

SECOND ANNUAL REPORT

OF

JSW JFE ELECTRICAL STEEL NASHIK PRIVATE LIMITED
(Formerly JSQUARE ELECTRICAL STEEL NASHIK PRIVATE LIMITED)

FY 2025-26



BOARD'S REPORT

To
The Members,
JSW JFE Electrical Steel Nashik Private Limited (J2ES Nashik)
(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

The Board of Directors of JSW JFE Electrical Steel Nashik Private Limited ("J2ES Nashik" or 'Company') is pleased to present the Second Annual Report on the business and operations of the Company, along with the audited financial statements of the Company, for the financial year ended March 31, 2026. ("year under review"/ "period under review"). A brief summary of the Company's standalone performance is given below.

1. THE STATE OF THE COMPANY'S AFFAIRS / FINANCIAL RESULTS:

The performance of the Company for the financial year ended March 31, 2026, is summarized below:

Particulars	(INR Crores)	
	Year ended March 31	
	2026	2025 (Restated)
Revenue from operations	861.63	214.64
Other Income	18.69	4.89
Total Income	880.33	219.53
Total Expenditure	1409.72	297.89
Profit/(Loss) before tax	(547.91)	(78.36)
Current taxes & Comprehensive Items	(138.71)	(18.35)
Profit/(Loss) after tax	(409.20)	(60.01)
Comprehensive Item	1.51	0.13
Profit/(Loss) for the Period	(407.69)	(59.88)
EPS (Basic/Diluted) in INR	(2.76)	(0.85)

The financial statements for the year ended March 31, 2026, have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

2. REVIEW OF OPERATIONS:

The Company is engaged in the production and sale of Cold Rolled Grain Oriented Electrical Steel (CRGO). During the year, the Company was impacted by a decline in net sales realization per MT due to increased imports of low-priced material in the domestic market. Customers preferred cheaper imported products, resulting in reduced offtake of the Company's products. Additionally, the depreciation of the domestic currency and geo-political developments towards the end of the year led to increased costs, thereby exerting pressure on the Company's margins. While easing of the Middle East crisis may reduce cost pressures, improvement in sales realization is not expected in the short term.

JSW JFE Electrical Steel Nashik Private Limited
(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

CIN.: U24319MH2024PTC432825 | GST: 27AAGCJ5936K1Z3

Factory Premises: At post Gonde, Village Wadivarhe, Taluka Igatpuri, Dist. Nashik, Maharashtra 422403, India.
P: +91 (0) 2553 225182 | 88 | F: +91 (0) 2553 225181

Registered Office: 5th Floor, JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra 400051, India
Email: snigdha.tripathi@jsw.in | P: +91 22 42861000 | website: www.j2es.in



During the year, the Company commenced capital expenditure on the Annealing and Pickling Line, an upstream production process, which is expected to be operational in FY 2026–27. This will reduce dependence on overseas sourcing of key raw materials and support the objective of self-reliance. The investment is also expected to reduce inventory holding, logistics, and overall procurement costs.

Further, the Company has initiated capacity expansion from 50 KMT to 250 KMT, with major capital expenditure orders already placed. The phased capacity addition is expected to commence from FY 2027–28 onwards. The expansion qualifies under the MOS PLI Scheme 1.2, with expected incentives of Rs. 386 crores to be received between FY 2027–28 and FY 2029–30.

With these initiatives, the Company is well-positioned to enhance its production capacity and strengthen its presence in the Indian CRGO market

3. DIVIDEND:

The Board of Directors has not recommended any dividend for the year ending March 31, 2026.

4. AMOUNT TRANSFERRED TO RESERVES:

During the financial year ending March 31, 2026, no amount was transferred to any of the reserves.

