of related party transactions and compliance with the provisions of Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ('SEBI (LODR) 2015' as described in note 41 of the consolidated financial statements)** | |
| We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the consolidated financial statements as a key audit matter due to:<br><br>- The significance of transactions with related parties during the year ended 31st March, 2020.<br><br>- Related party transactions are subject to the compliance requirement under the Act and SEBI (LODR) 2015. | Our procedures in relation to the disclosure of related party transactions included:<br><br>a) Obtaining an understanding of the Group's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the consolidated financial statements.<br><br>b) Obtaining an understanding of the Group's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors.<br><br>c) Read minutes of shareholder meetings, board meetings and audit committee minutes regarding Group's assessment of related party transactions being in the ordinary course of business at arm's length.<br><br>d) Tested, on a sample basis, related party transactions with the underlying contracts/agreements, confirmation letters and other supporting documents, as part of our evaluation of the disclosure.<br><br>e) Assessing management evaluation of compliance with the provisions of Section 177 and Section 188 of the Act.<br><br>f) Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit. |
| **Recoverability of Minimum Alternate Tax ('MAT') Credit after the tax holiday period (as described in note 11 of the consolidated financial statements)** | |
| The Group has accumulated MAT credit entitlement of ₹24,067.52 lakhs as at 31st March, 2020. The Group is under tax holiday period and the utilisation of MAT credit depends on the ability of the Group to earn adequate profits.<br><br>In order to assess the utilisation of MAT credit, the Group has prepared revenue and profit projections which involves judgements and estimations.<br><br>The projections are based on management's input of key variables and market conditions. The forecasted profit has been determined using estimations of projected income and expenses of the Group.<br><br>We have identified this as a key audit matter, due to the judgement and estimation involved in the preparation of the forecasted profits for the utilisation of MAT credit. | Our procedures included the following:<br><br>a) We have assessed the eligibility of MAT credit recognised and the judgements applied to determine the forecasted taxable income to support the recognition of MAT credit entitlement.<br><br>b) We have tested the inputs and assumptions used in preparation of forecasted taxable income against historical levels of taxable profits.<br><br>c) We compared the forecast of future taxable income to business plan and previous forecasts to the actual results and analysed results for material differences, if any.<br><br>d) We evaluated the arithmetical accuracy of the model used to compute the recoverability of deferred tax asset.<br><br>e) We have assessed the related disclosures in note 11 to the consolidated financial statements. |

# INDEPENDENT AUDITORS' REPORT

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

› Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under clause (i) of sub-section (3) of Section 143 of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 31st March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**OTHER MATTERS**

a) We did not audit the financial statements/ financial information of 10 subsidiaries, whose financial statements/financial information reflect total assets of ₹246,717.31 lakhs as at 31st March, 2020, total revenues of ₹23,330.55 lakhs and net cash inflows/(outflows) amounting to ₹4,294.14 lakhs for the year ended on that date as considered in the consolidated financial statements whose financial statements/financial information have not been audited by us. These financial statement/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b) The consolidated financial statements include a subsidiary incorporated outside India. Its unaudited standalone financial statements are provided by the Management by translating to the Indian Accounting Standards prescribed under Section 133 of the Act. The consolidated financial statements reflect total assets of ₹2,726.37 lakhs as at 31st March, 2020, total revenues of ₹3,323.38 lakhs and net cash flows amounting to ₹61.52 lakhs for the period ended on that date, as considered in the consolidated financial statements. We have relied on the standalone financial statements provided to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based on the Management certified standalone financial statements.

Our opinion on the above consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by sub-section (3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of the subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and reports of the other statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2020 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.

f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure A" to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended:

   In our opinion and based on the consideration of report of other statutory auditor of the subsidiary companies incorporated in India, the managerial remuneration for the year ended 31st March, 2020 has been paid/ provided by the Holding Company and its subsidiary companies incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule (V) to the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 39 to the consolidated financial statements.

   ii. The Group did not have any long-term contracts including derivative contracts as at 31st March, 2020 for which there were any material foreseeable losses; and.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

**For HPVS & Associates**
Chartered Accountants
Firm Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
M. No.: 144084
UDIN: 20144084AAAABA1147

Place: Mumbai
Date: 29th May, 2020

# ANNEXURE A

To the Independent Auditors' Report

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

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

## Opinion

In conjunction with our audit of the consolidated financial statements of **JSW Infrastructure Limited** as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of JSW Infrastructure Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Holding 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.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

## Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to the one Subsidiary Company, which is a company incorporated in India, is based on the corresponding report of the auditor of such subsidiary incorporated in India.

**For HPVS & Associates**
Chartered Accountants
Firm Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
M. No.: 144084
UDIN: 20144084AAAABA1147

Place: Mumbai
Date: 29th May, 2020

# CONSOLIDATED BALANCE SHEET

As at 31st March, 2020

CIN: U45200MH2006PLC161268

(₹ in Lakhs)

| Particulars | Note No. | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | 3 | 354,513.53 | 291,803.28 |
| Right-of-Use Assets | 4 | 9,861.13 | - |
| Capital Work-in-Progress | 5 | 75,027.98 | 85,941.67 |
| Other Intangible Assets | 6 | 30,424.48 | 33,845.63 |
| Intangible Assets Under Development | 7 | 129.53 | 257.42 |
| Financial Assets | | | |
| Investments | 8 | 30,900.00 | - |
| Loans | 9 | 152.00 | 152.00 |
| Other Financial Assets | 10 | 1,359.45 | 1,610.36 |
| Deferred Tax Assets (Net) | 11 | 11,298.95 | 10,602.28 |
| Other Non-Current Assets | 12 | 9,169.35 | 19,924.60 |
| **Total Non-Current Assets** | | **522,836.40** | **444,137.24** |
| **Current Assets** | | | |
| Inventories | 13 | 12,515.34 | 7,585.28 |
| Financial Assets | | | |
| Investments | 14 | 6,744.03 | 22,976.24 |
| Trade Receivables | 15 | 50,218.75 | 39,049.77 |
| Cash and Cash Equivalents | 16 | 15,710.13 | 5,029.65 |
| Bank Balances other than Cash and Cash Equivalents | 17 | 550.61 | 5,146.71 |
| Loans | 18 | 27,089.11 | 30,634.08 |
| Other Financial Assets | 19 | 6,517.59 | 3,587.96 |
| Current Tax Assets (Net) | 11 | 11,584.85 | 3,495.05 |
| Other Current Assets | 20 | 32,220.99 | 21,124.06 |
| **Total Current Assets** | | **163,151.40** | **138,628.80** |
| **TOTAL ASSETS** | | **685,987.80** | **582,766.04** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 21 | 5,992.92 | 6,017.98 |
| Other Equity | 22 | 248,828.69 | 282,748.51 |
| Equity attributable to Owners of the Company | | 254,821.61 | 288,766.49 |
| Non-Controlling Interests | 22 | 20,310.04 | 19,705.34 |
| **Total Equity** | | **275,131.65** | **308,471.83** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 23 | 261,120.70 | 200,012.06 |
| Other Financial Liabilities | 24 | 18,381.77 | 7,333.46 |
| Provisions | 25 | 482.29 | 371.17 |
| Deferred Tax Liabilities (Net) | 11 | 12,420.51 | 4,623.17 |
| Other Non-Current Liabilities | 26 | 29,625.61 | 10,165.36 |
| **Total Non-Current Liabilities** | | **322,030.88** | **222,505.22** |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 27 | 10,550.90 | - |
| Trade Payables | | | |
| Total outstanding, due of Micro and Small Enterprises | 28 | 51.02 | 49.71 |
| Total outstanding, due of creditors other than Micro and Small Enterprises | 28 | 7,935.71 | 673.21 |
| Other Financial Liabilities | 29 | 68,134.58 | 39,040.58 |
| Other Current Liabilities | 30 | 2,087.93 | 11,969.01 |
| Provisions | 31 | 65.13 | 56.48 |
| **Total Current Liabilities** | | **88,825.27** | **51,788.99** |
| **TOTAL EQUITY AND LIABILITIES** | | **685,987.80** | **582,766.04** |
| Significant Accounting Policies and Key Accounting Estimates and Judgements | 1 & 2 | | |

The accompanying notes form an integral part of consolidated financial statements.

As per our attached report of even date

**For HPVS & Associates**
Chartered Accountants
Firm's Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
Membership No.: 144084
UDIN: 20144084AAAABA1147

**Dated:** 29th May, 2020
**Place:** Mumbai

For and on behalf of the Board of Directors

**N. K. Jain**
Chairman
DIN: 00019442

**Arun Maheshwari**
JMD & CEO
DIN: 01380000

**Lalit Singhvi**
Director & CFO
DIN: 05335938

**Gazal Qureshi**
Company Secretary
M No.: A16843

**Dated:** 29th May, 2020
**Place:** Mumbai

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2020

(₹ in Lakhs Except EPS)

| Particulars | Note No. | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | 32 | 114,314.53 | 108,026.02 |
| Other Income | 33 | 9,422.07 | 10,133.31 |
| **Total Income (1)** | | **123,736.60** | **118,159.33** |
| **EXPENSES** | | | |
| Operating Expenses | 34 | 34,544.03 | 33,795.52 |
| Employee Benefits Expense | 35 | 7,466.58 | 5,962.23 |
| Finance Costs | 36 | 27,745.83 | 17,713.65 |
| Depreciation and Amortisation Expense | 37 | 20,185.73 | 17,058.84 |
| Impairment of Goodwill | | - | 8,190.67 |
| Other Expenses | 38 | 10,384.30 | 7,054.20 |
| **Total Expenses (2)** | | **100,326.47** | **89,775.11** |
| **Profit before tax (1-2)** | | **23,410.13** | **28,384.22** |
| **Tax Expense** | | | |
| Current Tax | 11 | 3,080.63 | 5,386.08 |
| Deferred Tax | 11 | 676.53 | (4,198.35) |
| **Profit for the year (3)** | | **19,652.97** | **27,196.49** |
| **Other Comprehensive Income** | | | |
| (i) Items that will not be reclassified to Profit or Loss | | | |
| Remeasurement of Employee Benefits Expenses | | (34.90) | (38.39) |
| Income tax relating to items that will not be reclassified to Profit or Loss | | 10.37 | 8.82 |
| **Total (i)** | | **(24.53)** | **(29.57)** |
| (ii) Items that will be reclassified to Profit or Loss | | | |
| Changes in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) | | 279.88 | (4.73) |
| Income tax relating to items that will be reclassified to Profit or Loss | | (97.80) | 1.65 |
| **Total (ii)** | | **182.08** | **(3.08)** |
| **Total Other Comprehensive Income/(loss) for the year (4) (i+ii)** | | **157.55** | **(32.65)** |
| **Total Comprehensive Income for the year (3+4)** | | **19,810.52** | **27,163.84** |
| **Profit for the year attributable to:** | | | |
| - Owners of the Company | | 19,042.41 | 26,672.44 |
| - Non-Controlling Interest | | 610.56 | 524.05 |
| **Other Comprehensive Income for the year attributable to:** | | | |
| - Owners of the Company | | 163.41 | (31.41) |
| - Non-Controlling Interest | | (5.86) | (1.24) |
| **Total Comprehensive Income for the year attributable to:** | | | |
| - Owners of the Company | | 19,205.81 | 26,641.03 |
| - Non-Controlling Interest | | 604.71 | 522.81 |
| **Earnings per equity share (₹)** | | | |
| (Face value of equity share of ₹10 each) | | | |
| **Basic (₹)** | 52 | 31.77 | 44.32 |
| **Diluted (₹)** | | 31.30 | 43.87 |
| Significant Accounting Policies and Key Accounting Estimates and Judgements | 1 & 2 | | |

The accompanying notes form an integral part of consolidated financial statements.

As per our attached report of even date

**For HPVS & Associates**
Chartered Accountants
Firm's Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
Membership No.: 144084
UDIN: 20144084AAAABA1147

**Dated:** 29th May, 2020
**Place:** Mumbai

For and on behalf of the Board of Directors

**N. K. Jain**
Chairman
DIN: 00019442

**Arun Maheshwari**
JMD & CEO
DIN: 01380000

**Lalit Singhvi**
Director & CFO
DIN: 05335938

**Gazal Qureshi**
Company Secretary
M No.: A16843

**Dated:** 29th May, 2020
**Place:** Mumbai

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year Ended 31st March, 2020

## A) Equity Share Capital

(₹ in Lakhs)

| Balance as at 01-04-2019 | Movement during the year | Balance as at 31-03-2020 |
|---|---|---|
| 6,017.98 | (25.06) | 5,992.92 |

* Movement is due to acquisition of treasury shares

(₹ in Lakhs)

| Balance as at 01-04-2018 | Movement during the year | Balance as at 31-03-2019 |
|---|---|---|
| 6,017.98 | - | 6,017.98 |

## B) Other Equity

(₹ in Lakhs)

| Particulars | Retained Earnings | Securities Premium Reserve | Debenture Redemption Reserve | Share based Payment Reserve | Capital Reserve | FCMITDA | Total equity attributable to equity holders of the Company | Non-Controlling Interests | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1st April, 2019** | **190,249.90** | **83,735.47** | **-** | **2,770.87** | **5,998.67** | **(6.40)** | **282,748.51** | **19,705.34** | **302,453.85** |
| Profit for the year | 19,042.41 | - | | - | - | - | 19,042.41 | 610.56 | 19,652.97 |
| Transferred to/from Debenture Redemption Reserve | (12,200.00) | - | 12,200.00 | - | - | - | - | - | - |
| Share issue expenses of subsidiaries | (308.76) | | - | - | - | - | (308.76) | - | (308.76) |
| Impact of business combination (Refer Note No. 58) | (3,183.26) | (51,562.60) | | | | | (54,745.86) | - | (54,745.86) |
| Recognition of Shared Based Payments | - | - | - | 1,928.99 | - | | 1,928.99 | - | 1,928.99 |
| Changes in Foreign currency monetary item translation | | | | | | 182.08 | 182.08 | - | 182.08 |
| Remeasurements Gain on Defined Benefit Plans (Net of Tax) | (18.68) | - | - | - | - | | (18.68) | (5.86) | (24.53) |
| **Balance as at 31st March, 2020** | **193,581.61** | **32,172.87** | **12,200.00** | **4,699.86** | **5,998.67** | **175.68** | **248,828.69** | **20,310.04** | **269,138.74** |

(₹ in Lakhs)

| Particulars | Retained Earnings | Securities Premium Reserve | Debenture Redemption Reserve | Share based Payment Reserve | Capital Reserve | FCMITDA | Total equity attributable to equity holders of the Company | Non-Controlling Interests | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1st April, 2018** | **163,605.79** | **83,735.47** | **-** | **1,952.58** | **5,998.67** | **(3.32)** | **255,289.19** | **19,182.53** | **274,471.71** |
| Profit for the year | 26,672.44 | - | - | - | - | - | 26,672.44 | 524.05 | 27,196.50 |
| Recognition of Shared Based Payments | - | - | - | 818.29 | - | - | 818.29 | - | 818.29 |
| Changes in Foreign currency monetary item translation | | | | | | (3.08) | (3.08) | - | (3.08) |
| Remeasurements Gain on Defined Benefit Plans (Net of Tax) | (28.33) | - | - | - | - | - | (28.33) | (1.24) | (29.58) |
| **Balance as at 31st March, 2019** | **190,249.90** | **83,735.47** | **-** | **2,770.87** | **5,998.67** | **(6.40)** | **282,748.51** | **19,705.34** | **302,453.84** |

As per our attached report of even date

**For HPVS & Associates**
Chartered Accountants
Firm's Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
Membership No.: 144084
UDIN: 20144084AAAABA1147

**Dated:** 29th May, 2020
**Place:** Mumbai

For and on behalf of the Board of Directors

**N. K. Jain**
Chairman
DIN: 00019442

**Arun Maheshwari**
JMD & CEO
DIN: 01380000

**Lalit Singhvi**
Director & CFO
DIN: 05335938

**Gazal Qureshi**
Company Secretary
M No.: A16843

**Dated:** 29th May, 2020
**Place:** Mumbai

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2020

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| **[A] Cash Flows from Operating Activities** | | |
| **Profit before tax** | 23,410.13 | 28,384.22 |
| Adjustments for: | | |
| Impairment of Goodwill | - | 8,190.67 |
| Depreciation and Amortisation Expense | 20,185.73 | 17,058.84 |
| Finance Costs | 27,745.83 | 17,713.65 |
| Share Based Payment Expenses | 1,866.54 | 736.42 |
| Interest Income | (4,572.21) | (6,352.89) |
| Profit on sale of Investments (net) | (1,280.72) | (1,072.78) |
| (Profit)/loss on sale of Fixed Assets (net) | (19.05) | 12.42 |
| **Operating profit before working capital changes** | 67,336.25 | 64,670.55 |
| Adjustments for: | | |
| (Increase)/Decrease in Trade and Other Receivables | (43,963.43) | (17,386.47) |
| (Increase)/Decrease in Inventories | (4,930.06) | (2,591.34) |
| Increase/(Decrease) in Trade and other Payables | 11,199.98 | (8,292.51) |
| Increase/(Decrease) in Provisions | (138.69) | (619.70) |
| Cash generated from Operating Activities | 29,504.05 | 35,780.53 |
| Direct taxes paid (net of refunds) | (3,633.62) | (2,978.40) |
| **Net Cash generated from Operating Activities [A]** | 25,870.43 | 32,802.13 |
| **[B] Cash Flows from Investing Activities** | | |
| **Inflows** | | |
| Sale of Property, Plant and Equipment and Intangible Assets | 40.96 | 47.52 |
| Sale of Current Investments | 124,531.07 | 117,907.36 |
| Proceeds from Fixed Deposits | 4,596.10 | 19,970.91 |
| Interest Received | 5,920.63 | 4,745.99 |
| | 135,088.76 | 142,671.78 |
| **Outflows** | | |
| Purchase of Property, Plant and Equipment and Intangible Assets | 67,378.66 | 55,187.59 |
| Purchase of Investments | 107,018.14 | 136,973.20 |
| | 174,396.80 | 192,160.79 |
| **Net Cash used in Investing Activities [B]** | (39,308.04) | (49,489.01) |
| **[C] Cash Flows from Financing Activities** | | |
| **Inflows** | | |
| Proceeds from Long-Term Borrowings (refer note (c)) | 144,407.11 | 76,298.92 |
| Proceeds from Short-Term Borrowings (refer note (c)) | 10,153.91 | - |
| | 154,561.02 | 76,298.92 |
| **Outflows** | | |
| Repayments of Long-Term Borrowings (refer note (c)) | 108,922.37 | 17,509.38 |
| Repayments of Short-Term Borrowings (refer note (c)) | - | 32,547.67 |
| Bought back of ESOP options | - | 37.11 |
| Interest Paid | 21,560.69 | 12,215.58 |
| | 130,483.06 | 62,309.74 |
| **Net Cash generated from Financing Activities [C]** | 24,077.96 | 13,989.18 |
| **Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)** | 10,640.35 | (2,697.70) |
| **Cash and Cash Equivalents at beginning of the year** | 5,029.65 | 7,727.35 |
| Add: Cash and Cash Equivalents pursuant to business combinations (refer note 58 & cash flow note (e)) | 40.13 | - |
| **Cash and Cash Equivalents at end of the year** | 15,710.13 | 5,029.65 |

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2020

Notes:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Acccounting Standard (Ind AS-7) - Statement of Cash Flow

(b) Cash and Cash Equivalents comprises of

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Cash on Hand | 10.86 | 7.34 |
| Balances with Banks: | | |
| Current Accounts | 2,002.23 | 2,637.25 |
| Deposits with Bank with maturity less than 3 months | 13,697.04 | 2,385.06 |
| **Cash and Cash Equivalents in Cash Flow Statement** | **15,710.13** | **5,029.65** |

(c) Reconciliation Part of Cash Flows

(₹ in Lakhs)

| Particulars | As at 31st March, 2019 | Cash Flows | Non-Cash Changes | | | As at 31st March, 2020 |
|---|---|---|---|---|---|---|
| | | | Acquisition (refer Note No. 58) | Foreign exchange movement | Fair value changes | |
| Long-Term Borrowings | 205,083.99 | 35,484.75 | 51,170.00 | 7,720.33 | 247.49 | 299,706.56 |
| Short-Term Borrowings | - | 10,153.91 | - | 396.99 | - | 10,550.90 |
| **Total liabilities from Financing Activities** | **205,083.99** | **45,638.66** | **51,170.00** | **8,117.32** | **247.49** | **310,257.46** |

(₹ in Lakhs)

| Particulars | As at 31st March, 2019 | Cash Flows | Non-Cash Changes | | | As at 31st March, 2020 |
|---|---|---|---|---|---|---|
| | | | Acquisition | Foreign exchange movement | Fair value changes | |
| Long-Term Borrowings | 141,567.64 | 58,789.53 | - | 5,401.56 | (674.74) | 205,083.99 |
| Short-Term Borrowings | 31,611.50 | (32,547.67) | - | 936.17 | - | - |
| **Total liabilities from Financing Activities** | **173,179.14** | **26,241.86** | **-** | **6,337.73** | **(674.74)** | **205,083.99** |

(d) The share issue expenditure amounting to ₹308.76 lakhs for issue of shares by subsidiaries are considered as operating activity in Consolidated Cash Flow Statement and presented in Statement in Changes of Equity.