5. ELECTRICAL STEEL AN OVERVIEW AND IMPACT:

- Forecast for demand remained stable during FY 2025-26. Investments in the power sector, specifically transmission lines and solar sectors remained steady. Most of the big OEMs related to transmission business are booked for next 1-2 years and most of them are expanding their capacities in MVA terms. Consumption from industries in private segment remained steady.
- FY 2025-26 was one of the easiest years for transformer makers in terms of availability of CRGO steel. As good as 15 BIS licenses were remaining operative throughout the year including Chinese Korean and European mills. Chinese mills have dominated the year with predatory pricing and technical dumping. China has exported 45% more quantity of CRGO steel as compared to FY 2024-25. Tariffs by US and introduction of CBAM by Europe has brought lot of uncertainty and doubts among exporters to US & Europe and hence India (being an open market) became a favorite spot for CRGO producers across the world.
- In Oct-Nov 2025 group of Transformer makers with help of IEEMA (one of biggest organizations representing manufacturers of transformers & its ancillaries) tried to abolish BIS on CRGO steel. This move resulted into a high volatility in market with customers holding orders and ordering lower quantities in hope of opening of all non-BIS approved mills from China. However, the Government has not withdrawn the mandatory requirement of BIS certification of CRGO steels which is a favorable situation to us as it prevents quantity dumping from non-BIS approved mills to India.
- These uncertainties did have an impact on our Sales volumes last year.



- CRGO steel grades in 0.27 mm have seen surge in demand in IFY 2025-26 due to rise in solar segment and dry type transformers.
- In end of FY, in March, geopolitical tensions in middle east have begun and such situations might disturb the supply chain network across globe, and the effect thereafter needs to be observed.
- However, overall the power industry is growing at a very good pace and more so the renewable energy generation projects are set to grow many folds. Further the rise of demand of Energy requirements is expected to outpace the previous growth rates and that would increase the demand for CRGO positively.

6. OPERATIONAL HIGHLIGHTS AND OUTLOOK FOR NEXT YEAR:

The Company strengthened its operational foundation through targeted process improvements, technology upgrades, and supply chain diversification. These initiatives enhanced the efficiency, safety, and reliability of operations, supporting sustainable value creation and focusing on process reliability at the Nashik plant of the Company.

- Modification of work roll chocks to use work roll to a lower diameter
- Changeover of fuel from LPG to PNG
- Modified the density of furnace entry sealing pad at decarb to enhance life of sealing pad
- For any thermocouple faults trigger/ alarms and hooters provided for immediate action at Decarb
- Provision of individual flow switches in return lines to monitor and eliminate breakdown at welder area of Decarb
- Trial taken to run higher width coils at tunnel furnace by modification of car height
- Trial taken by removing top ceramic block to enhance the car life at Tunnel furnace
- Implemented extended cycle at MBAF to improve magnetics
- Bridle rubber changed to anti-skidding at HFCL to avoid slippage
- AHU of fibre laser on/off from Laser area and its status ON monitoring in exit HMI at HFCL.
- New ASD logic implemented for auto slowdown at uncoiler and recoiler of CRS 6
- Alternate supplier for C5 coating established

7. AMALGAMATION BETWEEN THE COMPANY AND ITS SUBSIDIARY COMPANY:

The Regional Director, Western Region, Mumbai, Ministry of Corporate Affairs (MCA) vide order dated November 4, 2025 ("Order") approved the Scheme of Amalgamation of JSW JFE Electrical Steel Nashik Private Limited (formerly known as thyssenkrupp Electrical Steel India Private Limited), subsidiary Company ("Transferor Company") with the Company ("Transferee Company") pursuant to Section 233 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. The Company received the Order on November 7, 2025.

The Scheme became effective from November 8, 2025, upon completion of the filing of the copy of the Order in Form INC-28 with the Registrar of Companies, Mumbai. Accordingly, the Transferor Company stands amalgamated with and into the Transferee Company, in accordance with the provisions of the Scheme.



Pursuant to the said order, the Transferor Company amalgamated with the Transferee Company with effect from the Appointed Date, i.e., January 30, 2025, and consequently, all assets, liabilities, rights, and obligations of the Transferor Company stand transferred to and vested in the Transferee Company.

8. CHANGE OF NAME OF THE COMPANY:

Pursuant to the Scheme of Amalgamation approved under Section 233 of the Companies Act, 2013, the name of the Company has been changed from 'Jsquare Electrical Steel Nashik Private Limited' to 'JSW JFE Electrical Steel Nashik Private Limited', effective upon completion of the amalgamation process and necessary filings with Central Registration Centre, MCA. Consequent to the said change, the Company has duly updated its name in all statutory records, registers, licenses, approvals, and other relevant documents maintained with regulatory authorities and stakeholders. All necessary filings and compliances in this regard have been duly completed.