(e) As the Cash and Cash Equivalents at the beginning of the year pertaining to entities merged under business combination (refer note 58) is shown separately with closing cash balance in Cash Flow Statement, movement of assets and liabilities due to business combination have not been disclosed separately in each Cash Flow Statement head.

As per our attached report of even date

**For HPVS & Associates**
Chartered Accountants
Firm's Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
Membership No.: 144084
UDIN: 20144084AAAABA1147

**Dated:** 29th May, 2020
**Place:** Mumbai

For and on behalf of the Board of Directors

**N. K. Jain**
Chairman
DIN: 00019442

**Arun Maheshwari**
JMD & CEO
DIN: 01380000

**Lalit Singhvi**
Director & CFO
DIN: 05335938

**Gazal Qureshi**
Company Secretary
M No.: A16843

**Dated:** 29th May, 2020
**Place:** Mumbai

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## 1. Company Overview

The Consolidated financial statements comprise financial statements of JSW Infrastructure Limited ("the Company" or "the Parent") and its subsidiaries (Collectively "the group") for the period 31st March, 2020. The Company is a public limited company, domiciled in India and incorporated in under the provision of Companies Act applicable in India. The registered office of the Company is located at JSW Centre, Bandra-Kurla Complex, Bandra East, Mumbai - 400 051.

The Parent and its subsidiaries (together referred to as a 'Group') are engaged in developing and operating mechanised modern ports at suitable locations over the country to support JSW Group in addition to catering to third party cargo handling requirement. Apart from this, the Group is also planning to undertake various logistic related activities like Shipping, Roads, Railways, Marine Infrastructures, etc.

The following entities are included in consolidation:

| Name of the Company | Country of Incorporation | Shareholding either directly or through subsidiaries | Nature of Operations (commenced/ planned) |
|---|---|---|---|
| JSW Jaigarh Port Limited | India | 100% | Port Services |
| South West Port Limited | India | 74% | Port Services |
| JSW Shipyard Private Limited | India | 100% | Ship building & repair |
| West Waves Maritime and Allied Services Private Limited | India | 100% | Port Services |
| JSW Nandgaon Port Private Limited | India | 100% | Port Services |
| JSW Dharamtar Port Private Limited | India | 100% | Port Services |
| JSW Mangalore Container Terminal Private Limited | India | 100% | Port Services |
| Masad Marine Services Private Limited | India | 100% | Port Services |
| Jaigarh Digni Rail Limited | India | 63% | Railway Network |
| JSW Salav Port Private Limited | India | 100% | Port Services |
| JSW Paradip Terminal Private Limited | India | 93.24% | Port Services |
| Paradip East Quay Coal Terminal Pvt. Ltd. | India | 93.24% | Coal Berth |
| JSW Terminal Middle East FZE | United Arab Emirates | 100% | Port Services |

## 2. Significant Accounting Policies and Key Accounting Estimates and Judgements

### 2.1 STATEMENT OF COMPLIANCE

The consolidated financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act, 2013, (Ind AS Compliant Schedule III), as applicable to consolidated financial statement.

Accordingly, the Group has prepared these Consolidated Financial Statements which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended 31st March, 2020 and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'Consolidated financial statements').

These consolidated financial statements are approved for issue by the Board of Directors on 29th May, 2020

### 2.2 BASIS OF PREPARATION AND PRESENTATION

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting year, as explained in the accounting policies below, and acquisition of subsidiaries where assets and liabilities are measured at fair values as at the date of acquisition in accordance with Ind AS 103.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1,2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

**Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

**Level 2** inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

**Level 3** inputs are unobservable inputs for the asset or liability.

The Consolidated Financial Statement is presented in INR and all values are rounded to the nearest lakhs except when otherwise stated.

### Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non- current only.

## 2.3 BASIS OF CONSOLIDATION

The Consolidated Financial Statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company and its subsidiaries. Control is achieved where the Company:

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

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

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

› the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

› potential voting rights held by the Company, other vote holders or other parties;

› rights arising from other contractual arrangements; and

› any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

**Consolidation procedure:**

› Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

› Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

› Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

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

## 2.4 BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

› deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

› liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and

› assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of bargain purchase, before recognising gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss. If the initial accounting for a business combination is incomplete by the end of the financial year, the provisional amounts for which the accounting is incomplete shall be disclosed in the consolidated financial statements and provisional amounts recognised at the acquisition date shall be retrospectively adjusted during the measurement period. During the measurement period, the group shall also recognise additional assets or liabilities if the new information is obtained about facts and circumstances that existed as of the acquisition date and if known, would have resulted in the recognition of those assets and liabilities as of that date. However, the measurement period shall not exceed the period of one year from the acquisition date.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised under equity.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## 2.5 GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

## 2.6 REVENUE RECOGNITION

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from port operations services/multi-model service including cargo handling and storage are recognised on proportionate completion method basis based on services completed till reporting date. Revenue on take-or-pay charges are recognised for the quantity that is difference between annual agreed tonnage and actual quantity of cargo handled.

Income from fixed price contract – Revenue from infrastructure development project/services under fixed price contract. Where there is no uncertainty as to measurement or collectability of consideration is recognised based on milestones reached under the contract.

The amount recognised as revenue is exclusive of goods & services tax where applicable.

## 2.7 OTHER INCOME

Other income is comprised primarily of interest income, mutual fund income, exchange gain/loss. All financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate exactly discounts the estimated cash payments or receipt over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of financial liability. When calculating the EIR, the group estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Mutual fund is recognised at fair value through Profit and Loss.

Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 on the port services income is recognised based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS licences are classified as ' Other Current Asset – Refer Note 20.

## 2.8 LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The lease term of Group's RoU assets which comprises only Buildings varies from 3 to 30 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test. Refer to the accounting policies no. 1.17 for Impairment of non-financial assets.

### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities has been presented under the head "Other Financial Liabilities". Lease liabilities has been presented under the head "Other Financial Liabilities".

### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e. below ₹50,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**A) New and amended accounting standards:**

**Ind AS 116 – Leases**

Ind AS 116 supersedes Ind AS 17 Leases including evaluating the substance of transactions involving the legal form of a Lease. The standard sets out the principles for the recognition, measurement,

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1st April, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Effective 1st April, 2019, the Group has adopted Ind AS 116 "Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. 1st April 2019. The Group has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognised at an amount equal to the lease liability adjusted for any prepayments/ accruals recognised in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

**Leases previously accounted for as operating leases**

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The right-of-use assets were recognised at amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised.

The Group also applied the available practical expedients wherein it:

› Used a single discount rate to a portfolio of leases with reasonably similar characteristics.

› Relied on its assessment of whether leases are onerous immediately before the date of initial application.

› Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.

› Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

› Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Most of the contracts that contains extension terms are on mutual agreement between both the parties and hence the potential future rentals cannot be assessed. Certain contracts where the extension terms are unilateral are with unrelated parties and hence there is no certainty about the extension being exercised.

The weighted average incremental borrowing rate applied to the newly recognised lease liabilities pursuant to Ind AS 116 adoption as at 1st April, 2019 is 9.25%.

## 2.9 FOREIGN CURRENCY TRANSLATION

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The consolidated financial statements are presented in Indian National

Rupee (INR), which is Group's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss except 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.

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.

**Group Companies**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities are translated at the closing rate at the date of that Balance Sheet

b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

c) all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit and Loss, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### 2.10 BORROWING COSTS

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

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

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

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

### 2.11 GOVERNMENT GRANT

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

Government grants are recognised in the Consolidated Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of profit and loss over the expected useful lives of the assets concerned.

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### 2.12 EMPLOYEE BENEFITS

**Retirement benefit costs and termination benefits:**

Payments to defined contribution retirement benefit plans are recognised 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 year. Re-measurement, 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 statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the Group recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

The Group 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 recognised in the statement of financial position represents the actual deficit or surplus in the Group'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 recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**Short-term and other long-term employee benefits**

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

Liabilities recognised 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 recognised 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 Group in respect of services provided by employees up to the reporting date.

### 2.13 STOCK BASED PAYMENT ARRANGEMENTS

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 51.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The Group has created an Employee Benefit Trust for providing share-based payment to its employees. The Group uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Group from the market, for giving shares to employees. The Group treats Trust as its extension and shared held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting year are satisfied with treasury shares.

## 2.14 TAXES

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

### Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised 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 utilised. Such deferred tax assets and liabilities are not recognised 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 recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year 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.

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 a deferred tax asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

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

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.

The Group is eligible and claiming tax deduction available under Section 80IA of Income Tax Act, 1961 for a period of 10 years out of eligible period of 15 years for some of its subsidiaries. Also Group is eligible and claiming tax deduction available under Section 35AD of Income Tax Act. In view of the Group availing tax deduction under Section 80IA and 35AD of the Income Tax

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Act, 1961, deferred tax has been recognised in respect of temporary difference, which reverses after the tax holiday period in the year in which the temporary difference originates and no deferred tax (assets or liabilities) is recognised in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originates first are considered to reverse first.

### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised 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.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

## 2.15 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and accumulated impairment losses. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by Management. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method as prescribed under Part C of schedule II of the Companies Act, 2013 except for the assets mentioned below for which useful life estimated by the management. The Identified components of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets.

The Group has estimated the following useful lives to provide depreciation on its certain fixed assets based on assessment made by experts and management estimates.

| Assets | Estimated useful lives |
|---|---|
| Building | 5-28 Years |
| Plant and Machinery | 2-18 Years |
| Ships | 28 years |
| Office equipment | 3-20 Years |
| Computer equipment | 3-6 Years |
| Furniture and fixtures | 5-15 Years |
| Vehicles | 8-10 Years |

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Freehold land is not depreciated and Leasehold land is amortised over the period of lease.

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 capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

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

Assets in the course of construction are capitalised 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed-off are reported at the lower of the carrying value or the fair value less cost to sell.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The group has policy to expense out the assets which is acquired during the year and value of such assets is below ₹5,000.

## 2.16 INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, 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.

The cost of intangible assets having finite lives, which are under development and before put to use, are disclosed as 'Intangible Assets under development.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

| Assets | Estimated useful lives |
|---|---|
| Computer Software | 3-5 Years |

### Port concession rights arising from Service Concession/Sub-Concession

The Group recognises port concession rights as "Intangible Assets" arising from a service concession arrangement, in which the grantor controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, even if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement. The Group acts as the operator in such arrangement. Such an intangible asset is recognised by the Group at cost which is fair value of the consideration received or receivable for the construction services delivered) and is capitalised when the project is complete in all respects and the Group receives the completion certificate from the authorities as specified in the concession agreement.

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with Appendix A of Ind AS 11 'Service Concession Arrangement'.

These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the consolidated statement of profit or loss when the assets is de-recognised.

The estimated period of port concession arrangement ranges within a period of 25-30 years.

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### 2.17 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS OTHER THAN GOODWILL

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

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 recognised immediately in the Consolidated 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 to the extent of revaluation reserve.

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

### 2.18 INVENTORY

Consumables, construction materials and stores and spares are valued at lower of cost and net realisable value. Obsolete, defective, unserviceable and slow-non-moving stocks are duly provided for. Cost is determined by the weighted average cost method. Net Realisable Value in respect of stores and spares is the estimated current procurement price in the ordinary course of the business.

### 2.19 FAIR VALUE MEASUREMENT

The Group measures financial instruments at fair value in accordance with accounting policies at each reporting 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.

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

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the Balance Sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**2.20 FINANCIAL INSTRUMENTS**

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.

**a) Investments and other financial assets:**

**Classification**

The Group classifies its financial assets in the following measurement categories:

i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

ii) those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**Initial recognition and measurement**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

**Subsequent measurement**

After initial recognition, financial assets are measured at:

i) fair value (either through other comprehensive income or through profit or loss) or,

ii) amortised cost.

**Debt instruments**

Subsequent measurement of debt instruments depends on the business model of the Group for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

**Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

**Measured at fair value through other comprehensive income (FVTOCI):** Financial assets that are held within a business

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss.

**Gains or Losses on De-recognition**

In case of investment in equity instruments classified as the FVTOCI, the gains or losses on de-recognition are re-classified to retained earnings.

In case of Investments in debt instruments classified as the FVTOCI, the gains or losses on de–recognition are reclassified to statement of Profit and Loss.

**Measured at fair value through profit or loss (FVTPL):** A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

**Gains or Losses on De-recognition**

In case of investment in equity instruments classified as the FVTOCI, the gains or losses on de-recognition are re-classified to retained earnings.

In case of Investments in debt instruments classified as the FVTOCI, the gains or losses on de–recognition are reclassified to statement of Profit and Loss.

**De-recognition**

A financial asset is de-recognised only when

i) The Group has transferred the rights to receive cash flows from the financial asset or

ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Impairment**

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

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 Group in accordance with the contract and all the cash flows that the Group 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 Group 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 Group 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 Group 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 group 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 Group 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 group 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 group 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.

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 Group 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 Group 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.

**Income recognition**

**Effective Interest Method**

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

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

**b) Financial liabilities & Equity Instruments**

**Equity Instruments**

The Group subsequently measures all investments in equity instruments at fair value. The Management of the Group has elected to present fair value gains and losses on its investment equity instruments in other comprehensive income, and there is no subsequent reclassification of these

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fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**Financial liabilities**

Classification as debt or equity Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

Subsequent measurement Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**De-recognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty

**Reclassification of financial assets**

The Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

| Original classification | Revised classification | Accounting treatment |
|---|---|---|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in Statement of Profit and Loss. |
| FVTPL | Amortised Cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised 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 amortised 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 recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date. |

### 2.21 PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

A provision is recognised when the Group has a present obligation (legal or constructive), as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

› a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

› a present obligation arising from past events, when no reliable estimate is possible

› a possible obligation arising from past events, when the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

### 2.22 CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the Balance Sheet comprise cash at banks, cheque on hand, short-term deposits with a maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value.

### 2.23 STATEMENT OF CASH FLOW

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from

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operating, investing and financing activities of the Group are segregated.

For the purpose of the Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits.

### 2.24 EARNINGS PER EQUITY SHARE

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders.

Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees.

### 2.25 SEGMENT REPORTING

The Group is primarily engaged in one business segment, namely developing, operating and maintaining the Ports services, Ports related Infrastructure development activities and development of infrastructure as determined by chief operational decision maker, in accordance with Ind AS 108 "Operating Segment".

Considering the inter relationship of various activities of the business, the chief operational decision maker monitors the operating results of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

### 2.26 RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

### 2.27 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The Group has applied the following standards and amendments for the first time for annual reporting period commencing from 1st April, 2019.

1. **Ind AS 12 – Income Taxes – Appendix C, Uncertainty over Income Tax Treatments**

   The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the Group have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit/loss, tax bases, unused tax losses, unused tax credits and tax rates.

   The standard permits two possible methods of transition –

   i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

   ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The standard became effective from April 01, 2019. The Group has adopted the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 01, 2019 if any without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C is insignificant in the consolidated financial statements.

2. **Amendment to Ind AS 12 – Income taxes**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The adoption of the standard did not have any material impact to the consolidated financial statements. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

3. **Amendment to Ind AS 19 – Employee benefit – plan amendment, curtailment or settlement**

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The adoption of the standard did not have any material impact to the consolidated financial statements.

### 2.28 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

**Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**Property, plant and equipment**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful lives and the expected residual value at the end of its lives. The useful lives and residual values of Group's assets are determined by Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**Taxes**

The group has two tax jurisdiction i.e. at India and UAE, though the Group also files tax return in other overseas jurisdiction. Significant judgements are involved in determining the provision for income taxes.

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

MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a specified period in which MAT credit arises, subject to the limits prescribed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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**Defined benefit plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Fair value measurement of financial instruments**

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

**Impairment of financial assets**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. The cases which have been determined as remote by the Group are not disclosed.