9. SHARE CAPITAL OF THE COMPANY

Pursuant to the Scheme of Amalgamation under Section 233 of the Companies Act, 2013, the authorized share capital of the Transferor Company stands consolidated with and vested in the Company, resulting in an increase in the authorized share capital of the Company from Rs. 1600,00,00,000/- (Rupees Sixteen Hundred Crore Only) consisting of 160,00,00,000 (One Hundred Sixty Crore) equity shares of Rs. 10/- (Rupees Ten only) to Rs. 20,40,00,00,000 (Rupees Two Thousand and Forty Crores only) consisting of 2,04,00,00,000 (Two Hundred and Four Crores) equity shares of Rs. 10 (Rupees Ten only) consequent to the addition of the authorized share capital of the transferor company.

Pursuant to ordinary resolution passed at the EGM held on January 22, 2026, authorized Share Capital of the Company increased from Rs. 20,40,00,00,000/- (Rupees Two Thousand and Forty Crores only) divided into 204,00,00,000 (Two Hundred and Four Crore) equity shares of Rs. 10/- (Rs. Ten Only) each to Rs. 3100,00,00,000/- (Rupees Three Thousand and One Hundred Crore only) divided into 310,00,00,000 (Three Hundred and Ten Crore) equity shares of Rs. 10/- (Rupees Ten Only) each.

The Company allotted 3,99,00,000 and 16,00,00,000 equity shares of Rs 10 each to its shareholders pursuant to rights issue on 01.12.2025 and 26.02.2026 respectively.

Accordingly, as on March 31, 2026, the authorized share capital of the Company was Rs 3100,00,00,000/- (Rupees Three Thousand and One Hundred Crore Only) consisting of 310,00,00,000 (Hundred and Ten Crore) equity shares of Rs. 10/- (Rupees Ten only) each and the paid-up share capital of the Company was Rs 16,60,00,00,000 (Rupees One Thousand Six Hundred and Sixty Crore Rupees only) comprising 166,00,00,000 (One Hundred and Sixty Six Crore) equity shares of Rs 10 each.

The Company has no other type of securities except equity shares forming part of paid- up capital.



Other Details:

- i. Disclosure under section 43(a) (ii) of the Companies Act, 2013:
During the financial year under review, the Company has not issued any shares with differential voting rights and hence no information as per the provisions of Section 43(a) (ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- ii. Disclosure under Section 54(1) (d) of the Companies Act, 2013:
During the year under review, the Company has not issued any sweat equity shares and hence no information as per the provisions of Section 54(1) (d) of the Companies Act, 2013 read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- iii. Disclosure under Section 62(1) (b) of the Companies Act, 2013:
During the year under review, the Company did not have any Employees Stock Option Scheme for its employees/ directors and hence no information as per the provisions of Section 62(1) (b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- iv. Disclosure under Section 67(3) of the Company Act, 2013:
During the year under review, since the Company has not issued shares under ESOP, the requirements to disclose instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme does not apply pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

10. PUBLIC DEPOSITS

The Company has not invited and/ or accepted any deposits from the public during the year under review.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Since the Company had listed non-convertible debentures of outstanding amount of Rs 2,600 crores, the Company was qualified as a High Value Debt Listed entity (HVDLE) pursuant to the Securities and Exchange Board of India Listing Obligations and Disclosure Requirements Regulations, 2015 ("SEBI LODR Regulations") as amended with effect from April 1, 2025.

Accordingly, to comply with applicable Regulation 62D of SEBI LODR Regulations, the Company had constituted an optimum combination of Executive and Non-Executive Directors, including appointment of Independent Directors and a Woman Director and Chairperson of the Company.

a) Appointment of Independent Directors:

In the 04/FY 2025-26 Board meeting, held on July 25, 2025, Mrs. Anuradha Bajpai and Mr. Alok Mehrotra, were appointed as Independent Directors for consecutive period of three years i.e. from July 25, 2025 to July 24, 2028 subject to approval of shareholders in the general meeting and at 5th



Extraordinary General Meeting (“EGM”) dated October 24, 2025 their appointment was approved by the shareholders of the Company.

In the 09/FY 2025-26 Board meeting, held on January 19, 2026, Ms. Nayantara Palchoudhuri was appointed as Independent Directors for consecutive period of three years i.e. from January 19, 2026, to January 18, 2029, subject to approval of shareholders in the general meeting and at 6th EGM dated January 22, 2026, her appointment was approved by the shareholders of the Company.

b) Appointment of Chairperson and Women Director

To comply with applicable Regulation 62D of SEBI LODR Regulations, the Company designated Mrs. Anuradha Bajpai as Chairperson and Women Director of the Company with effect from July 25, 2025.

c) Appointment of Executive and Non-Executive Directors:

In the 04/FY 2025-26 Board meeting, held on July 25, 2025, Mr. Joydeep Bhattacharjee was appointed as Whole time Director and Chief Executive Officer (CEO) with effect from July 25, 2025, until September 30, 2029, subject to approval of shareholders in the general meeting and at 5th EGM dated October 24, 2025, his appointment was approved by the shareholders of the Company.