Contingent assets are neither recognised nor disclosed in the consolidated financial statements unless when an inflow of economic benefits is probable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 3:- Property, Plant and Equipment

(₹ in Lakhs)

| Particulars | Freehold land | Leasehold land | Buildings | Plant and machinery (Owned) | Ships | Furniture and fittings | Office equipments | Computers | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | | | |
| **As at 01-04-2018** | **20,565.16** | **13,419.22** | **134,358.47** | **116,796.87** | **8,703.57** | **531.45** | **353.05** | **84.27** | **443.27** | **295,255.33** |
| Additions/adjustments | | | 29,963.88 | 1,317.37 | 27.84 | 77.85 | 162.47 | 23.20 | 73.16 | 31,645.77 |
| Disposals/transfers | | | - | - | - | - | 44.13 | 0.48 | 14.35 | 58.96 |
| **As at 31-03-2019** | **20,565.16** | **13,419.22** | **164,322.35** | **118,114.24** | **8,731.41** | **609.31** | **471.39** | **106.99** | **502.07** | **326,842.14** |
| Additions/adjustments | 926.85 | - | 17,864.06 | 49,541.50 | 9,975.80 | 69.18 | 85.82 | 18.53 | 19.48 | 78,501.22 |
| Disposals/transfers | - | - | - | 194.36 | - | 7.58 | 24.13 | - | 1.09 | 227.16 |
| **As at 31-03-2020** | **21,492.01** | **13,419.22** | **182,186.41** | **167,461.38** | **18,707.21** | **670.91** | **533.08** | **125.52** | **520.46** | **405,116.20** |
| **Accumulated Depreciation:** | | | | | | | | | | |
| **As at 01-04-2018** | **-** | **15.44** | **11,564.75** | **9,425.55** | **131.39** | **180.10** | **116.79** | **51.35** | **87.34** | **21,572.71** |
| Depreciation charge for the year | | 28.57 | 6,279.06 | 6,582.86 | 332.94 | 82.22 | 85.40 | 17.44 | 67.91 | 13,476.40 |
| Disposals/transfers | | - | - | - | - | - | 3.80 | 0.15 | 6.31 | 10.26 |
| **As at 31-03-2019** | **-** | **44.01** | **17,843.81** | **16,008.41** | **464.33** | **262.32** | **198.39** | **68.64** | **148.94** | **35,038.85** |
| Depreciation charge for the year | - | 28.57 | 7,675.58 | 7,428.86 | 388.27 | 77.16 | 85.49 | 16.72 | 70.16 | 15,770.81 |
| Disposals/transfers | - | - | 0.22 | 175.42 | - | 7.28 | 23.47 | - | 0.60 | 206.99 |
| **As at 31-03-2020** | **-** | **72.58** | **25,519.17** | **23,261.85** | **852.60** | **332.20** | **260.41** | **85.36** | **218.50** | **50,602.67** |
| **Net book value** | | | | | | | | | | |
| **At at 31-03-2019** | **20,565.16** | **13,375.21** | **146,478.54** | **102,105.83** | **8,267.08** | **346.99** | **273.00** | **38.35** | **353.13** | **291,803.28** |
| **As at 31-03-2020** | **21,492.01** | **13,346.64** | **156,667.24** | **144,199.53** | **17,854.61** | **338.71** | **272.69** | **40.16** | **301.96** | **354,513.53** |

Notes:

1. Refer Note No. 23 for the details in respect of certain Tangible Assets hypothecated/mortgged as security for Borrowings.
2. Foreign exchange loss capitalised during the year was ₹19.82 lakhs (PY ₹515.63).
3. Borrowing cost capitalised during the year was ₹3,207.66 lakhs (PY ₹1,944.85 lakhs).
4. Port infrastructure assets of JSW Jaigarh Port Limited & JSW Paradip Terminal Private Limited are constructed on leasehold assets.
5. The title deeds of freehold land includes an amount aggregating to ₹1,232.16 lakhs in respect of transferror company pursuant to the scheme of merger is pending for transfer in the name of the holding Company (refer note 58).
6. JSW Paradip Terminal Private Limited had commenced commercial operations on 1st November, 2019 and capitalised Property, Plant and Equipment (PPE) amounting to ₹63,869.90 lakhs.

## Note 4:- Right-of-Use Assets

(₹ in Lakhs)

| Particulars | Buildings | Total |
|---|---|---|
| **Cost:** | | |
| **As at 1st April, 2019** | **-** | **-** |
| Recognition on Initial application of Ind-AS 116 as at April 01, 2019 (refer Note No. 2.8) | 10,679.37 | 10,679.37 |
| Reclassified on the account of adoption of Ind AS 116 | - | - |
| Additions | - | - |
| Disposals/transfers | - | - |
| **Balance as at 31st March, 2020** | **10,679.37** | **10,679.37** |
| **Accumulated Depreciation:** | | |
| **As at 1st April, 2019** | - | - |
| Reclassified on the account of adoption of Ind AS 116 | - | - |
| Depreciation charge for the year | 818.24 | 818.24 |
| Disposals/transfers | - | - |
| **Balance as at 31st March, 2020** | **818.24** | **818.24** |
| **Net book value** | | |
| **Balance as at 31st March, 2020** | **9,861.13** | **9,861.13** |

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Note 1– Ind AS 116 - Leases, has become applicable effective annual reporting period beginning 1st April, 2019. The Group has adopted the standard beginning 1st April, 2019, using the modified retrospective approach for transitioning to Ind AS 116 with Right-of-Use Asset recognised at an amount equal to the Lease Liability adjusted for any prepayments/accruals recognised in the balance sheet immediately before the date of initial application. Accordingly, the Gruop has not restated the comparative information. This has resulted in recognising a "Right-of-Use Asset" of ₹10,679.37 lakhs, and a corresponding "Lease Liability" of ₹10,679.37 lakhs as at 1st April, 2019.

Note 2 – Total Right-of-use Assets recognised as on 1st April, 2019 of ₹10,679.37 represents increase in total assets.

Note 3 – Followings are the amounts recognised in Statement of Profit or Loss:

(₹ in Lakhs)

| Particulars | Present value of payments |
|---|---|
| Depreciation expense of Right-of-Use Assets | 818.24 |
| Interest expense on Lease Liabilities | 267.30 |
| Rent expense – short-term leases and leases of low value assets | 262.22 |
| **Total amounts recognised in Profit or Loss** | **1,347.76** |

## Note 5:- Capital Work-in-Progress

| Particulars | ₹ in Lakhs |
|---|---|
| **Balance as at 1st April, 2018** | **62,228.01** |
| Additions | 58,310.00 |
| Disposals/transfers | 34,596.34 |
| **Balance as at 31st March, 2019** | **85,941.67** |
| Additions | 4,098.66 |
| Disposals/transfers | 15,012.35 |
| **Balance as at 31st March, 2020** | **75,027.98** |

Notes:

1. Foreign exchange loss capitalised during the year was ₹12.62 lakhs (PY ₹229.99).
2. Borrowing cost capitalised during the year was ₹3,312.00 lakhs (PY ₹3,853.58 lakhs).

## Note 6:- Other Intangible Assets

(₹ in Lakhs)

| Particulars | Port infra structure rights | | | Computer Software | Total |
|---|---|---|---|---|---|
| | Buildings | Plant and Machinery | Furniture and fittings | | |
| **Cost:** | | | | | |
| **As at 01-04-2018** | **13,851.44** | **32,058.61** | **35.57** | **377.15** | **46,322.75** |
| Additions | 179.27 | 479.30 | 0.95 | 66.56 | 726.08 |
| Disposals/transfers | 3.15 | 128.05 | - | - | 131.20 |
| **As at 31-03-2019** | **14,027.56** | **32,409.85** | **36.52** | **443.71** | **46,917.63** |
| Additions | - | 276.99 | - | 2.75 | 279.74 |
| Disposals/transfers | 31.27 | 197.53 | - | - | 228.80 |
| **As at 31-03-2020** | **13,996.29** | **32,489.31** | **36.52** | **446.46** | **46,968.57** |
| **Accumulated amortisation:** | | | | | |
| **As at 01-04-2018** | **2,941.26** | **6,380.99** | **12.54** | **272.66** | **9,607.42** |
| Amortisation charge for the year | 981.68 | 2,558.84 | 3.73 | 40.30 | 3,584.55 |
| Disposals/transfers | 2.55 | 117.42 | - | - | 119.97 |
| **As at 31-03-2019** | **3,920.39** | **8,822.40** | **16.26** | **312.96** | **13,072.00** |
| Amortisation charge for the year | 1,069.35 | 2,573.05 | 3.59 | 53.16 | 3,699.15 |
| Disposals/transfers | 31.27 | 195.79 | - | - | 227.05 |
| **As at 31-03-2020** | **4,958.47** | **11,199.67** | **19.86** | **366.12** | **16,544.10** |
| **Net book value:** | | | | | |
| **As at 31-03-2019** | **10,107.17** | **23,587.45** | **20.26** | **130.75** | **33,845.63** |
| **As at 31-03-2020** | **9,037.82** | **21,289.65** | **16.67** | **80.34** | **30,424.48** |

Refer Note No. 39 for the details in respect of certain Intangible Assets hypothecated/mortgged as security for bank guarantee.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 7:- Intangible Assets Under Development

| Particulars | ₹ in Lakhs |
|---|---|
| **Balance as at 1st April, 2018** | **1,034.27** |
| Additions | 367.24 |
| Disposals/transfers | 1,144.09 |
| **Balance as at 31st March, 2019** | **257.42** |
| Additions | 349.86 |
| Disposals/transfers | 477.75 |
| **Balance as at 31st March, 2020** | **129.53** |

## Note 8:- Non-Current Financial Assets – Investments

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Unquoted Zero Coupon Optionally Convertible Debenture (OCD) (At Amortised Cost)*** | | |
| **JSW Sports Private Limited** | 30,900.00 | - |
| (30,900 Debentures (31st March, 2019: NIL) of ₹1,00,000/- each) | | |
| | **30,900.00** | **-** |
| **Aggregate amount of unquoted Investment** | 30,900.00 | - |
| **Aggregate amount of impairment in the value of Investments** | - | - |

* Terms of Conversion: The OCD shall be redeemable at premium or shall be converted into equity shares on the basis of the following terms at the option of the issuer:

**(a) Redemption:**

On maturity the Issuer shall pay the OCD Holder the Face Value of ₹1,00,000/- along with Redemption Premium of ₹1,42,000/- for each OCD. Provided further that Issuer shall have the right to redeem the OCD any time during the Tenure, either in part or in full and in one or more tranches, by giving two days notice in writing, at face value along with accumulated premium computed @ 9.5% p.a. from the date of allotment till the date of redemption after adjusting the amount of TDS paid/payable for such number of OCD as it intends to redeem.

**(b) Conversion:**

Any time during the tenure of OCD, the Issuer may, by giving fifteen days prior notice, convert all or part of the outstanding OCD at face value along with accumulated premium computed @ 9.5% p.a. from the date of allotment till the date of conversion, after adjusting the amount of TDS paid/payable for such number of OCD as it intends to convert, into such number of equity shares as may be derived based on fair market value determined by an Independent Registered Valuer as per applicable regulations.

## Note 9:- Non-Current Financial Assets – Loans

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Unsecured, considered good | | |
| Loan to related party* (refer note 41) | 152.00 | 152.00 |
| **Total** | **152.00** | **152.00** |
| **Note:** | | |
| Loans receivable considered good: Secured | - | - |
| Loans receivable considered good: Unsecured | 152.00 | 152.00 |
| Loans receivable which have significant increase in Credit Risk | - | - |
| Loans receivable – credit impaired | - | - |
| Loans and advances to other body corporate | - | - |
| Loans and advances to related parties | - | - |
| **Total** | **152.00** | **152.00** |

* For business purpose

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 10:- Non-Current Financial Assets – Others

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Unsecured, Considered good | | |
| Security Deposits | 632.32 | 715.81 |
| Fixed Deposits | 130.00 | - |
| Margin Money* | 597.13 | 894.55 |
| | 1,359.45 | 1,610.36 |

* Margin Money deposits with a carrying amount of ₹597.13 (31st March, 2019: ₹894.55 lakhs ) are subject to charge for securing the Group's Bank Guarantee facility.

## Note 11:- Taxation

Income tax related to items charged or credited directly to Profit or Loss during the year:

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Current Income Tax | 5,471.17 | 7,325.09 |
| Tax (credit) under Minimum Alternative Tax | (2,390.54) | (1,939.01) |
| Current Tax (a) | 3,080.63 | 5,386.08 |
| Relating to origination and reversal of temporary differences (b) | 676.53 | (4,198.35) |
| **Total Expenses reported in the statement of Profit and Loss (a+b)** | 3,757.16 | 1,187.73 |

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

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| **Reconciliation:** | | |
| Profit before tax | 23,410.13 | 28,384.22 |
| Enacted tax rate in India | 34.944% | 34.944% |
| Expected income tax expense at statutory tax rate | 8,180.44 | 9,918.58 |
| Effect of different tax rates of subsidiaries | 358.19 | (628.48) |
| Expenses not deductible in determining taxable profits | 5,869.35 | 13,531.51 |
| Tax allowances and concession | (11,161.67) | (11,441.71) |
| Additional allowances for capital gain | 503.72 | 46.84 |
| Tax applicable at lower rate | 388.99 | - |
| 80IA benefit | (1,058.39) | (6,038.88) |
| Income tax (credit) attributable to prior period | - | (1.77) |
| Temporary differences (Refer table below)* | 676.53 | (4,198.35) |
| Tax expense for the year | 3,757.16 | 1,187.74 |
| Effective income tax rate | 16.05% | 4.18% |

**Note 1 –** The Group offsets deferred 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 relates to income taxes levied by the same tax authority.

**Note 2 –** The Group expects to utilise the MAT credit within a period of 15 years.

**Note 3 –** There are certain income-tax related legal proceedings which are pending against the Group. Potential liabilities, if any have been adequately provided for, and the Group does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 39).

**Note 4 –** Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on 20th September, 2019 effective from April 01, 2019, domestic companies have an option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions. The Group has made an assessment of the impact of the Ordinance and decided to continue with existing tax structure until utilisation of accumulated Minimum Alternate Tax (MAT) credit.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**Note 5 –** Further, Ind AS 12 requires deferred tax assets and liabilities to be measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. The Group has made estimates, based on its budget, regarding income anticipated in the foreseeable future year when those temporary differences are expected to reverse and measured the same at New tax rate. Accordingly, the Group has re-measured the outstanding deferred tax balances that is expected to be reversed in future at New tax rate and an amount of ₹129.66 lakhs have been written back in the Statement of Profit and Loss during the current financial year.

The following table provides the details of income tax assets and income tax liabilities as of 31st March, 2020 and 31st March, 2019:

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Income Tax Assets | 39,591.13 | 8,849.04 |
| Income Tax Liabilities | 28,006.28 | 5,353.99 |
| | **11,584.85** | **3,495.05** |

***Deferred Tax relates to the following:**

(₹ in Lakhs)

| Particulars | Balance Sheet | | Recognised in statement of profit or loss | | Recognised in/reclassified from Other Comprehensive Income | |
|---|---|---|---|---|---|---|
| | As at 31st March, 2020 | As at 31st March, 2019 | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| Expenses allowable on payment basis | (3.68) | 32.72 | (36.40) | (10.46) | - | - |
| Unused tax losses/depreciation | 2,416.07 | (608.38) | 497.40 | (224.74) | - | - |
| Other items giving rise to temporary differences | (11,313.58) | (11,213.95) | (99.62) | (307.36) | - | - |
| Accelerated depreciation for tax purposes | (200.99) | 838.17 | (1,039.16) | 2,657.88 | - | - |
| Fair valuation of property, plant and equipment (PP&E) | (5,036.61) | (5,037.88) | 1.27 | 2,083.03 | - | - |
| Income tax relating to items that will not be reclassified to profit or loss from OCI | (76.96) | 10.47 | - | - | (87.43) | 10.47 |
| **Deferred tax asset/(liability)** | **(14,215.74)** | **(15,978.85)** | **(676.51)** | **4,198.35** | **(87.43)** | **10.47** |
| **Net (income)/expense** | | | **(676.51)** | **4,198.35** | **(87.43)** | **10.47** |

**Reconciliation of deferred Tax Assets/(Liabilities) net:**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Balance at the beginning of the year | (15,978.85) | (20,074.96) |
| Tax income/(expense) during the period recognised in profit or loss | (676.53) | 4,198.35 |
| Income tax relating to items that will not be reclassified to profit or loss from OCI | (87.43) | 10.47 |
| Recognised in retained earnings (refer note 58) | 2,527.06 | (112.71) |
| **Balance at the end of the year** | **(14,215.75)** | **(15,978.85)** |

**Movement in MAT Credit Entitlement**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Balance at the beginning of the year | 21,957.94 | 21,173.44 |
| Add: MAT credit entitlement availed during the year | 2,390.56 | 1,939.01 |
| Less: MAT credit utilised during the year | (280.98) | (1,154.51) |
| **Balance at the end of the year** | **24,067.52** | **21,957.94** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 12:- Non-Current Assets – Others

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Unsecured, Considered good | | |
| Capital Advances | 8,906.66 | 19,814.36 |
| Security Deposits with Government Authorities | 262.69 | 110.24 |
| | 9,169.35 | 19,924.60 |

## Note 13:- Inventories

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Inventories (At cost) | | |
| Stores and Spares | 12,515.34 | 7,585.28 |
| | 12,515.34 | 7,585.28 |

Notes:

1. Cost of Inventory recognised as an expenses for the year ended 31st March, 2020 ₹5,146.27 lakhs. (PY ₹3,507.85 lakhs).
2. 'The Group has recognised ₹57.54 lakhs (PY Nil) as expenses towards write down of value of Inventory.
3. Refer Note No. 23.1 for the details in respect of certain tangible assets hypothecated/mortgged as security for Borrowings.

## Note 14:- Current Financial Assets – Investments

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | Units | Amounts | Units | Amounts |
| Investments in mutual funds measured at Fair Value Through Profit and Loss (Quoted) | | | | |
| Axis Liquid Fund – Growth | 16,192.92 | 355.30 | 58,297.95 | 1,203.91 |
| BNP Paribas | 16,575.66 | 503.23 | - | - |
| DSP Liquid Regular | 21,340.10 | 602.25 | - | - |
| Kotak Liquid Fund | - | - | 18,709.00 | 705.83 |
| Edelweiss Liquid Fund Regular – Growth | 12,114.47 | 307.11 | 23,570.29 | 562.73 |
| Mahindra Liquid Fund Regular – Growth | 31,923.28 | 409.40 | - | - |
| Tata Liquid Fund Regular – Growth | 33,811.36 | 1,052.72 | - | - |
| L&T Liquid Plan – Growth | 24,090.75 | 653.03 | - | - |
| Sundaram Money Regular – Growth | 1,844,417.23 | 768.05 | - | - |
| Nippon India Liquid Fund – Growth | 10,662.44 | 514.20 | - | - |
| JM Liqiud Fund | - | - | 4,502,841.21 | 2,293.65 |
| Adtiya Birla Sun Life Liquid Fund – Growth Regular Plan | - | - | 796,588.33 | 2,381.84 |
| Franklin India Liquid Fund – Super IP – Growth | 3,390.30 | 100.71 | 123,922.05 | 3,455.15 |
| Reliance Liquid Fund – Growth Plan | - | - | 85,421.67 | 3,877.47 |
| Mirae Asset Cash Management Fund – Growth | 14,634.25 | 302.93 | 178,806.40 | 3,486.27 |
| UTI Liquid Cash Plan – Reg – Growth | 30,418.17 | 984.76 | 80,082.78 | 2,442.47 |
| ICICI Prudential Liquid Fund – Growth | 65,069.30 | 190.34 | 932,006.81 | 2,566.92 |
| | 2,124,640.24 | 6,744.03 | 6,800,246.507 | 22,976.24 |
| Aggregate amount of Quoted Investments | | | | |
| Book value | | 6,744.03 | | 22,976.24 |
| Market value | | 6,744.03 | | 22,976.24 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 15:- Trade Receivables

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Trade Receivables considered good – Secured** | | |
| Trade Receivables considered good – Unsecured | 50,296.70 | 39,135.24 |
| Trade Receivables which have significant increase in credit risk | | |
| Less: Allowance for doubtful debts | (77.95) | (85.47) |
| Trade Receivable – credit impaired | - | - |
| Less: Allowance for doubtful debts | - | - |
| | **50,218.75** | **39,049.77** |

Note 1 – Refer Note No. 23.1 for the details in respect of certain trade receivables hypothecated/mortgged as security for Borrowings.

Note 2 – Refer Note No. 41 for details of receivables from related parties.

Note 3 – No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

Note 4 – Trade Receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

**Aging of Receivables**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Within the credit period | 24,219.40 | 19,031.21 |
| 31-60 days | 8,370.89 | 5,624.33 |
| 61-90 days | 5,492.25 | 2,750.50 |
| 91-180 days | 10,134.73 | 5,485.38 |
| 181-365 days | 1,538.51 | 5,659.64 |
| More than 365 Days | 540.92 | 584.18 |
| | **50,296.70** | **39,135.24** |

The credit period on rendering of services ranges from 1 to 30 days with or without security.

## Note 16:- Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Balances with Banks: | | |
| In Current Accounts | 2,002.23 | 2,637.25 |
| In Term Deposits with maturity less than 3 months at inception | 13,697.04 | 2,385.06 |
| Cash on Hand | 10.86 | 7.34 |
| | **15,710.13** | **5,029.65** |

Refer Note No. 23.1 for the details in respect of certain trade receivables hypothecated/mortgged as security for Borrowings

## Note 17:- Bank Balances Other than Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| In Term Deposits with maturity more than 3 months but less than 12 months at inception | 209.38 | 4,007.70 |
| DSRA (debt service reserve account) | 318.35 | 295.71 |
| In Current & TRA accounts with Yes bank | 22.88 | 843.30 |
| | **550.61** | **5,146.71** |

Term deposit includes deposit held as lien by bank against bank guarantee amounting to ₹10 lakhs (PY ₹535 lakhs).

DSRA represents FD created with Yes bank for debt servicing of JSW Dharamtar Port Private Limited.

Trust and Retention Account (TRA) is maintained as per TRA agreement between JSW Paradip Terminal Private Limited, Lenders and Paradip Port Trust.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 18:- Current Financial Assets – Loans

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Unsecured, Considered good | | |
| Inter Corporate Deposits (Refer note 41)* | 25,089.11 | 28,634.08 |
| Loans to Others | 2,000.00 | 2,000.00 |
| **Total** | **27,089.11** | **30,634.08** |
| **Note:** | | |
| Loans receivable considered good: Secured | - | - |
| Loans receivable considered good: Unsecured | 27,089.11 | 30,634.08 |
| Loans receivable which have significant increase in Credit Risk | - | - |
| Loans receivable – credit impaired | - | - |
| Loans and advances to other body corporate | - | - |
| Loans and advances to related parties | - | - |
| **Total** | **27,089.11** | **30,634.08** |

* For business purpose

## Note 19:- Current Financial Assets – Others

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Unsecured, Considered good | | |
| Security Deposits* | 24.81 | 33.05 |
| Advances recoverable in cash or in kind or for value to be received (Refer note 41) | 2,286.67 | 760.73 |
| Interest receivables | | |
| On Fixed Deposits | 15.38 | 189.80 |
| On Loans and Advances given to related parties (Refer note 41) | 1,498.39 | 2,604.38 |
| Receivable from Konkan Railway | 2,325.90 | - |
| Others | 366.44 | - |
| | **6,517.59** | **3,587.96** |

* Security deposits represents various deposits given to rental, gas, telephone & other government deposits.

## Note 20:- Other Current Assets

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Unsecured, Considered good | | |
| Advance to Suppliers | 1,942.55 | 1,041.79 |
| Other Advances* | 1,960.43 | 790.46 |
| Security Deposits | 2.30 | - |
| Prepayments | 610.98 | 797.48 |
| Unbilled Revenue | 1,543.13 | 1,276.14 |
| Government grant incentive income receivable (refer note 33) | 1,794.73 | 849.78 |
| Balance with Government Authorities | 23,272.38 | 15,974.81 |
| Indirects Tax Balances/ Receivables/ Credits | 1,094.49 | 393.60 |
| | **32,220.99** | **21,124.06** |

* Other advances include advance amounting to ₹1,392.50 lakhs to be recovered from bank for moratorium facilities availed by the Group which has been subsequently been received.

* Other Advances includes advances to employees and other party.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 21:- Share Capital

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | Number of shares | ₹ in Lakhs | Number of shares | ₹ in Lakhs |
| **Authorised:** | | | | |
| Equity Shares of ₹10 each | 1,033,285,150 | 103,328.52 | 71,000,000 | 7,100.00 |
| Preference Shares of ₹10 each | 80,000,000 | 8,000.00 | 80,000,000 | 8,000.00 |
| | **1,113,285,150** | **111,328.52** | **151,000,000** | **15,100.00** |
| **Issued, Subscribed and paid-up:** | | | | |
| Equity Shares of ₹10 each | 60,709,992 | 6,071.00 | 60,709,992 | 6,071.00 |
| Less: Treasury shares held under ESOP Trust (Refer note (a) below) | 780,848 | 78.08 | 530,214 | 53.02 |
| | **59,929,144** | **5,992.92** | **60,179,778** | **6,017.98** |

**Notes:**

**(a) Shares held under ESOP Trust**

ESOP is the primary arrangement under which shared plan service incentive are provided to certain specified employees of the Company and it's subsidiaries in India. The Company treats ESOP trust as its extension and shares held by ESOP trust are treated as treasury shares.

For the details of shares reserved for issue under the Employee Stock Ownership Plan (ESOP) of the Group (refer note 51).

**Movement in treasury shares**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| **Shares of ₹10/- each fully paid-up held under ESOP Trust** | No. of Shares | ₹ in Lakhs | No. of Shares | ₹ in Lakhs |
| Balance at the beginning of the year | 530,214 | 53.02 | 530,214 | 53.02 |
| Movement during the year | 250,634 | 25.06 | - | - |
| **Balance at the end of the year** | **780,848** | **78.08** | **530,214** | **53.02** |

**(b) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year:**

| Issued, Subscribed and paid up share capital | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | No. of Shares | ₹ in Lakhs | No. of Shares | ₹ in Lakhs |
| Balance at the beginning of the year | 60,179,778 | 6,017.98 | 60,179,778 | 6,017.98 |
| Share cancelled pursuant to business combination (Refer Note 58) | (59,928,860) | (5,992.89) | - | - |
| Share issued pursuant to business combination (Refer Note 58) | 59,928,860 | 5,992.89 | - | - |
| Movement in treasury shares during the year (refer note (a) above) | (250,634) | (25.06) | - | - |
| **Balance at the end of the year** | **59,929,144** | **5,992.92** | **60,179,778** | **6,017.98** |

**(c) Terms/rights attached to equity shares:**

The Company has one class of share capital, i.e. equity shares having face value of ₹10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

### (d) Shares held by Holding Company and fellow subsidiaries

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | No. of Shares | ₹ in Lakhs | No. of Shares | ₹ in Lakhs |
| Sajjan Jindal Family Trust along with its nominee shareholders (held by Sajjan Jindal & Sangita Jindal as a Trustee) | 56,504,513 | 565.05 | - | - |
| JSW Infrastructure Fintrade Private Limited, the holding company along with its nominee shareholders | - | - | 59,866,570 | 5,986.66 |
| Nisarga Spaces Private Limited | - | - | 31,145 | 3.11 |
| Avani Spaces Private Limited | - | - | 31,145 | 3.11 |

### (e) Details shareholders holding more than 5 % shares in the Company:

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | No. of Shares | ₹ in Lakhs | No. of Shares | ₹ in Lakhs |
| JSW Infrastructure Fintrade Private Limited, the Holding Company along with its nominee shareholders | - | - | 59,866,570 | 598.67 |
| Sajjan Jindal Family Trust along with its nominee shareholders (held by Sajjan Jindal & Sangita Jindal as a Trustee) | 56,504,513 | 565.05 | - | - |

**(f) There are no shares reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment.**

**(g) There are not bonus shares issued during the period of five years immediately preceding the reporting date.**

## Note 22:- Other Equity

(₹ in Lakhs)

| Particulars | Retained Earnings | Securities Premium Reserve | Debenture Redemption Reserve | Share based Payment Reserve | Capital Reserve | FCMITDA | Total equity attributable to equity holders of the Company | Non-Controlling Interests | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 01st April, 2019** | **190,249.90** | **83,735.47** | **-** | **2,770.87** | **5,998.67** | **(6.40)** | **282,748.51** | **19,705.34** | **302,453.85** |
| Profit for the year | 19,042.41 | - | - | - | - | - | 19,042.41 | 610.56 | 19,652.97 |
| Transferred to/from Debenture Redemption Reserve | (12,200.00) | - | 12,200.00 | - | - | - | - | - | - |
| Share issue expenses of subsidiaries | (308.76) | - | - | - | - | - | (308.76) | - | (308.76) |
| Impact of business combination (Refer Note No. 58) | (3,183.26) | (51,562.60) | - | - | - | - | (54,745.86) | - | (54,745.86) |
| Recognition of Shared Based Payments | - | - | - | 1,928.99 | - | - | 1,928.99 | - | 1,928.99 |
| Changes in Foreign currency monetary item translation | - | - | - | - | - | 182.08 | 182.08 | - | 182.08 |
| Remeasurements Gain on Defined Benefit Plans (Net of Tax) | (18.68) | - | - | - | - | - | (18.68) | (5.86) | (24.53) |
| **Balance as at 31st March, 2020** | **193,581.61** | **32,172.87** | **12,200.00** | **4,699.86** | **5,998.67** | **175.68** | **248,828.69** | **20,310.04** | **269,138.74** |

(₹ in Lakhs)

| Particulars | Retained Earnings | Securities Premium Reserve | Debenture Redemption Reserve | Share based Payment Reserve | Capital Reserve | FCMITDA | Total equity attributable to equity holders of the Company | Non-Controlling Interests | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 01st April, 2018** | **163,605.79** | **83,735.47** | **-** | **1,952.58** | **5,998.67** | **(3.32)** | **255,289.19** | **19,182.53** | **274,471.71** |
| Profit for the year | 26,672.44 | - | - | - | - | - | 26,672.44 | 524.05 | 27,196.50 |
| Recognition of Shared Based Payments | - | - | - | 818.29 | - | - | 818.29 | - | 818.29 |
| Changes in Foreign currency monetary item translation | - | - | - | - | - | (3.08) | (3.08) | - | (3.08) |
| Remeasurements Gain on Defined Benefit Plans (Net of Tax) | (28.33) | - | - | - | - | - | (28.33) | (1.24) | (29.58) |
| **Balance as at 31st March, 2019** | **190,249.90** | **83,735.47** | **-** | **2,770.87** | **5,998.67** | **(6.40)** | **282,748.51** | **19,705.34** | **302,453.84** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**Nature and purpose of reserves:**

**(1) Retained Earnings:**

Retained earnings are the profits that Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings are free reserves available to the Group.

**(2) Security Premium Account:**

Security premium account is created when shares are issued at premium. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

**(3) Debenture Redemption Reserve:**

Debenture Redemption reserve was created for redemption of debentures.

**(4) Share Based Payments Reserve:**

For details of shares reserved under employee stock option (ESOP) of the Group. (refer note 51)

**(5) Capital Reserve:**

Forfeiture of equity share warrant on account of option not exercised by the warrant holders.

**(6) Foreign Currency Monetary Item Translation Difference Account:**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

**(7) Items of Other Comprehensive Income:**

Remeasurement of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised in 'Other Comprehensive Income' and subsequently not reclassified to the statement of Profit and Loss.

## Note 23:- Non-Current Financial Liabilities-Borrowings

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current |
| **Term loan** | | | | |
| Secured | 234,687.08 | 5,939.71 | 192,181.20 | 3,812.13 |
| Unsecured | - | 11,113.39 | 10,188.37 | 1,306.20 |
| Debentures | 27,120.00 | 21,680.00 | - | - |
| Less: Unamortised upfront fees on Borrowing | (2,009.18) | (147.25) | (2,357.51) | (46.40) |
| | **259,797.90** | **38,585.85** | **200,012.06** | **5,071.93** |
| Loan from related party (Unsecured) (refer Note No. 41) | 1,322.80 | - | - | - |
| Less: Current Maturity of long-term debt clubbed under other Financial Liabilities (Refer Note No. 29) | - | (38,585.85) | - | (5,071.93) |
| | **261,120.70** | **-** | **200,012.06** | **-** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 23.1:- Nature of security and terms of repayment

(₹ in Lakhs)

| Lender | As at 31st March, 2020 | | As at 31st March, 2019 | | Rate of interest | | Nature of security | Repayment terms |
|---|---|---|---|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current | As at 31st March, 2020 | As at 31st March, 2019 | | |
| **Rupee Term Loans From Banks (Secured)** | | | | | | | | |
| Consortium Loan (Leading Bank is Axis Bank)* | 5,713.14 | 482.50 | 25,390.30 | 505.00 | One Year MCLR + 0.25% | One Year MCLR + 0.25% | First *pari pasu* charge on JSW JPL's all present and future assets | Repayable in quarterly instalments from June 2018 to June 2030 |
| FCTL Loan (Leading Bank is Axis Bank) | 27,165.27 | 1,039.11 | 25,234.10 | 544.83 | One Month Libor + 340 BPS | One Month Libor + 340 BPS | | |
| South Indian Bank* | 9,150.00 | 400.00 | 9,501.73 | 193.91 | One Month MCLR in line with the Axis Bank + 0.05% | One Month MCLR in line with the Axis Bank + 0.05% | | |
| Bank of India | 27,450.00 | 1,050.00 | 28,518.00 | 582.00 | One Year MCLR in line with the Axis Bank + 0.25% | One Year MCLR in line with the Axis Bank + 0.25% | | |
| Exim Bank FCTL - 1* | 20,749.97 | 678.47 | 30,506.56 | 933.81 | Libor 6 Month rate + 285 BPS | Libor 6 Month rate + 285 BPS | | |
| Exim Bank FCTL - 2* | 31,124.95 | 1,017.71 | 18,259.21 | 622.54 | Libor 6 Month rate + 285 BPS | Libor 6 Month rate + 285 BPS | | |
| Union Bank of India* | 18,713.08 | 820.00 | - | - | 1 Year MCLR + 80 BPS, in line with Axis Bank | - | First *pari pasu* charge on company's all present and future assets (except 85 acres land to be handed over to HEGPL) | |
| Debenture issued to Credit Suisse AG Singapore Branch** | 13,560.00 | 10,840.00 | - | - | Zero rated, redeemable with premium @ 11% IRR | | The debentures are secured by the pledge of equity shares of JSW Steel Limited and JSW Energy Limited under the Pledge Agreement dated 16th December, 2019 between Debenture trustee & pldegers (refer note 41) | ₹13,560 lakhs are redeemable on 5th March, 2021 and ₹10,840 lakhs are redeemable on 4th March, 2022 |
| Debenture issued to DB International Asia Ltd.** | 13,560.00 | 10,840.00 | - | - | Zero rated, redeemable with premium @ 11% IRR | | | ₹13,560 lakhs are redeemable on 5th March, 2021 and ₹10,840 lakhs are redeemable on 4th March, 2022 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

(₹ in Lakhs)

| Lender | As at 31st March, 2020 | | As at 31st March, 2019 | | Rate of interest | | Nature of security | Repayment terms |
|---|---|---|---|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current | As at 31st March, 2020 | As at 31st March, 2019 | | |
| Consortium Loan (Leading Bank is Yes Bank) | 5,914.73 | 451.92 | 6,516.85 | 273.15 | Floating 10.35% | Floating 10.35% | First *pari-passu* charge on entire moveable and immoveable fixed assets, current assets, receivables and proceeds both present and future including those of Project of DPPL. | Repayable in quarterly instalments, from December 2018 to June 2031 |
| Ratnakar Bank | 3,900.00 | - | 3,743.11 | 156.89 | Floating 10.35% | Floating 10.30% | Charge over all assets of JSW Dharamtar Port subject to a minimum of 1.2X | This loan is repayable door to door i.e. bullet repayment at the end of 10 years from the date of loan 15 October, or one quarter from payment of senior lender whichever is earlier |
| Consortium Loan (Lead Bank is Yes Bank) | 43,892.35 | - | 25,059.52 | - | Floating 10.40% | Floating 10.35% | First *pari pasu* charge on PTPL's all present and future assets | Quarterly repayment starts in December 2021 and ends in September 2031 |
| EXIM Bank | 40,913.59 | - | 19,451.82 | - | LTMR + 45 Basis Point | LTMR + 45 Basis Point | First *pari pasu* charge on PTPLEQ's all present and future assets | Quarterly repayment starts in June 2023 and ends in March 2035 |
| **Rupee Term Loans From Banks (Unsecured)** | | | | | | | | |
| Consortium Loan - FCTL (Leading Bank is Yes Bank)* | - | 11,113.39 | 10,188.38 | 681.20 | 3 months LIBOR plus 300 bps | 3 months LIBOR plus 300 bps | Unsecured | Repayable in quarterly instalments, from March 2019 to February 2021 |
| Yes Bank | - | - | - | 625.00 | 1 Year MCRL of Yes Bank. | 1 Year MCRL of Yes Bank. | Unsecured, Priority sector lending | Repayable in quarterly instalments, started from Mar-2016 to Sept-2019 |
| From Related party | | | | | | | | |
| JSW Techno Projects Management Limited | 850.00 | | - | - | 11% | | Unsecured | Payable on 1st April, 2022 |
| Sahyog Holdings Private Limited | 472.80 | | - | - | 11% | | Unsecured | Payable on 19th November, 2022 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

(₹ in Lakhs)

| Lender | As at 31st March, 2020 | | As at 31st March, 2019 | | Rate of interest | | Nature of security | Repayment terms |
|---|---|---|---|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current | As at 31st March, 2020 | As at 31st March, 2019 | | |
| **Short-Term Borrowings (unsecured)** | | | | | | | | |
| Bank Overdraft (ICICI Bank) | - | 502.52 | - | - | 6 Months MCLR of ICICI Bank + 125 BPS | | Unsecured | Repayable on demand |
| Buyers Credit | - | 8,141.60 | - | - | Libor 1.98% + margin USD 90,629.16 | | Unsecured | 180 Days to 360 days from discounting date |
| Bank Overdraft | - | 1,906.78 | - | - | 6M MCLR Rate + 1.2% | | Unsecured | Repayable on demand |
| | 263,129.88 | 49,284.00 | 202,369.58 | 5,118.33 | | | | |

* Loan Moratorium - Relates to term loans in respect of which the Group has opted to avail moratorium on payment of all instalments (principal and interest component) falling due between 1st March, 2020 to 31st May, 2020, from respective banks on account of COVID-19 under the RBI guidelines and accordingly, interest accrued as on 31st March, 2020 is payable after completion of moratorium period

** Shares of JSW Steel Limited and JSW Energy Limited are pledged against Debentures by Vividh Finvest Pvt. Ltd., JSW Investment Pvt. Ltd., Indusglobe Multiservices Pvt. Ltd., JSW Holdings Limited and Sahyog Holding Pvt. Ltd. (refer note 41)

## Note 24:- Non-Current Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Security Deposits | 2,253.79 | 2,077.07 |
| Retention money for capital projects | 6,469.96 | 5,256.39 |
| Accrued premium on Non-Convertible Debentures | 810.33 | - |
| Lease Liabilities (refer Note No. 2.8) | 8,847.69 | - |
| | **18,381.77** | **7,333.46** |

**Note 1 –** The Group has adopted Ind-AS 116 beginning 1st April, 2019 which has resulted in recognising a "Lease Liability" of ₹10,679.37 lakhs as at 1st April, 2019.