In the 09/FY 2025-26 Board meeting, held on January 19, 2026, Mr. Gajraj Singh Rathore and Mr. Toshiya Iwano were appointed as Non-Executive Directors with effect from January 19, 2026, subject to approval of shareholders in the general meeting and at 6th EGM dated January 22, 2026, their appointment was approved by the shareholders.

d) Appointment of Key Managerial Personnel- Chief Financial Officer and Company Secretary:

In pursuance to Section 203, read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed the Chief Financial Officer and Company Secretary in Whole time employment and there is no change in such appointment during the year 2025-26.

Pursuant to the amendments effective January 20, 2026, the Company ceases to be a HVDLE, as its outstanding listed debentures of Rs. 2,600 Crores are below the revised threshold of Rs. 5,000 Crores. Accordingly, the provisions applicable to HVDLEs, including Regulation 62D, are not applicable to the Company. However as a governance the existing structure of the Board remained same as March 31, 2026.

12. DISQUALIFICATION OF DIRECTORS:

None of the Directors of the Company are disqualified from holding the office of Director on account of non-compliance with any of the provisions of the Companies Act, 2013.



13. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES OF THE COMPANY:

The Company had one wholly owned subsidiary, JSW JFE Electrical Steel Nashik Private Limited (formerly known as thyssenkrupp Electrical Steel India Private Limited), which has been merged with the Company pursuant to the Scheme of Amalgamation. Accordingly, as on March 31, 2026, the Company does not have any subsidiary, and therefore, Form AOC-1 pursuant to Section 129(3) of the Companies Act, 2013 is not applicable.

14. BOARD MEETINGS HELD DURING THE YEAR:

The Board of Directors meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. The notice of the Board meetings is given well in advance to all the Directors. Necessary consent to hold the meeting on short notice has been obtained.

Details of the Board meetings held during the year are mentioned as below:

Date of Meeting	Total No. of Directors on the Date of Meeting	No. of Directors Attended	% of Attendance
16/05/2025	2	2	100
20/05/2025	2	2	100
15/07/2025	2	2	100
25/07/2025	2	2	100
14/08/2025	5	5	100
09/10/2025	5	5	100
01/12/2025	5	5	100
30/12/2025	5	4	80
19/01/2026	5	5	100
10/03/2026	8	8	100

15. STATUTORY AUDITORS AND AUDITOR'S REPORT:

During the year, M/s SRBC & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 324982E/E300003), was reappointed as the Statutory Auditor of the Company for five consecutive years, commencing from the conclusion of the 1st Annual General Meeting (AGM) held for the financial year ended March 31, 2025, up to the conclusion of the 6th AGM to be held for the financial year ended March 31, 2030, at a remuneration determined and fixed by the Board of Directors of the Company.

M/s SRBC & Co. LLP, Chartered Accountants, Mumbai has confirmed its consent and eligibility to act as the Statutory Auditor of the Company for the aforesaid term, in accordance with the applicable provisions of the Companies Act, 2013.

The report given by M/s SRBC & Co. LLP, Chartered Accountants on the standalone financial statement of the Company for the year 2025-26 is a part of the Annual Report. There are no qualifications, reservations, adverse remarks, or disclaimers made by the Statutory Auditors in their report. The notes on the financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors had not reported any matter under Section 143 (12) of the Act with respect to the year under review, accordingly disclosure under Section 134 (3) (ca) of the Act is not required.



16. COMMENTS BY THE BOARD ON QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITOR IN THEIR REPORT:

There are no qualifications, reservations or adverse remarks or disclaimers made by the auditor in their report which requires any comments from the Board of Directors.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Being a responsible Corporate Citizen, the Company is committed to fulfilling its social responsibilities. Guided by the prevailing regulatory requirements of Section 135 of the Companies Act 2013, the Company has constituted a 'Corporate Social Responsibility (CSR) Committee' and framed a Policy on CSR.

Pursuant to Section 135(5) of the Companies Act 2013 read with the Companies (CSR Policy) Rules 2014, the Company is obligated to spend at least 2% of the average profit before tax for the preceding three financial years on CSR activities. On a standalone basis, the Company had no CSR obligation due to losses. However, pursuant to the Scheme of Amalgamation, the CSR obligation of the Transferor Company was transferred to the Company. The CSR obligation for FY 2025-26 was initially INR 5.38 crores. However, considering the Company's restated profit due to restatement of financials (post-merger) for the financial year ended March 31, 2025, the Board approved the estimated CSR obligation for FY 2025-26 at Rs. 4.61 crores.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee formulated the Annual Action Plan for CSR activities of the Company for FY 2025-26, which was aligned with the projects undertaken by the JSW Foundation. As on March 31, 2026, total obligation of Rs. 4.61 Crore has been spent as per decided action plan for the year.

A summary of CSR Policy together with details of CSR activities undertaken by the Company during the FY 2025-26 are provided in the 'Annexure - I' pursuant to Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 forming part of the Board's Report.

18. INTERNAL CONTROL SYSTEMS:

The Company has adequate internal control procedures commensurate with its size and nature of business. These internal policies ensure efficient use and protection of assets and resources and reliability of financial and operational reports.

The Directors of the Company have laid down internal financial controls with reference to financial statements and that such internal financial controls are adequate and operating effectively.



19. SECRETARIAL STANDARDS:

During the financial year under review, the Company has complied with applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings," respectively issued by the Institute of Company Secretaries of India (ICSI) under the provisions of Section 118(10) of the Companies Act, 2013.

20. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors, based on the representations received from operating management, confirm that:

- i) In the preparation of the annual accounts for the year ended March 31, 2026, the applicable accounting standards, i.e. IND AS, have been followed along with proper explanation relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as at March 31, 2026, and of the profit of the Company for the year ended March 31, 2026.
- iii) The Directors have 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.
- iv) The Directors have prepared the annual accounts on a going concern basis
- v) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

21. INTERNAL AUDITOR:

Pursuant to Sec. 138 of the Companies Act, 2013, Mr. Parag Parekh, AVP Internal Audit - JSW Steel was appointed as Internal Auditor of the Company by the Board of Directors in its 01/FY 2025-26 Meeting held on 16th May 2025 and authorized him to finalize and arranged an external Internal Audit firm to conduct the Internal Audit functions and activities of the Company. Internal audit is a continuous activity considering in-depth coverage and quality parameters as expected by the group.

22. COST RECORDS AND COST AUDITORS:

Pursuant to the amalgamation of the wholly owned subsidiary with the Company, the provisions relating to the appointment of a Cost Auditor have become applicable to the Company. Accordingly, in terms of Section 148(1) of the Companies Act, 2013, the Company is required to maintain such cost records as specified by the Central Government, and the Company has duly made and maintained the prescribed cost records. Further, pursuant to Section 148(2) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended, the Company is required to have its cost accounting records audited by a Cost Auditor.

In this regard, the Board of Directors, at its Meeting No. 09/FY 2025-26 held on January 19, 2026, appointed M/s R C K & Co., Cost Accountants (Firm Registration No. 002587), as the Cost Auditor of the



Company to conduct the audit of the cost accounting records for the financial year 2025-26, at a remuneration of INR 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable taxes and reimbursement of actual travel and out-of-pocket expenses. The remuneration payable to the Cost Auditor was subsequently approved by the shareholders of the Company at the 6th EGM held on January 22, 2026, in accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

The Company has received the necessary consent and eligibility certificate from M/s R C K & Co., Cost Accountants, confirming their eligibility for appointment as Cost Auditor in terms of the applicable provisions of the Act.

23. SECRETARIAL AUDITORS & THEIR REPORT:

The Board had appointed M/s. Shreyans Jain & Co., Company Secretaries, as the Secretarial Auditor for conducting the Secretarial Audit of the Company for the financial year 2025-26. The Secretarial Audit Report has been annexed to the reports at Annexure-III. There are no qualifications, reservations, adverse remarks, or disclaimers made by the Secretarial Auditors in their report.

24. NON-CONVERTIBLE DEBENTURES (NCDs):

The Company has issued 2,600 rated, listed, unsecured, redeemable Non-Convertible Debentures (NCDs) having a face value of Rs. 1,00,000/- each, aggregating to Rs. 2,600 Crores, which are listed on the BSE Limited (BSE).