During the year Group has recognised ₹267.39 lakhs as finance charge on lease and has paid ₹1,455.04 as lease rent. At the end of the year Group has reported total lease liability of ₹9,491.72 lakhs, out of which Non-Current Lease Liability is ₹8,847.69 lakhs and Current Lease Liability is ₹644.03 lakhs.

**Note 2 –**

The operating lease commitments as of 31st March, 2019 reconciled with lease liabilities as at April 01, 2019 as follows:

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| Operating lease commitments as at 31st March, 2019 | 21,136.41 |
| Weighted average incremental borrowing rate as at April 01, 2019 | 9.25% |
| Discounted operating lease commitments at April 01, 2019 | 10,679.37 |
| Add: Commitments relating to leases previously classified as finance leases | - |
| Lease Liabilities as at April 01, 2019 | 10,679.37 |

**Note 3 –** Total Lease Liabilities recognised as on 1st April, 2019 of ₹10,679.37 represents increase in total liabilities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**Note 4 –** The minimum lease rentals as at 31st March, 2020 and the present value as at 31st March, 2020 of minimum lease payments in respect of right of use assets acquired under leases are as follows:

(₹ in Lakhs)

| Particulars | Minimum payments | Present value of payments |
|---|---|---|
| Not Later than 1 year | 1,174.12 | 1,054.92 |
| Later than 1 year and not later than 5 years | 5,071.23 | 3,660.89 |
| Later than 5 years | 13,764.75 | 4,529.77 |
| **Total minimum lease payment** | **20,010.10** | **9,245.58** |
| Less: Amounts representing finance charges | (10,764.52) | - |
| **Present value of minimum lease receivables** | **9,245.58** | **9,245.58** |

## Note 25:- Non-Current Provisons

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Provision for Employee Benefits** | | |
| Gratuity (refer note 48) | 115.06 | 52.54 |
| Compensated Absences (refer note 48) | 367.23 | 318.63 |
| | **482.29** | **371.17** |

## Note 26:- Non-Current Liabilities – Others

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Capital advances received | 19,992.01 | - |
| Deferred Income | 19.05 | 27.51 |
| Export obligation deferred income* | 9,614.55 | 10,137.85 |
| | **29,625.61** | **10,165.36** |

* Export obligation deferred income represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant and being amortised over the useful life of such assets. On fulfillment of export obligation it is accounted for as Revenue.

## Note 27:- Current Financial Liabilities – Borrowings

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Unsecured: | | |
| From banks (refer note 23.1) | | |
| Buyers Credit | 8,141.60 | - |
| Working Capital Loan | 2,409.30 | - |
| | **10,550.90** | **-** |

## Note 28:- Current Financial Liabilities – Trade Payables

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Total outstanding, due of Micro and Small Enterprises (refer Note No. 28.1) | 51.02 | 49.71 |
| Total outstanding, due of creditors other than Micro and Small Enterprises | | |
| Other than Acceptance (for related parties, Refer Note 41) | 7,935.71 | 673.21 |
| | **7,986.73** | **722.92** |

Payables are normally settled within 1 to 180 days

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 28.1:- Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year. | | |
| Principal Amount due to Micro and Small Enterprises | 51.02 | 49.71 |
| Interest due on above | - | - |
| | **51.02** | **49.71** |

## Note 29:- Current – Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Current maturities of Long-Term Borrowings (refer Note No. 23.1) | 38,585.85 | 5,071.93 |
| Interest accrued but not due on Borrowing including related party (refer Note No. 41) | 1,131.96 | 472.84 |
| Premiun on Redemption on Debenture | 665.50 | - |
| Payables for capital projects | | |
| Acceptance * | - | 11,012.54 |
| Other than acceptance | 8,885.39 | 5,672.50 |
| Lease Liabilities (refer Note No. 2.8 & 24) | 644.03 | - |
| Retention Money | 2,171.96 | 1,832.17 |
| Security Deposit | 2,679.69 | 2,568.10 |
| Employee dues | 894.45 | 875.69 |
| Other Payables** | 12,475.75 | 11,534.81 |
| | **68,134.58** | **39,040.58** |

* Acceptances include credit availed by the Group from Banks for payment to suppliers for capital items. The arrangements are interest-bearing and are payable within one year.

** Others include payment to vendors, consultants etc.

## Note 30:- Other Current Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Advances from customers | 517.23 | 10,394.15 |
| Statutory Liabilities | 760.37 | 764.53 |
| Export obligation deferred income* | 810.33 | 810.33 |
| | **2,087.93** | **11,969.01** |

* Export obligation deferred income represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant and being amortised over the useful life of such assets. On fulfillment of export obligation it is accounted for as Revenue.

## Note 31:- Current Provisions

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Provision for Employee Benefits** | | |
| Gratuity (refer note 48) | 26.35 | 25.66 |
| Compensated Absences (refer note 48) | 38.77 | 30.81 |
| | **65.13** | **56.48** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 32:- Revenue from Operations

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Income from contracts with customers | | |
| Port Dues | 1,912.47 | 2,072.89 |
| Pilotage & Tug hire | 2,699.94 | 3,060.54 |
| Berth Hire Charges | 13,202.23 | 13,236.91 |
| Cargo Handling Income | 76,057.56 | 70,051.64 |
| Wharfage Income | 3,039.07 | 4,270.07 |
| Dust Suppression | 140.64 | 219.67 |
| Storage Income | 3,298.84 | 4,556.08 |
| Cap dredging Income | 5,052.71 | 5,559.07 |
| Grabs Transportation Charges | 24.85 | 40.81 |
| Other Port Service income | 320.37 | 121.56 |
| Paradip railway project Income | 3,014.55 | - |
| Other Operating Income | 5,551.30 | 4,836.78 |
| | **114,314.53** | **108,026.02** |

**Revenue recognised from Contract liability (Advances from Customers)**

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Trade Receivable (Gross) (Refer Note. No. 15) | 50,296.70 | 39,135.24 |
| **Contract Liabilities** | | |
| **Closing Balance of Contract Liability (Refer Note No. 30)** | **517.23** | **10,394.15** |

The contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st March, 2020.

## Note 33:- Other Income

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| **Interest Income earned on financial assets that are not designated as FVTPL** | | |
| Loan to Related Parties | 3,231.88 | 2,530.29 |
| On Bank Deposits | 481.55 | 786.12 |
| Other Interest Income | 858.78 | 3,036.48 |
| Gain on sale of Current Investments designated as FVTPL | 1,232.30 | 816.91 |
| Fair Valuation Gain arising from Financials Instrumenst designated at FVTPL | 48.42 | 255.87 |
| Exchange gain (net) | 1.07 | 100.70 |
| Sale of scrap | 101.44 | 115.51 |
| Government grant income | | |
| Government grant incentive income (SEIS)(refer note 2.7)* | 1,143.94 | 836.11 |
| Export obligation deferred income amortisation (refer note 30) | 857.11 | 810.33 |
| Gain on sale of Property, Plant, Equipment and Intangible Assets | 19.05 | - |
| Miscellaneous Income | 1,446.53 | 844.99 |
| | **9,422.07** | **10,133.31** |

* Service Export Incentive Scheme (SEIS)

The Government with a view to incentivise the service exports introduced the Service Export Incentive Scheme (SEIS) in Foreign Trade Policy for 2015-20. The scheme covers services provided from India to any other country and services provided to the foreign consumer.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## NOTE 34:- Operating Expenses

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Cargo handling expenses | 15,927.60 | 15,680.06 |
| Tug and pilotage charges | 668.18 | 514.80 |
| Stores & spares consumed | 1,195.06 | 879.18 |
| Power & fuel | 3,565.99 | 3,806.09 |
| Maintenance Dredging charges | 1,424.80 | 1,240.32 |
| Repair & Maintenance | | |
| Plant & Machinery | 67.02 | 124.69 |
| Buildings | 2,968.16 | 2,990.23 |
| Fees to Regulatory Authorities | 6,242.54 | 5,994.79 |
| Other operating expenses | 1,377.39 | 1,420.85 |
| Barge Mooring - Unmooring | 135.36 | 136.63 |
| Labour charges | 108.78 | 65.59 |
| Payloader hiring | 851.61 | 941.61 |
| Stevedoring & Waterfront charges | 11.54 | 0.68 |
| | **34,544.03** | **33,795.52** |

## Note 35:- Employee Benefits Expense

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Salaries, Wages and Bonus | 4,885.36 | 4,606.92 |
| Contributions to provident and other Fund | 239.69 | 242.51 |
| Gratuity & Leave encashment expense (Refer note 48) | 152.65 | 45.07 |
| ESOP expenses (refer note 22(4) & 51) | 1,866.54 | 736.42 |
| Staff welfare expenses | 322.34 | 331.31 |
| | **7,466.58** | **5,962.23** |

## Note 36:- Finance Costs

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| **Interest on:** | | |
| Interest on Loans | 9,309.24 | 5,171.68 |
| Premium on Debentures | 1,620.48 | - |
| Interest on Lease Liabilities (Refer Note 24) | 267.39 | - |
| Exchange differences regarded as an adjustment to borrowing costs | 7,921.52 | 6,392.64 |
| Other finance costs | 8,627.20 | 6,149.33 |
| | **27,745.83** | **17,713.65** |

## Note 37:- Depreciation and Amortisation Expense

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Depreciation on Tangible Assets | 15,668.31 | 13,444.96 |
| Depreciation on Right of Use Assets (Refer note 3) | 818.24 | - |
| Amortisation on Intangible Assets | 3,699.18 | 3,613.88 |
| | **20,185.73** | **17,058.84** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 38:- Other Expenses

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Rent, rates & taxes | 514.13 | 574.55 |
| Advertisement | 121.65 | 96.76 |
| Directors sitting fees | 43.22 | 43.23 |
| Remuneration to auditors (Refer note 40) | 50.61 | 45.99 |
| Legal, professional & consultancy charges | 714.73 | 768.12 |
| Insurance | 908.27 | 695.61 |
| House keeping and horticulture expenses | 65.98 | 61.91 |
| Vehicle hiring & maintenance | 364.16 | 287.43 |
| Security charges | 387.42 | 302.23 |
| CSR expenses (Refer note 47) | 716.63 | 710.43 |
| Loss on sale of property, plant, equipment and other intangible assets (net) | - | 12.42 |
| Travelling expenses | 265.78 | 243.59 |
| General office expenses and overheads | 1,494.64 | 1,166.03 |
| Business support services | 1,295.02 | 1,175.79 |
| Foreign exchange loss (net) | - | 65.87 |
| Paradip railway project expenses | 3,019.16 | 780.21 |
| Others | 422.90 | 24.03 |
| | 10,384.30 | 7,054.20 |

## Note 39:- Contingent Liabilities and Commitments

**A. Contingent Liabilities: (to the extent not provided for)**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Bank Guarantee given to:** | | |
| Mormugao Port Trust | - | 125.92 |
| Customs | 1,696.51 | 2,236.14 |
| Customs for bonded storage facility | 400.00 | 400.00 |
| Goa State Pollution Control Board | 100.00 | 105.00 |
| Paradip Port Trust | 10,091.00 | 10,091.00 |
| Electricity Dept | 121.75 | 121.75 |
| Konkan Railway Corporation Limited | - | 2,325.90 |
| Port of Fujairah | 1,309.70 | 1,309.70 |
| Maharashtra Maritime Board | 1,217.57 | 1,039.12 |
| For bank facilities | 4,100.00 | - |
| Maharashtra Pollution Control Board | 107.00 | 80.00 |
| **Disputed income tax liability in respect of:** | | |
| AY 2008-09 | 87.70 | 60.54 |
| AY 2010-11 | - | - |
| AY 2011-12 | 105.83 | 105.83 |
| AY 2012-13 | 54.65 | 54.62 |
| AY 2013-14 | 431.10 | 431.10 |
| AY 2014-15 | 1.95 | 1.95 |
| AY 2015-16 | 8.23 | 8.23 |
| AY 2017-18 | 12.16 | 12.16 |
| Letter of Credit | 1,111.18 | 3,815.36 |
| Demand raised by Mormugao Port Trust towards capital dredging of an approach channnel at Berth No. 5A & 6A | - | 846.20 |
| Dispute with Mormugao Port Trust regarding Cargo Handling Labour Department (CHLD) | 608.00 | 608.00 |
| Excise duty/ Customs duty/ Service tax liability that may arise in respect of matters in appeal | 5,472.96 | 6,678.57 |

Notes:

(a) The Group does not expect any reimbursement in respect of the above contingent liabilities.

(b) The disputed demand outstanding up to the said Assessment Year is ₹701.63 lakhs (31st March, 2019 ₹674.43 lakhs). Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the group has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly, no provision has been made.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**B. Commitments: (net of advances)**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Capital commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 47,475.55 | 94,257.92 |
| **Other commitments** | | |
| The Group has imported capital goods under the export promotion capital goods scheme to utilise the benefit of zero or concessional custom duty rate. These benefits are subject to future exports. Such export obligations at year end aggregate to | 40,664.99 | 54,769.94 |

Group has fulfilled export obligation of ₹84,814.28 lakhs till 31st March, 2020.

## Note 40:- Payment to Statutory Auditors (Exclusive of GST)

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Statutory Audit fees | 44.92 | 40.24 |
| Tax Audit fees | 1.70 | 1.55 |
| Out of Pocket expenses | 1.09 | 1.63 |
| Others | 2.90 | 2.57 |
| | **50.61** | **45.99** |

## Note 41:- Disclosures as Required by Indian Accounting Standard (Ind AS) 24 Related Party Disclosures

**(a) List of Related Parties**

| Name | Nature of Relation |
|---|---|
| Sajjan Jindal Family Trust | Holding Entity |
| JSW Steel Limited | Others |
| JSW Infrastructure Employees Welfare Trust | Others |
| South West Employee Welfare Trust | Others |
| JSW Jaigarh Employee Welfare Trust | Others |
| JSW IP Holdings Private Limited | Others |
| JSW Holdings Private Limited | Others |
| Amba River Coal Limited | Others |
| JSW Steel Coated Limited | Others |
| JSW Cement Limited | Others |
| Art India Publishing Company Pvt. Limited | Others |
| JSW Coated Limited | Others |
| JSW Projects Limited | Others |
| JSW Energy Limted | Others |
| JSW Foundation | Others |
| Realcom Realty Private Limited | Others |
| JSW Sports Limited | Others |
| JSW Techno Projects Management Limited | Others |
| Vividh Finvest Private Limited | Others |
| JSW Investments Private Limited | Others |
| Indusglobe Multiventures Private Limited | Others |
| Sahyog Holdings Private Limited | Others |
| JSW Global Business Solutions Limited | Others |
| JSW Severfield Structures Limited | Others |
| JSW Steel (Salav) Ltd. | Others |

### Key Managerial Personnel

| Name | Nature of Relation |
|---|---|
| Capt. BVJK Sharma* | JMD & CEO |
| Arun Maheshwari | JMD & CEO |
| Lalit Singhvi | Director & CFO |
| Gazal Qureshi | Company Secretary |

Capt. BVJK Sharma resigned on 17th April, 2019 and Mr. Arun Sitaram Maheshwari appointed as JMD & CEO w.e.f. 18th April, 2019.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**(b) The following transactions were carried out with the related parties in the ordinary course of business:**

(₹ in Lakhs)

| Nature of transaction/relationship | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| **Purchase of goods and services** | | |
| JSW Steel Limited | 754.03 | 917.05 |
| JSW Cement Limited | 15.66 | - |
| JSW Steel Coated Product Limited | 24.39 | 410.03 |
| JSW Severfield Structures Ltd. | 3,172.12 | 5,057.66 |
| JSW Foundation | 191.40 | 3.45 |
| JSW IP Holding Limited | 261.47 | 119.76 |
| **Total** | **4,419.07** | **6,507.95** |
| **Purchase of Capital goods** | | |
| JSW Steel Limited | 94.78 | 21.86 |
| JSW Steel Coated Products Limited | - | 63.89 |
| JSW Cement Limited | 73.96 | 1.06 |
| **Total** | **168.74** | **86.81** |
| **Sales of goods and services** | | |
| JSW Ispat Steel Limited | - | - |
| JSW Cement Limited | 434.48 | 602.08 |
| JSW Coated Products Limited | - | - |
| JSW Energy Limited | 14,950.71 | 15,090.22 |
| JSW Steel (Salav) Ltd. | - | 256.43 |
| Dolvi Coke Project Limited | - | 422.02 |
| Amba River coke Limited | 8,525.65 | 13,617.58 |
| JSW Steel Limited | 44,649.08 | 45,739.26 |
| **Total** | **68,559.92** | **75,727.59** |
| **Capital advance received** | | |
| JSW Steel Limited | 19,992.00 | - |
| **Total** | **19,992.00** | **-** |
| **Pledge Fees** | | |
| Vividh Finvest Private Limited | 31.30 | |
| JSW Investments Private Limited | 24.92 | |
| Indusglobe Multiventures Private Limited | 313.08 | |
| **Total** | **369.30** | **-** |
| **Interest Expenses** | | |
| JSW Techno Projects Management Limited | 93.50 | |
| Sahyog Holdings Private Limited | 43.92 | |
| **Total** | **137.42** | **-** |
| **Interest Income** | | |
| JSW Global Business Solutions | 16.77 | 88.07 |
| JSW Investments Pvt. Ltd. | 7.20 | |
| JSW Sports Private Limited | 2,701.38 | 2,374.61 |
| JSW Projects Limited | 61.64 | - |
| Realcom Realty Private Limited | 268.20 | 152.26 |
| **Total** | **3,055.19** | **2,614.94** |
| **Loans given** | | |
| JSW Infrastructure Employees Welfare Trust | 1,550.00 | - |
| JSW Projects Limited | 20,000.00 | - |
| **Total** | **21,550.00** | **-** |
| **Payment of salaries, commission and perquisites to Key Management Personnel** | | |
| Capt. BVJK Sharma | 256.27 | 373.99 |
| Mr. Arun Maheshwari | 275.14 | |
| Mr. Lalit Singhvi | 171.31 | 142.65 |
| Ms Gazal Qureshi | 23.04 | 20.21 |
| **Total** | **725.76** | **536.85** |
| **Reimbursement of expenses incurred by our behalf** | | |
| JSW Steel Limited | 83.27 | 61.06 |
| JSW Foundation (CSR expenses) | 389.09 | |
| JSW Energy Limited | 34.70 | - |
| **Total** | **507.06** | **61.06** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

(₹ in Lakhs)

| Nature of transaction/relationship | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| **Recovery of expenses incurred by us on their behalf** | | |
| Nisarga Spaces Pvt. Limited (refer note 58) | - | 0.31 |
| Avani Space Pvt. Limited (refer note 58) | - | 19.12 |
| JSW Infrastructure Employees Welfare Trust | 1.05 | 1.37 |
| South West Port Employees Welfare Trust | 0.40 | 1.94 |
| JSW Jaigarh Port Employee Welfare Trust | - | 0.55 |
| West Waves Maritime And Allied Services Private Limited | - | 0.22 |
| **Total** | **1.45** | **23.51** |

**(c) Amount due to/from related parties**

(₹ in Lakhs)

| Nature of transaction/relationship | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Accounts receivable** | | |
| JSW Cement Limited | 621.22 | 598.20 |
| JSW Steel Limited | 26,455.75 | 15,889.83 |
| JSW Steel Coated Product Limited | 40.46 | 44.84 |
| JSW Energy Limited | 4,538.79 | 5,785.47 |
| JSW IP Holding Limited | 1.91 | - |
| Dolvi Coke Project Limited | - | 2.59 |
| Amba River coke Limited | 3,711.56 | 1,324.45 |
| JSW Steel (Salav) Ltd. | - | 37.57 |
| **Total** | **35,369.69** | **23,682.95** |
| **Accounts Payable** | | |
| JSW Cement Limited | 67.71 | 9.69 |
| JSW Severfield Structures Ltd. | 576.72 | 103.06 |
| JSW Steel Limited | 1,672.70 | 1,019.23 |
| JSW GLOBAL BUSINESS SOLUTIONS LIMIT | 8.61 | - |
| JSW Steel Coated Product Limited | - | (27.02) |
| JSW Foundation | 209.26 | - |
| JSW IP Holding Limited | 6.47 | - |
| **Total** | **2,541.47** | **1,104.96** |
| **Loans given** | | |
| JSW Infrastructure Employees Welfare Trust | 1,975.58 | 425.90 |
| South West Employees Welfare Trust | 375.58 | 375.58 |
| JSW Jaigarh Port Employee Welfare Trusts | 12.52 | 12.52 |
| JSW Sports Limited | - | 27,500.00 |
| JSW Global Business Solutions Private Limited | 152.00 | 152.00 |
| JSW Projects Ltd. | 20,000.00 | - |
| JSW Investments Pvt. Ltd. | 72.00 | |
| Realcom Reality Pvt. Ltd. | 5,035.27 | 2,500.00 |
| **Total** | **27,622.95** | **30,966.00** |
| **Other advances receivables** | | |
| JSW Steel Coated Products Ltd. | 0.20 | 0.20 |
| JSW Steel (SALAV) Ltd. | 0.22 | 0.22 |
| JSW Severfield Structures Ltd. | - | 1,550.49 |
| Nisarga Spaces Pvt. Limited (refer note 58) | - | 0.94 |
| Avani Space Pvt. Limited (refer note 58) | - | 5.17 |
| West Waves Maritime and Allied Services Private Limited | - | 0.77 |
| **Total** | **0.42** | **1,557.79** |
| **Capital advance received** | | |
| JSW Steel Limited | 19,992.00 | |
| **Total** | **19,992.00** | **-** |
| **Loans and Advances Payables** | | |
| JSW Techno Projects Management Limited | 850.00 | - |
| Sahyog Holdings Private Limited | 472.80 | - |
| **Total** | **1,322.80** | **-** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

(₹ in Lakhs)

| Nature of transaction/relationship | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Interest receivable** | | |
| JSW Projects Ltd. | 55.47 | - |
| JSW Investments Pvt. Ltd. | 6.48 | - |
| JSW Global Business Solutions Limited | 29.19 | 14.10 |
| JSW Sports Private Limited | 204.59 | 2,137.14 |
| Realcom Reality Pvt. Ltd. | 691.38 | 450.00 |
| **Total** | **987.11** | **2,601.24** |
| **Interest Payable** | | |
| JSW Techno Projects Management Limited | 99.85 | - |
| Sahyog Holdings Private Limited | 42.54 | - |
| **Total** | **142.39** | **-** |
| **Recovery on account of Expenses** | | |
| JSW Infrastructure Employees Welfare Trust | 26.05 | 23.64 |
| JSW Jaigarh Employee Welfare Trust | 0.77 | 2.01 |
| South West Employee Welafre Trust' | 3.41 | 0.22 |
| **Total** | **30.23** | **25.87** |
| **Optional Convertible Debenture (Unquoted)** | | |
| JSW Sports Limited | 30,900.00 | - |
| **Total** | **30,900.00** | **-** |
| **Collateral Received** | | |
| Colleteral Received from Other related parties (Refer Note below *) | 48,800.00 | - |
| **Total** | **48,800.00** | **-** |
| **Other Payables** | | |
| Vividh Finvest Private Limited | 33.80 | - |
| JSW Investments Private Limited | 26.92 | - |
| Indusglobe Multiventures Private Limited | 19.04 | - |
| **Total** | **79.76** | **-** |
| **Security Deposit Received for Assets, Material and Services** | | |
| JSW Energy Limited | 5,350.00 | 5,350.00 |
| **Total** | **5,350.00** | **5,350.00** |
| **Capital Advances Given** | | |
| Nisarga Spaces Pvt. Limited (refer note 58) | - | 318.20 |
| **Total** | **-** | **318.20** |

*** Shares of JSW Steel Limited and JSW Energy Limited are pledged as follows: (Refer Note 23)**

(₹ in Lakhs)

| Particulars | Shares of Company | No. of Shares |
|---|---|---|
| Vividh Finvest Private Limited | JSW Steel Limited | 28,624,000 |
| JSW Investments Private Limited | JSW Energy Limited | 16,025,000 |
| Indusglobe Multiventures Private Limited | JSW Energy Limited | 23,265,000 |
| JSW Holdings Limited | JSW Steel Limited | 25,000,000 |
| Sahyog Holdings Private Limited | JSW Steel Limited | 6,420,000 |
| **Total** | | **99,334,000** |

**(d) Compensation of key managerial personnel of the Group**

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Short-term employee benefits* | 725.76 | 536.85 |
| **Total compensation paid to key managerial personnel** | **725.76** | **536.85** |

* As the future liability of the gratuity is provided on actuarial basis for the group as a whole, the amount pertaining to individual is not ascertainable and therefore not included above

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

The remuneration include perquisite value of ESOPs in the year it is exercised ₹ NIL (PY ₹ NIL). The Group has recognised an expense of ₹102.54 lakhs (P.Y ₹95.12 lakhs) towards employee stock options granted to Key Managerial Personnel. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not been exercised.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

**Terms and Conditions**

**Sales:**

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended 31st March, 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

**Purchases:**

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are based on made on normal commercial terms and conditions and market rates.

**Loans to related parties:**

The Group had given loans to related parties for business requirement. The loan balances as at 31st March, 2020 was ₹27,623.04 lakhs (As on 31st March, 2019 was ₹30,966.10 lakhs). These loans are unsecured in nature.

(a) Loan to Group companies: The tenure of the loan is one year from the date of disbursement and interest rate is SBI MCLR + 175 BPS.

(b) Loans to employee welfare trusts: these loans are given as interest free.

**Optional Convertible Debenture (Unquoted)**

Optional Convertible Debenture of JSW Sports Private Limited are at IRR of 9.5%.

**Loans from related parties:**

The Group had taken loans from related parties for business requirement. The loan balances as at 31st March, 2020 was ₹1,322.80 lakhs (As on 31st March, 2019 was Nil). These loans are unsecured in nature.

**Pledge fee:**

Pledge fee is charges on pledge created on shares of JSW Steel & JSW Energy for debenture issued by holding company.

**Lease Rent Paid:**

The Group has paid lease rental on building taken on operating lease.

**Interest income:**

Interest is accrued on loan given to related party as per terms of agreement.

**Interest expnese:**

Interest is charges on loan from related party as per terms of agreement.

## Note 42:- Pre-Operative Expenses during the Year

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Insurance charges | 103.80 | 350.20 |
| Employee benefits expenses | 762.93 | 1,513.29 |
| Legal and professional charges | 414.39 | 770.02 |
| Interest on long-term borrowings | 6,519.66 | 5,798.43 |
| Survey & feasibility study | 18.79 | 21.34 |
| Design & consultancy | 3.84 | 111.48 |
| Bank guarantee | - | 17.17 |
| Travelling expenses | 11.59 | 33.82 |
| Concessional Licence fees | 222.12 | 369.60 |
| Others | 190.41 | 63.02 |
| | **8,247.53** | **9,048.37** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 43:-Imported and Indigenous Raw Materials, Components and Spare Parts Consumed

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | % of total consumptions | Value | % of total consumptions | Value |
| Spare parts | | | | |
| Imported | 4.78 | 393.31 | 3.82 | 425.58 |
| Indigenous | 95.22 | 7,841.58 | 96.18 | 10,729.82 |
| | **100.00** | **8,234.89** | **100.00** | **11,155.40** |

## Note 44:-Value of Imports Calculated on CIF Basis

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Components and spare parts | 682.31 | 214.59 |
| Capital goods | 19,188.61 | 10,492.21 |
| | **19,870.92** | **10,706.80** |

## Note 45: Expenditure in Foreign Currency (Accrual Basis)

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Revenue spares | 682.31 | 214.59 |
| Capital goods | 19,188.61 | 10,492.21 |
| Travelling Expenses | 26.31 | 48.23 |
| Interest on Buyers Credit | 586.46 | 959.03 |
| | **20,483.69** | **11,714.06** |

## Note 46: Earnings in Foreign Currency

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Berth hire income (Gross) | 11,288.12 | 12,471.41 |
| Pilotage ( Gross) | 2,699.94 | 3,060.54 |
| Port Dues ( Gross) | 1,912.47 | 2,072.89 |
| | **15,900.53** | **17,604.84** |

## Note 47:- Corporate Social Responsibility (CSR)

Details of amount required to be spent and amount spent during the year by the Group:

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | | For the year ended 31st March, 2019 | |
|---|---|---|---|---|
| | In-Cash | Yet to be paid in Cash | In-Cash | Yet to be paid in Cash |
| (a) Gross amount required to be spend by the Group during the year | 716.08 | - | 710.43 | - |
| (b) Amount spend on: | | | | |
| (i) Construction/acquisition of assets | 37.81 | 64.17 | 55.58 | 39.34 |
| (ii) On purposes other than (i) above (for CSR projects) | 429.97 | 184.68 | 555.57 | 59.94 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 48:- Disclosures as Required by Indian Accounting Standard (Ind AS) 19 Employee Benefits

**(a) Defined contribution plans: Amount of ₹226.26 lakhs (Previous year ₹212.12 lakhs) is recognised as an expense and included in Employee benefits expense as under:**

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| JSW Infrastructure Limited | 75.77 | 73.19 |
| JSW Jaigarh Port Limited | 58.88 | 62.20 |
| South West Port Limited | 38.82 | 37.96 |
| Dharamtar Port Private Limited | 31.03 | 24.62 |
| Jaigarh Digni Rail Limited | (0.73) | (0.73) |
| JSW Paradip Terminal Private Limited | 22.49 | 14.88 |
| | **226.26** | **212.12** |

**(b) Defined benefit plans:**

**Gratuity (Funded):**

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days' salary for each completed year of service. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

The Group makes annual contributions to the Life Insurance Corporation, which is funded defined benefit plan for qualifying employees.

The plans in India typically expose the Group 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(₹ in Lakhs)

| Particulars | Gratuity | |
|---|---|---|
| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| | (Funded) | (Funded) |
| **Change in present value of defined benefit obligation during the year** | | |
| Present Value of defined benefit obligation at the beginning of the year | 470.87 | 349.65 |
| Interest cost | 36.65 | 27.24 |
| Current service cost | 68.37 | 59.95 |
| Liability transfer from other Group | 32.25 | (1.88) |
| Benefits paid | (104.54) | (28.07) |
| Actuarial changes arising from changes in financial assumptions | 46.59 | 0.54 |
| Actuarial changes arising from changes in experience adjustments | 18.95 | 63.45 |
| Present Value of defined benefit obligation at the end of the year | 569.13 | 470.87 |
| **Change in fair value of plan assets during the year** | | |
| Fair value of plan assets at the beginning of the year | 455.72 | 303.69 |
| Interest Income | 35.47 | 23.63 |
| Contributions paid by the employer | 67.18 | 144.87 |
| Benefits paid from the fund | (41.74) | (15.48) |
| Return on plan assets excluding interest income | (4.89) | (0.99) |
| Fair value of plan assets at the end of the year | 511.74 | 455.72 |
| **Net asset/(liability) recognised in the balance sheet** | | |
| Present Value of defined benefit obligation at the end of the year | (569.13) | (470.87) |
| Fair value of plan assets at the end of the year | 511.74 | 455.72 |
| Amount recognised in the balance sheet | (57.39) | (15.15) |
| Net (liability)/asset – current | (20.35) | 33.73 |
| Net (liability)/asset – non-current | (37.05) | (48.87) |
| **Expenses recognised in the statement of profit and loss for the year** | | |
| Current service cost | 68.37 | 59.95 |
| Interest cost on benefit obligation (net) | 1.19 | 4.91 |
| Total expenses included in employee benefits expense | 69.56 | 64.86 |
| **Recognised in other comprehensive income for the year** | | |
| Actuarial changes arising from changes in demographic assumptions | - | - |
| Actuarial changes arising from changes in financial assumptions | 46.59 | 0.54 |
| Actuarial changes arising from changes in experience adjustments | 18.95 | 63.45 |
| Return on plan assets excluding interest income | 4.89 | 0.99 |
| Recognised in other comprehensive income | 70.43 | 64.98 |
| **Maturity profile of defined benefit obligation** | | |
| Within the next 12 months (next annual reporting period) | 18.90 | 13.11 |
| Between 2 and 5 years | 123.55 | 182.73 |
| Between 6 and 10 years | 226.91 | 182.51 |
| 11 years and above | 605.85 | 466.26 |
| **Sensitivity Analysis Method:** | | |
| Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis. | | |
| **Quantitative sensitivity analysis for significant assumption is as below:** | | |
| Increase/(decrease) on present value of defined benefits obligation at the end of the year: | | |
| Projected Benefit Obligation on Current Assumptions | 569.13 | 470.87 |
| One percentage point increase in discount rate | (50.35) | (36.72) |
| One percentage point decrease in discount rate | 58.21 | 42.37 |
| One percentage point increase in rate of salary Increase | 58.14 | 42.71 |
| One percentage point decrease in rate of salary Increase | (23.79) | (37.62) |
| One percentage point increase in employee turnover rate | 2.25 | 4.15 |
| One percentage point decrease in employee turnover rate | (2.81) | (4.83) |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

(₹ in Lakhs)

| Particulars | Gratuity | |
|---|---|---|
| | For the year ended 31st March, 2020 (Funded) | For the year ended 31st March, 2019 (Funded) |
| **Actuarial assumptions** | | |
| Discount rate | 6.84% to 6.89% | 7.84% to 7.79% |
| Salary escalation | 6.00% | 6.00% |
| Mortality rate during employment | 2006-08 | 2006-08 |
| Mortality post retirement rate | N.A. | N.A. |
| Rate of Employee Turnover | 2.00% | 2.00% |
| **Other details** | | |
| No. of Active Members | 405 | 392 |

**Experience adjustments:**

(₹ in Lakhs)

| Particulars | 2019-20 | 2018-19 | 2017-18 | 2016-15 | 2015-14 |
|---|---|---|---|---|---|
| Defined Benefit Obligation | 569.13 | 470.87 | 351.68 | 327.72 | 227.22 |
| Plan Assets | 511.74 | 455.72 | 303.69 | 205.18 | 180.91 |
| Surplus/(Deficit) | (57.39) | (15.15) | (47.99) | (122.54) | (46.31) |
| Experience Adjustments on Plan Liabilities – Loss/(Gain) | (18.95) | (63.45) | 13.28 | 17.06 | 6.42 |
| Experience Adjustments on Plan Assets – Loss/(Gain) | 4.89 | 0.99 | (0.41) | 6.99 | (23.44) |

(i) The Group expects to contribute ₹24.69 lakhs (previous year ₹24.84 lakhs) to its gratuity plan for the next year.

(ii) In assessing the Group's post retirement liabilities, the Group monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

(iii) 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 after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

(iv) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(v) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

**Compensated Absences**

Assumption used in accounting for compensated absences:

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| **Present Value of unfunded obligation (₹ in Lakhs)** | 406.01 | 349.39 |
| Expense recognised in Statement of profit and loss (₹ in Lakhs) | 117.26 | 75.38 |
| Discount Rate (p.a.) | 6.84%-7.79% | 7.79%-7.79% |
| Salary escalation rate (p.a.) | 6.00% | 6.00% |

## Note 49:- Financial Instruments – Accounting Classifications and Fair Value Measurements

**Capital risk management**

The Group being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Group's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Group is not subject to any externally imposed capital requirements.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

(₹ in Lakhs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Long term borrowings | 261,120.70 | 200,012.06 |
| Current maturity of long-term borrowings | 38,585.85 | 5,071.93 |
| Short term borrowings | 10,550.90 | - |
| Less: Cash and cash equivalent | 15,710.13 | 5,029.65 |
| Less: Bank balances other than cash and cash equivalents | 550.61 | 5,146.71 |
| Less: Current investments | 6,744.03 | 22,976.24 |
| **Net debt** | **287,252.68** | **171,931.39** |
| **Total equity** | **275,131.65** | **308,471.83** |
| **Gearing ratio** | **1.04** | **0.56** |

(i) Equity includes all capital and reserves of the Group that are managed as capital.
(ii) Debt is defined as long and Short-term borrowings (excluding financial guarantee contracts), as described in notes 23.

**Categories of financial instruments**

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

(₹ in Lakhs)

| Particulars | Carrying amount | | Fair Value | |
|---|---|---|---|---|
| | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2020 | As at 31st March, 2019 |
| **Financial assets at amortised cost:** | | | | |
| Investments (Non-current) | 30,900.00 | - | 30,900.00 | - |
| Loans (Non-Current) | 152.00 | 152.00 | 152.00 | 152.00 |
| Loans (Current) | 27,089.11 | 30,634.08 | 27,089.11 | 30,634.08 |
| Trade receivables | 50,218.75 | 39,049.77 | 50,218.75 | 39,049.77 |
| Other financial assets (Non-current) | 1,359.45 | 1,610.36 | 1,359.45 | 1,610.36 |
| Other financial assets (current) | 6,517.59 | 3,587.96 | 6,517.59 | 3,587.96 |
| Cash and cash equivalents | 15,710.13 | 5,029.65 | 15,710.13 | 5,029.65 |
| Bank balances other than cash and cash equivalents | 550.61 | 5,146.71 | 550.61 | 5,146.71 |
| **Total** | **132,497.64** | **85,210.53** | **132,497.64** | **85,210.53** |
| **Financial assets at fair value through profit or loss:** | | | | |
| Investments (current) (Level 1) | 6,744.03 | 22,976.24 | 6,744.03 | 22,976.24 |
| **Total** | **6,744.03** | **22,976.24** | **6,744.03** | **22,976.24** |
| **Financial liabilities at amortised cost:** | | | | |
| Borrowings (Non-current) (Level 2)* | 299,706.55 | 205,083.99 | 301,862.98 | 207,487.91 |
| Borrowings (current) (Level 2) | 10,550.90 | - | 10,550.90 | - |
| Trade payables | 7,986.72 | 722.92 | 7,986.72 | 722.92 |
| Other financial liabilities (Non-current) | 18,381.77 | 7,333.46 | 18,381.77 | 7,333.46 |
| Other financial liabilities (current)* | 29,548.73 | 33,968.65 | 29,548.73 | 33,968.65 |
| **Total** | **366,174.67** | **247,109.02** | **368,331.10** | **249,512.94** |

* Non-current borrowings includs current maturities of long-term debt which is disclosed under Other current financial liabilities in balance sheet.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**Note 1 –** The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Note 2 –** The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

### Fair value hierarchy

**Level 1 –** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2 –** Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3 –** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

## Note 50:- Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks, market risk, credit risk, liquidity risk and foreign exchange risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

**Market risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

**Foreign currency risk management:**

The Group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue. The Group is exposed to exchange rate risk under its trade and debt portfolio.

The carrying amounts of the group's monetary assets and monetary liabilities at the end of the reporting year are as follows:

(₹ in Lakhs)

| Foreign currency exposure | Foreign Currency | | INR | |
|---|---|---|---|---|
| | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2020 | As at 31st March, 2019 |
| Foreign Currency Loan (USD) | 1,340.18 | 1,274.29 | 101,030.48 | 88,002.98 |
| | **1,340.18** | **1,274.29** | **101,030.48** | **88,002.98** |

The above foreign currecy items are unhedged.

**Foreign currency sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax.

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | | For the year ended 31st March, 2019 | |
|---|---|---|---|---|
| | 1% Increase | 1% decrease | 1% Increase | 1% decrease |
| Foreign Currency Loan (USD) | (1,010.30) | 1,010.30 | (880.03) | 880.03 |
| **Increase/(decrease) in profit or loss** | **(1,010.30)** | **1,010.30** | **(880.03)** | **880.03** |

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimise the Group's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

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

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Floating rate borrowings | 243,036.10 | 196,618.33 |
| Fixed rate borrowings | 69,377.79 | 10,869.58 |
| **Total borrowing** | **312,413.89** | **207,487.91** |
| Add: Upfront fees | (2,156.43) | (2,403.92) |
| **Total net borrowings** | **310,257.46** | **205,083.99** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**A change of 25 basis points in interest rates would have following impact on profit before tax.**

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| 25 bp increase – Decrease in profit | 505.31 | 380.27 |
| 25 bp decrease – Increase in profit | 505.31 | 380.27 |

**Credit risk management:**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹50,218.75 lakhs and ₹39,049.77 lakhs as of 31st March, 2020 and 31st March, 2019, respectively. The Group has its major revenue from group companies, revenue from third party majourly consist of Revenue from Fujairah government, Paradip government and some cargo at Jaigarh & Dharamtar ports for which credit risk is not perceived as credit is not allowed to third party customers.

The following table gives details in respect of percentage of revenues generated from Group companies and third party:

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | Percentage of Revenue | As at 31st March, 2019 | Percentage of Revenue |
|---|---|---|---|---|
| Revenue from group companies | 83,131.42 | 72.72% | 89,639.02 | 82.98% |
| Revenue from third parties | 31,183.11 | 27.28% | 18,387.00 | 17.02% |
| **Total** | **114,314.53** | **100.00%** | **108,026.02** | **100.00%** |

**Credit Risk Exposure**

The allowance for lifetime expected credit loss on customer balances for the year ended 31st March, 2020 and 31st March, 2019 was ₹ Nil and ₹ Nil lakhs respectively.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units with high credit rating mutual funds.

**Liquidity risk management:**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Long-term borrowings generally mature between one and 10 years. Liquidity is reviewed on a daily basis based on weekly cash flow forecast.

As of 31st March, 2020, the Group had a working capital of ₹1,00,458.12 lakhs As of 31st March, 2019, the Group had a working capital of ₹58,759.14 lakhs. The Group is confident of managing its financial obligation through short-term borrowing and liquiduty management.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**Maturity profile:**

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31st March, 2020:

(₹ in Lakhs)

| As at 31st March, 2020 | Less than one year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| **Financial Assets:** | | | | |
| Investments (Non-Current) | - | - | 30,900.00 | 30,900.00 |
| Investments (Current) | 6,744.03 | - | - | 6,744.03 |
| Loans (Non-Current) | - | - | 152.00 | 152.00 |
| Loans (Current) | 27,089.11 | - | - | 27,089.11 |
| Trade receivables | 50,218.75 | - | - | 50,218.75 |
| Other financial assets (Non-Current) | - | 735.21 | 624.24 | 1,359.45 |
| Other financial assets (Current) | 6,517.59 | - | - | 6,517.59 |
| Cash and cash equivalents | 15,710.13 | - | - | 15,710.13 |
| Bank balances other than cash and cash equivalents | 550.61 | - | - | 550.61 |
| | **106,830.22** | **735.21** | **31,676.24** | **139,241.67** |
| **Financial Liabilities:** | | | | |
| Borrowings (Non-Current)* | 38,580.88 | 92,462.75 | 168,662.92 | 299,706.55 |
| Borrowings (Current) | 10,550.90 | - | - | 10,550.90 |
| Trade payables | 7,986.72 | - | - | 7,986.72 |
| Other financial liabilities (Non-Current) | 510.34 | 9,651.60 | 8,219.85 | 18,381.77 |
| Other financial liabilities (Current) | 29,548.72 | - | - | 29,548.73 |
| | **87,177.56** | **102,114.35** | **176,882.77** | **366,174.67** |

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31st March, 2019:

(₹ in Lakhs)

| As at 31st March, 2019 | Less than one year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| **Financial Assets:** | | | | |
| Investments (Non-Current) | - | - | - | - |
| Investments (Current) | 22,976.24 | - | - | 22,976.24 |
| Loans (Non-Current) | - | - | 152.00 | 152.00 |
| Loans (Current) | 30,634.08 | - | - | 30,634.08 |
| Trade receivables | 39,049.77 | - | - | 39,049.77 |
| Other financial assets (Non-Current) | - | 984.80 | 625.56 | 1,610.36 |
| Other financial assets (Current) | 3,587.96 | - | - | 3,587.96 |
| Cash and cash equivalents | 5,029.65 | - | - | 5,029.65 |
| Bank balances other than cash and cash equivalents | 5,146.71 | - | - | 5,146.71 |
| | **106,424.41** | **984.80** | **777.56** | **108,186.77** |
| **Financial Liabilities:** | | | | |
| Borrowings (Non-Current ) | 5,071.93 | 65,677.68 | 134,334.38 | 205,083.99 |
| Borrowings (Current) | - | - | - | - |
| Trade payables | 722.92 | - | - | 722.92 |
| Other financial liabilities (Non-Current) | 267.66 | 5,371.88 | 1,693.92 | 7,333.46 |
| Other financial liabilities (Current) | 33,968.65 | - | - | 33,968.65 |
| | **40,031.16** | **71,049.56** | **136,028.30** | **247,109.02** |

**Collateral**

The Group has pledged part of its trade receivables, Short-term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Group. There is obligation to return the securities to the Group once these banking facilities are surrendered. (Refer note 23).

## Note 51:- Employee Stock Option Plan (ESOP)

The board of directors approved the Employee Stock Option Plan 2016 on 23rd March, 2016 for issue of stock options to the employee of the Company and its subsidiaries. According to ESOP plans, the employee selected by the ESOP committee from time to time will be entitled to option based upon the CTC/fixed pay, subject to satisfaction of the prescribed vesting conditions. The other relevant terms of the grant are as follows:

| Particulars | ESOP Plan 2016 | | | |
|---|---|---|---|---|
| | First Grant | Second Grant | Third Grant | Fourth Grant |
| | 13th June, 2016 | 17th May, 2017 | 3rd July, 2018 | 21st May, 2019 |
| Vesting period | 1 year | 3.5 years | 3.5 years | 3.5 years |
| Exercise period | 1 year | 1 year | 1 year | 1 year |
| Expected life | 5.5 years | 5.63 years | 5 years | 4.61 years |
| Weighted average Exercise price on the date of grant | ₹897 | ₹996 | ₹869 | ₹973 |
| Weighted average fair value as on grant date | ₹516.82 | ₹685.00 | ₹585.02 | ₹603.90 |

| Particulars | ESOP Plan 2016 | | | |
|---|---|---|---|---|
| | First Grant | Second Grant | Third Grant | Fourth Grant |
| | 13th June, 2016 | 17th May, 2017 | 3rd July, 2018 | 21st May, 2019 |
| Options Granted | 168,495 | 157,667 | 230,515 | 228,392 |
| Option Vested | 101,639 | 132,453 | 195,723 | 216,872 |
| Options Exercised | - | - | - | - |
| Options lapsed | 45,316 | 25,214 | 34,792 | 11,520 |
| Options bought-out during the year | 21,540 | - | - | - |
| **Total number of options outstanding** | **101,639** | **132,453** | **195,723** | **216,872** |

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of ₹10 each.

The following table exhibits the net compensation expenses arising from share based payment transaction:

(₹in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| Expense arising from equity settled share based payment transactions | 1,928.99 | 855.40 |
| Less: Expense capitalised out of above | 62.43 | 118.99 |
| Net expense recognised in statement of Profit and Loss | 1,866.54 | 736.42 |

For options granted under ESOP 2016 Scheme, the weighted average fair values have been determined using the Black Scholes Option Pricing Model considering the following parameters:

| Particulars | ESOP Plan 2016 | | | |
|---|---|---|---|---|
| | First Grant | Second Grant | Third Grant | Fourth Grant |
| **Grant Date** | 13th June, 2016 | 17th May, 2017 | 3rd July, 2018 | 21st May, 2019 |
| Weighted average share price on the date of grant | ₹997 | ₹1,245 | ₹1,086 | ₹1,217 |
| Weighted average Exercise price on the date of grant | ₹897 | ₹996 | ₹869 | ₹973 |
| Expected volatility (%) | 38.33% | 37.71% | 37.09% | 35.20% |
| Expected life of the option (years) | 5.5 years | 5.63 years | 5 years | 4.61 years |
| Expected dividends (%) | 0% | 0% | 0% | 0% |
| Risk-free interest rate (%) | 7.43% | 6.98% | 7.97% | 6.97% |
| Weighted average fair value as on grant date | ₹516.82 | ₹685.00 | ₹585.02 | ₹603.90 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The activity in the ESOP Plans for equity-settled share based payment transactions during the year ended 31st March, 2020 is set out below:

| Particulars | ESOP Plan 2016 | | | |
|---|---|---|---|---|
| | First Grant | Second Grant | Third Grant | Fourth Grant |
| **Grant Date** | **13th June, 2016** | **17th May, 2017** | **3rd July, 2018** | **21st May, 2019** |
| **Oustanding as at 1st April, 2018** | **127,810** | **157,667** | **-** | **-** |
| Granted during the year | - | - | 230,515 | - |
| Forfeited during the year | 4,631 | 14,286 | 18,071 | - |
| Exercised during the year | - | - | - | - |
| Bought-out during the year | - | - | - | - |
| **Oustanding as at 31st March, 2019** | **123,179** | **143,382** | **212,444** | **-** |
| Granted during the year | - | - | - | 228,392 |
| Forfeited during the year | - | 10,928 | 16,721 | 11,520 |
| Exercised during the year | - | - | - | - |
| Bought-out during the year | 21,540 | - | - | - |
| **Oustanding as at 31st March, 2020** | **101,639** | **132,453** | **195,723** | **216,872** |

## Note 52:- Disclosures as required by Indian Accounting Standard (Ind AS) 33 Earnings Per Share

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Earnings per share has been computed as under | | |
| Profit for the year (₹ in Lakhs) | 19,042.41 | 26,672.44 |
| Face value of equity share (₹/share) | 10.00 | 10.00 |
| **Weighted average number of equity shares outstanding** | **59,942,204** | **60,179,778** |
| **Effect of Dilution:** | | |
| Weighted average number of treasury shares held under ESOP Trust | 780,848 | 530,214 |
| Effect of Dilutive common equivalent shares – share option outstanding | 119,275 | 83,481 |
| **Weighted average number of equity shares outstanding** | **60,842,327** | **60,793,473** |
| **Earnings per equity share** | | |
| Basic (₹/share) | 31.77 | 44.32 |
| Diluted (₹/share) | 31.30 | 43.87 |

For details regarding treasury shares held through the ESOP trust (refer Note No.21).

## Note 53:- Segment Reporting

The Group is primarily engaged in one business segment, namely developing, operating and maintaining the Ports services, Ports related Infrastructure development activities and development of infrastructure as determined by chief operational decision maker, in accordance with Ind-AS 108 "Operating Segment".

Considering the inter relationship of various activities of the business, the chief operational decision maker monitors the operating results of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The group has one foreign subsidiary which is not contributing more than 10% in revenue and assets.

(₹ in Lakhs)

| Customers contributing more than 10% of Revenue | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|---|---|
| JSW Steel Limited (including its group companies) | 53,174.73 | 60,035.28 |
| JSW Energy Limited | 14,950.71 | 15,090.22 |

**Note 54:-** In the opinion of the management the current assets, loans and advances (including capital advances) have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 55:- COVID-19

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide corona virus pandemic. Considering that the the group is in the business of essential services, management believes that there is not much of an impact likely due to this pandemic including the utilisation of install capacity. To manage the expected liquidity risk, the Group has availed debt moratorium for some term loans under the relief package issued by the Reserve Bank of India (RBI) and would re-prioritise discretionary capital expenditure in the immediate future.

**Going concern assessment:**

The group has continued its operations during lockdown due to the outbreak of COVID-19 as the Port Service is considered as one of the essential services by the Government. The group's substantial port infrastructure capacities are tied up under medium to long-term service agreements with its customers, which insulates revenue of the group under such contracts.

Based on initial assessment, the management does not expect any medium to long-term impact on the business of the group. The group has evaluated the possible effects on the carrying amounts of property, plant and equipment, its infrastructure assets, inventory, loans, receivables and debt covenants basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to above, and the group's liquidity position, there is no uncertainty in meeting financial obligations over the foreseeable future.

## Note 56:- Non-Controlling Interest

**a) Financial information of South West Port Limited**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Non-current assets | 46,828.85 | 40,574.21 |
| Current assets | 31,751.31 | 28,907.91 |
| Non-current liabilities | 7,846.96 | 2,441.05 |
| Current liabilities | 6,415.44 | 5,357.89 |
| Equity attirbutable to owners of the Company | 47,760.70 | 45,782.20 |
| Non-controlling interest | 16,557.04 | 15,900.99 |

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Revenue | 20,279.39 | 17,090.54 |
| Expenses | 20,008.29 | 16,840.87 |
| Profit/(loss) for the year | 2,546.40 | 1,796.88 |
| Profit/(loss) attributable to owners of the Company | 1,884.34 | 1,329.69 |
| Profit/(loss) attributable to the non-controlling interest | 662.06 | 467.19 |
| Profit/(loss) for the year | 2,546.40 | 1,796.88 |
| Other comprehensive income attributable to owners of the Company | (17.10) | 8.40 |
| Other comprehensive income attributable to the non-controlling interest | (6.01) | 2.95 |
| Other comprehensive income for the year | (23.10) | 11.35 |
| Total comprehensive income attributable to owners of the Company | 1,867.24 | 1,338.09 |
| Total comprehensive income attributable to the non-controlling interest | 656.06 | 470.14 |
| Total comprehensive income for the year | 2,523.30 | 1,808.23 |

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Net cash inflow/(outflow) from operating activities | 609.64 | 5,629.92 |
| Net cash inflow/(outflow) from investing activities | (583.33) | (5,231.22) |
| Net cash inflow/(outflow) from financing activities | (2.99) | (1,154.58) |
| Net cash inflow/(outflow) | 23.31 | (755.89) |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**b) Financial information of Jaigarh Digni Rail Limited**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Non-current assets | 8,691.97 | 8,910.98 |
| Current assets | 2,644.91 | 2,711.32 |
| Non-current liabilities | 78.02 | 232.30 |
| Current liabilities | 1,090.72 | 1,225.09 |
| Equity attirbutable to owners of the Company | 6,405.92 | 6,403.88 |
| Non-controlling interest | 3,762.22 | 3,761.02 |

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Revenue | - | - |
| Expenses | 50.11 | 81.35 |
| Profit/(loss) for the year | 2.20 | 62.34 |
| Profit/(loss) attributable to owners of the Company | 1.39 | 39.28 |
| Profit/(loss) attributable to the non-controlling interest | 0.82 | 23.07 |
| Profit/(loss) for the year | 2.20 | 62.34 |
| Other comprehensive income attributable to owners of the Company | 0.65 | (7.70) |
| Other comprehensive income attributable to the non-controlling interest | 0.38 | (4.52) |
| Other comprehensive income for the year | 1.03 | (12.23) |
| Total comprehensive income attributable to owners of the Company | 2.03 | 31.57 |
| Total comprehensive income attributable to the non-controlling interest | 1.20 | 18.54 |
| Total comprehensive income for the year | 3.23 | 50.12 |

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Net cash inflow/(outflow) from operating activities | (1,785.31) | 70.06 |
| Net cash inflow/(outflow) from investing activities | 1,632.58 | (803.36) |
| Net cash inflow/(outflow) from financing activities | (100.00) | 1,000.00 |
| Net cash inflow/(outflow) | (252.72) | 266.70 |

**c) Financial information of JSW Paradip Terminal Private Limited**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Non-current assets | 68,982.89 | 48,932.04 |
| Current assets | 13,878.95 | 8,684.87 |
| Non-current liabilities | 47,632.25 | 26,665.35 |
| Current liabilities | 21,190.35 | 25,075.21 |
| Equity attributable to owners of the Company | 14,186.65 | 5,904.93 |
| Non-controlling interest | (147.40) | (28.58) |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Revenue | 5,616.50 | 780.21 |
| Expenses | 8,155.87 | 942.40 |
| Profit/(loss) for the year | (1,754.28) | (123.30) |
| Profit/(loss) attributable to owners of the Company | (1,635.69) | (114.96) |
| Profit/(loss) attributable to the non-controlling interest | (118.59) | (8.33) |
| Profit/(loss) for the year | (1,754.28) | (123.30) |
| Other comprehensive income attributable to owners of the Company | (3.18) | 4.51 |
| Other comprehensive income attributable to the non-controlling interest | (0.23) | 0.33 |
| Other comprehensive income for the year | (3.41) | 4.84 |
| Total comprehensive income attributable to owners of the Company | (1,638.87) | (110.45) |
| Total comprehensive income attributable to the non-controlling interest | (118.82) | (8.01) |
| Total comprehensive income for the year | (1,757.69) | (118.46) |

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Net cash inflow/(outflow) from operating activities | (4,072.04) | (3,191.48) |
| Net cash inflow/(outflow) from investing activities | (21,644.91) | (23,107.72) |
| Net cash inflow/(outflow) from financing activities | 27,094.59 | 26,852.44 |
| Net cash inflow/(outflow) | 1,377.64 | 553.23 |

**d) Financial information of Paradip East Quay Terminal Private Limited**

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Non-current assets | 51,455.08 | 32,488.99 |
| Current assets | 14,089.48 | 5,825.55 |
| Non-current liabilities | 44,696.90 | 20,333.99 |
| Current liabilities | 8,705.87 | 10,124.16 |
| Equity attirbutable to owners of the Company | 12,003.60 | 7,784.48 |
| Non-controlling interest | 138.19 | 71.91 |

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Revenue | 1,380.00 | 840.24 |
| Expenses | 186.55 | 104.80 |
| Profit/(loss) for the year | 980.40 | 623.23 |
| Profit/(loss) attributable to owners of the Company | 914.13 | 581.10 |
| Profit/(loss) attributable to the non-controlling interest | 66.28 | 42.13 |
| Profit/(loss) for the year | 980.40 | 623.23 |
| Other comprehensive income attributable to owners of the Company | - | - |
| Other comprehensive income attributable to the non-controlling interest | - | - |
| Other comprehensive income for the year | - | - |
| Total comprehensive income attributable to owners of the Company | 914.13 | 581.10 |
| Total comprehensive income attributable to the non-controlling interest | 66.28 | 42.13 |
| Total comprehensive income for the year | 980.40 | 623.23 |

(₹ in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Net cash inflow/(outflow) from operating activities | 369.21 | (2,192.10) |
| Net cash inflow/(outflow) from investing activities | (21,145.40) | (19,987.16) |
| Net cash inflow/(outflow) from financing activities | 24,972.69 | 22,120.88 |
| Net cash inflow/(outflow) | 4,196.50 | (58.38) |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

## Note 57:- Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Joint Ventures as per Schedule III of Companies Act, 2013

(₹ in Lakhs)

| Name of entity in the group | Net Assets, i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount (₹ in Lakhs) | As % of consolidated profit or loss | Amount (₹ in Lakhs) | As % of consolidated other comprehensive income | Amount (₹ in Lakhs) | As % of total comprehensive income | Amount (₹ in Lakhs) |
| **Parent Company** | | | | | | | | |
| JSW Infrastructure Limited | 28.83% | 104,990.78 | 56.12% | 13,151.17 | 7.97% | 12.55 | 55.80% | 13,163.72 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| JSW Jaigarh Port Limited | 35.57% | 129,549.88 | 8.75% | 2,051.51 | -2.20% | (3.46) | 8.68% | 2,048.05 |
| South West Port Limited | 13.11% | 47,760.70 | 8.04% | 1,884.34 | -10.85% | (17.10) | 7.92% | 1,867.24 |
| JSW Dharamtar Port Private Limited | 6.46% | 23,527.07 | 21.24% | 4,976.17 | -5.17% | (8.14) | 21.06% | 4,968.03 |
| Masad Marine Services Private Limited | 0.00% | (1.04) | 0.00% | (0.25) | 0.00% | - | 0.00% | (0.25) |
| JSW Mangalore Container Terminal Private Limited | 0.01% | 25.26 | 0.00% | (0.27) | 0.00% | - | 0.00% | (0.27) |
| West Waves Maritime and Allied Services Private Limited | 0.00% | (0.44) | 0.00% | (0.26) | 0.00% | - | 0.00% | (0.26) |
| JSW Nandgaon Port Private Limited Services Private Limited | 0.95% | 3,468.17 | -0.02% | (4.69) | 0.00% | - | -0.02% | (4.69) |
| JSW Salav Port Private Limited | 0.00% | (1.78) | 0.00% | (0.48) | 0.00% | - | 0.00% | (0.48) |
| JSW Shipyard Private Limited | 0.01% | 44.21 | 0.00% | (0.59) | 0.00% | - | 0.00% | (0.59) |
| Paradip East Quay Terminal Pvt. Ltd. | 3.30% | 12,003.60 | 3.90% | 914.13 | 0.00% | - | 3.87% | 914.13 |
| JSW Paradip Terminal Private Limited | 3.90% | 14,186.65 | -6.98% | (1,635.69) | -2.02% | (3.18) | -6.95% | (1,638.87) |
| Jaigarh Digni Rail Limited | 1.76% | 6,405.92 | 0.01% | 1.39 | 0.41% | 0.65 | 0.01% | 2.03 |
| **Foreign** | | | | | | | | |
| JSW Terminal Middleast FZE | 0.53% | 1,924.35 | 6.34% | 1,485.79 | 115.57% | 182.08 | 7.07% | 1,667.86 |
| Non-controlling interest in all subsidiaries | 5.58% | 20,310.05 | 2.61% | 610.56 | -3.72% | (5.86) | 2.56% | 604.71 |
| **Total** | **100.00%** | **364,193.39** | **100.00%** | **23,432.82** | **100.00%** | **157.54** | **100.00%** | **23,590.37** |

## Note 58:- Business combinaton (Ind-AS 101)-

Considering the business needs, it is thought fit to reduce the number of subsidiaries, so as to enable JSW Infrastructure Limited to incorporate/acquire new subsidiaries in future. Application for merger of some group comapnies was filed in NCLT Mumbai Bench on 20th December, 2018. The scheme was approved by NCLT, Mumbai on 4th November, 2019 with appointed date as on 1st April, 2019.

**i) The following entities have been merged with JSW Infrastructure Limited as a going concern w.e.f 1st April 2019:**

| Name of Company | | Nature of the business |
|---|---|---|
| **Entities already part of group:** | | |
| a) | Dhamankhol Fintrade Private Limited | Management & Consultancy Services |
| b) | JSW Jaigarh Infrastructure Development Private Limited | Developing infrastructure |
| c) | Nalwa Fintrade Private Limited | Management & Consultancy Services |
| d) | Vanity Fintrade Private Limited | Management & Consultancy Services |
| **New entities merged:** | | |
| e) | Avani Spaces Private Limited | Developing infrastructure |
| f) | Nisagra Spaces Private Limited | Developing infrastructure |
| g) | Sarvodaya Advisory Services Private Limited | Management & Consultancy Services |
| h) | JSW Infrastructure Fintrade Private Limited | Developing infrastructure |

* West Waves Maritime and Allied Services Private Limited has become subsidiary of JSW Infrastructure Limited due to merger of Avani Spaces Private Limted and Nisarga Spaces Private Limited

**ii) Consideration**

As the merged entities were under same group, cross holdings were cancelled and new shares of transferee issued to ultimate shareholders as below:

(₹ in Lakhs)

| Shares of transferee company held by transferor company cancelled | Nos. of shares | % of share |
|---|---|---|
| JSW Infrastructure Fintrade Limited | 59,866,570 | 98.61% |
| Nisarga Spaces Private Limited | 31,145 | 0.05% |
| Avani Spaces Private Limited | 31,145 | 0.05% |

₹ in Lakhs

| Shares of transferee company issued to shareholders of transferor company | Nos. of shares | % of share |
|---|---|---|
| Sajjan Jindal Family Trust (including nominee shareholder) | 56,504,524 | 93.07% |
| JSL Limited | 1,712,168 | 2.82% |
| Glebe Trading Private Limited | 1,712,168 | 2.82% |

**iii) Accounting**

Difference between the consideration and the value of net identifiable assets acquired is accounted as below:

| Particulars | ₹ in Lakhs |
|---|---|
| Net Fixed Assets | 1,232.16 |
| Non-Current Assets | 58,769.39 |
| Current Assets | 57,700.93 |
| Elimination | (112,446.80) |
| **Total Assets** | **5,255.68** |
| Non-Current Liabilities | 57,890.01 |
| Current Liabilities | 1,543.47 |
| Add: Elimination | (2,615.21) |
| **Total Liabilities** | **56,818.27** |
| **Net assets taken over** | **(51,562.59)** |
| Less: Net assets of entities already part of group for consolidation | 3,180.16 |
| Add: Net assets of new subsidiary (West Waves Maritime and Allied Services Private Limited) | (1.18) |
| **Net addition in the group** | **(54,743.93)** |
| Consideration paid | - |
| **Accounted in:** | |
| Securities premium Account | (51,562.60) |
| Retained earnings | (3,183.26) |

The Company, under the Scheme of Merger, Sarvoday Advisory Services Private Limited and JSW Infrastructure Fintrade Private Limited and Nisarga Spaces Private Limited and Avani Spaces Private Limited and Dhamankhol Fintrade Private Limited and Nalwa Fintrade Private Limited and Vanity Fintrade Private Limited and JSW Jaigarh Infrastructure Development Private Limited with JSW Infrastructure Limited and their respective Shareholders ('Scheme'), under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, which was approved by the National Company Law Tribunal (NCLT), Mumbai Bench on 4th November, 2019; as per the scheme the appointed date being 1st April, 2019. However, under the MCA circular dated 21st August, 2019 as the common control transaction, the scheme contains a date of acquisition (1st April, 2019) that is not consistent with the date of acquisition as determined under Ind AS 103.

The Company has complied with Ind AS 103 read with MCA general circular dated 21.08.2019 and accordingly merger accounting has been done with effect from appointed date 01.04.2019.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2020

**Note 59:-** The Group is yet to receive balance confirmation in respect of certain sundry creditors, advances and debtors. The management does not expect any material difference affecting the current years financial statements due to the same.

**Note 60:-** Previous year's figures have been reclassified and regrouped wherever necessary to confirm with the current year classification.

**Note 61:-** The consolidated financial statements are approved for issue by the Audit Committee at its meeting held on 29th May, 2020 and the Board of Directors in the meeting held on 29th May, 2020.

As per our attached report of even date

**For HPVS & Associates**
Chartered Accountants
Firm's Registration No.: 137533W

**Vaibhav L. Dattani**
Partner
Membership No.: 144084
UDIN: 20144084AAAABA1147

**Dated:** 29th May, 2020
**Place:** Mumbai

For and on behalf of the Board of Directors

**N. K. Jain**
Chairman
DIN: 00019442

**Arun Maheshwari**
JMD & CEO
DIN: 01380000

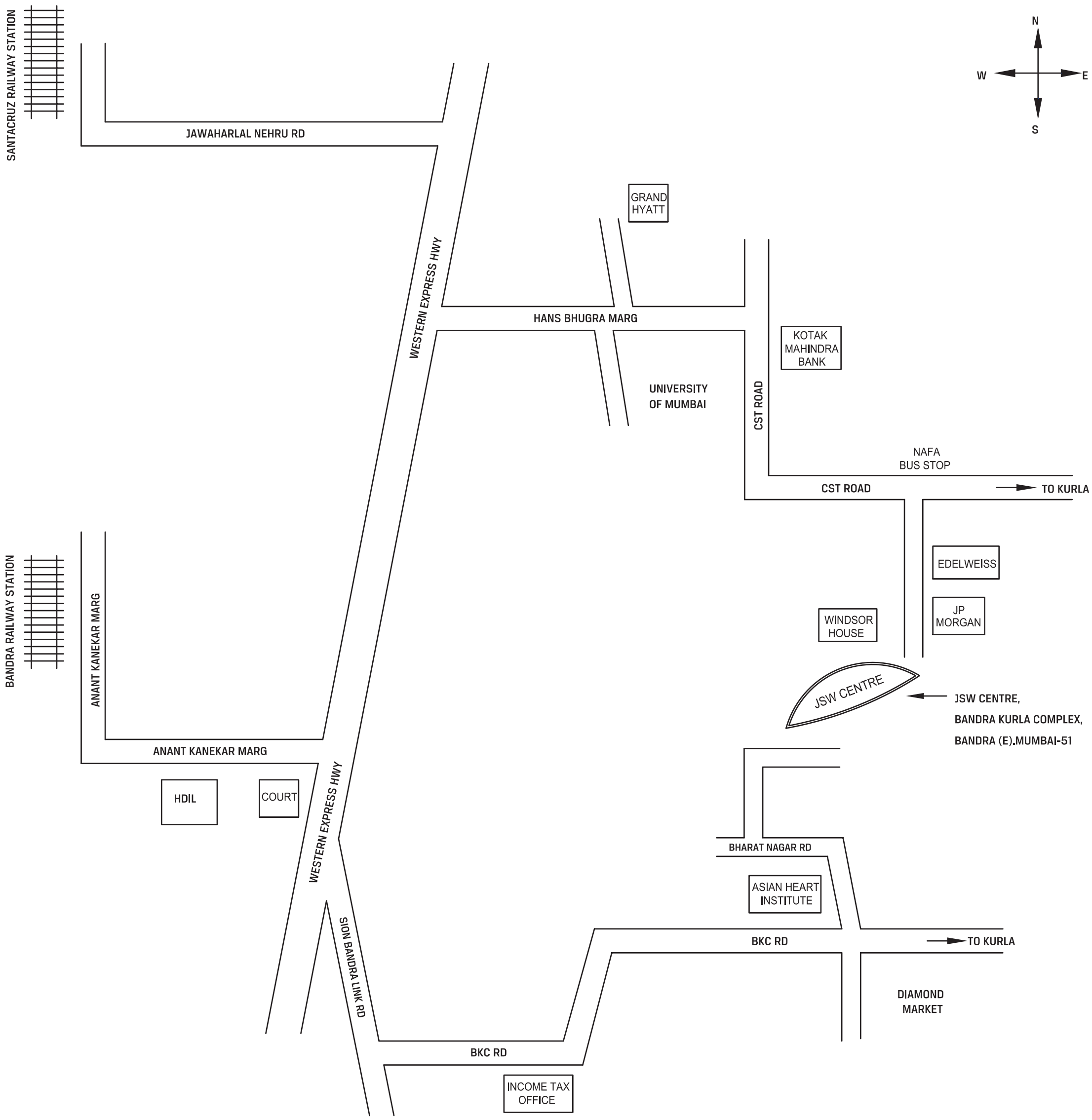
**Lalit Singhvi**
Director & CFO
DIN: 05335938

**Gazal Qureshi**
Company Secretary
M No.: A16843

**Dated:** 29th May, 2020
**Place:** Mumbai

# NOTES

# MAP



N
S
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SANTACRUZ RAILWAY STATION
JAWAHARLAL NEHRU RD
WESTERN EXPRESS HWY
GRAND HYATT
HANS BHUGRA MARG
KOTAK MAHINDRA BANK
UNIVERSITY OF MUMBAI
CST ROAD
NAFA BUS STOP
CST ROAD
TO KURLA
EDELWEISS
WINDSOR HOUSE
JP MORGAN
BANDRA RAILWAY STATION
ANANT KANEKAR MARG
JSW CENTRE
JSW CENTRE,
BANDRA KURLA COMPLEX,
BANDRA (E),MUMBAI-51
ANANT KANEKAR MARG
HDIL
COURT
WESTERN EXPRESS HWY
BHARAT NAGAR RD
ASIAN HEART INSTITUTE
SION BANDRA LINK RD
BKC RD
TO KURLA
DIAMOND MARKET
BKC RD
INCOME TAX OFFICE

# FINANCIAL HIGHLIGHTS

## Standalone

(₹ in Millions)

| Particulars | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| Operating Income | 29,245.50 | 22,591.60 | 22,953.16 | 27,083.34 | 28,457.12 |
| Other Income | 1,576.60 | 2,104.80 | 3,387.70 | 6,541.75 | 7,293.12 |
| Total Income | 30,822.10 | 24,696.40 | 26,340.86 | 33,625.09 | 35,750.24 |
| EBIDTA | 25,326.60 | 18,716.30 | 20,159.43 | 21,006.30 | 22,922.33 |
| Depreciation and Goodwill Impairment | 7,884.00 | 7,214.10 | 7,407.41 | 8,353.11 | 177.29 |
| Interest | 6,169.40 | 4,668.60 | 2,940.93 | 610.54 | 6,679.89 |
| PBT | 11,273.20 | 6,833.60 | 9,811.09 | 12,042.65 | 16,065.15 |
| Tax | 1,602.80 | 1,183.40 | 2,721.83 | 949.59 | 2,913.97 |
| PAT | 9,670.40 | 5,650.20 | 7,089.26 | 11,093.06 | 13,151.18 |
| Other Comprehensive Income | 4.60 | -1.50 | -10.62 | -15.92 | 12.55 |
| TotalComprehensive Income | 9,675.00 | 5,648.70 | 7,078.64 | 11,077.14 | 13,163.73 |
| EPS (in Rupees) | 17.01 | 9.91 | 12.36 | 18.43 | 21.94 |
| Shares in issue (nos) | 56,847,632 | 56,317,418 | 60,179,778 | 60,179,778 | 59,929,144 |
| Cash Profit | 17,554.40 | 12,864.30 | 14,545.59 | 19,426.75 | 13,341.17 |
| **CAPITAL ACCOUNTS** | | | | | |
| Gross Block | 32,294.60 | 25,266.60 | 18,064.39 | 9,899.78 | 11,065.57 |
| Net Block | 32,011.90 | 24,817.50 | 17,472.30 | 9,151.58 | 10,221.26 |
| **Total Debt** | **44,483.20** | **31,918.40** | **5,380.74** | **-** | **50,085.82** |
| Equity Capital | 5,684.76 | 5,631.74 | 6,017.98 | 6,017.98 | 5,992.91 |
| Reserves & Surplus | 60,797.90 | 68,353.30 | 123,575.14 | 135,470.50 | 98,997.87 |
| **Sharesholders' Funds** | **66,482.66** | **73,985.04** | **129,593.11** | **141,488.48** | **104,990.78** |

## Consolidated

(₹ in Millions)

| Particulars | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|
| Throughput (MMT) - (Total Cargo) | 29.55 | 38.26 | 54.30 | 65.20 | 56.40 |
| Operating Income | 72,012.00 | 88,778.40 | 99,809.36 | 108,026.03 | 114,314.53 |
| Other Income | 3,151.70 | 5,835.38 | 7,667.55 | 10,133.31 | 9,422.07 |
| Total Income | 75,163.70 | 94,613.78 | 107,476.90 | 118,159.34 | 123,736.60 |
| EBIDTA | 51,136.00 | 63,842.40 | 73,679.76 | 71,347.39 | 71,341.68 |
| Depreciation and Goodwill Impairment | 15,029.10 | 15,264.70 | 22,942.70 | 25,249.51 | 20,185.73 |
| Interest | 8,657.80 | 9,021.40 | 12,989.42 | 17,713.65 | 27,745.83 |
| PBT | 27,449.10 | 39,556.30 | 37,747.64 | 28,384.23 | 23,410.13 |
| Tax | 4,058.10 | 8,517.20 | 9,666.30 | 1,187.73 | 3,757.16 |
| PAT | 23,391.00 | 31,039.10 | 28,081.34 | 27,196.50 | 19,652.97 |
| Other Comprehensive Income | 18.80 | -7.00 | -2.43 | -32.65 | 157.55 |
| TotalComprehensive Income | 23,409.80 | 31,032.10 | 28,078.91 | 27,163.84 | 19,810.51 |
| EPS (in Rupees) | 38.99 | 51.21 | 46.69 | 44.32 | 31.77 |
| Shares in issue (nos) | 56,847,632 | 56,317,418 | 60,179,778 | 60,179,778 | 59,929,144 |
| Cash profit | 38,420.10 | 46,303.80 | 51,780.54 | 57,349.03 | 47,988.13 |
| **CAPITAL ACCOUNTS** | | | | | |
| Gross Block | 192,902.00 | 273,123.66 | 341,578.09 | 373,805.53 | 452,084.77 |
| Net Block | 185,582.60 | 257,617.24 | 310,397.93 | 325,648.89 | 384,938.01 |
| Capital Work in Progress | 37,441.40 | 38,000.70 | 63,262.28 | 86,184.09 | 75,157.51 |
| **Total Debt** | **110,934.80** | **159,911.34** | **173,179.10** | **205,084.00** | **310,257.46** |
| Equity Capital | 5,684.76 | 5,631.74 | 6,017.98 | 6,017.98 | 5,992.91 |
| Reserves & Surplus | 162,502.70 | 195,441.60 | 274,471.71 | 302,453.86 | 269,138.74 |
| **Sharesholders' Funds** | **168,187.46** | **201,073.34** | **280,489.69** | **308,471.84** | **275,131.65** |

* From FY-2017 onwards number of shares issued reported above are after reducing treasury share.

JSW Sinhgad


JSW Lohgad

2 Mini Bulk Carrier added to our fleet

/Concept, content and design at AICL (hello@aicl.in)

**JSW Infrastructure Limited**
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