Pursuant to the amalgamation of the wholly owned subsidiary with the Company, the structure of the aforesaid NCDs underwent a change. Earlier, the NCDs were secured by way of a charge on certain assets of the subsidiary company. However, upon the merger becoming effective, the said security ceased to exist as a separate identifiable charge. Accordingly, the NCDs were restructured from “secured” to “unsecured”, in line with the revised capital structure and asset consolidation of the Company.

The said restructuring was duly approved by the Board of Directors at its meeting held on August 14, 2025. The Company continues to honour all its obligations in respect of the said NCDs in accordance with the terms of issue, and the interests of the debenture holders remain adequately safeguarded.

25. LISTING:

The Company has listed its NCDs on the BSE Limited and has duly paid the requisite listing fees to the Stock Exchange for the financial year 2025-26.

Pursuant to the amendments to the SEBI LODR Regulations, effective January 20, 2026, the Company no longer qualifies as a HVDLE, as the outstanding value of its listed Non-Convertible Debentures, aggregating to Rs. 2,600 Crores is below the revised threshold limit of Rs. 5,000 Crores. Accordingly, the Company is no longer subject to the additional compliance requirements specifically applicable to HVDLEs under the amended SEBI LODR Regulations.



26. DEBENTURE TRUSTEES

Pursuant to Regulation 53(e) of the SEBI LODR Regulations the Company is required to provide the details of Debenture Trustees. The details of the Debenture trustee are as follows:

Name	IDBI Trusteeship Services Limited
Address	Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai- 400001
Contact details	+91 22 4080 7000
Email ID	itsl(@idbitrustee.com

27. CREDIT RATING

CARE Ratings Limited (Care Edge Ratings) is the credit rating agency that has reaffirmed the rating CARE AA- (pronounced as Double A Minus) rating with a Stable outlook for Non-Convertible debentures and CARE AA- (pronounced as Double A Minus) rating with a Stable / CARE A1+ outlook for Long Term / Short Term Bank Facilities of the Company in FY 2025-26.

28. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the draft Annual Return of the Company as of March 31, 2026, is made available on the website of the Company and can be accessed at www.j2es.in

29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188:

The Company entered into transactions and contracts with its group Companies during the year ended March 31, 2026. The Board is of the firm opinion that the contracts / transactions with related parties are done in ordinary course of business and at arm's length basis and are not pre-judicial to the interest of shareholders of the Company and are exempted under section 188 of the Companies Act 2013.

Further, there was no material related party transaction entered by the Company during the year as per the RPT Policy. There are no details required to be provided in Form AOC-2 prescribed under Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

30. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND DATE OF REPORT:

There are no material changes and commitments which affect the financial position of Company, which have occurred between the year ended March 31, 2026, and the date of the report.



31. REPORT ON FRAUDS- DETAILS IN RESPECT OF FRAUDS REPORTED BY THE AUDITORS UNDER SECTION 143(12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditors have not reported any instance of fraud committed in the Company by its officers or employees during FY 2025-26, details of which need to be mentioned in this Report.

32. RISK MANAGEMENT POLICY:

The Company follows the group guidelines on risk management and the same is assessed on a regular basis and implemented by the management. The Directors are of the opinion that there are no major risks which may threaten the existence of the Company. Major risks are well qualified & disclosed in financial statements by way of notes to accounts.

33. OTHER MATTERS AS PER RULE 8 (5) OF COMPANIES (ACCOUNTS) RULES, 2014:

- (i) The names of Companies which have become or ceased to be its Subsidiaries, joint ventures or associate Companies during the year: JSW JFE Electrical Steel Nashik Private Limited (formerly known as thyssenkrupp Electrical Steel India Private Limited) ceased due to the amalgamation into the Company as per Section 233 of the Companies Act.
- (ii) Performance and financial position of each of the subsidiaries, associates and joint venture Companies included in the consolidated financial statement. N.A.
- (iii) The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future: There are no significant or material orders passed by the regulators/courts/tribunals that could impact the going concern status of the Company and its future operations.

34. THE DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE ACT:

The Company has not taken any deposits during FY 2025-26

35. ALTERATION IN MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY:

Pursuant to the provisions of Sections 4, 13 and 14 of the Companies Act, 2013 and other applicable provisions, the change in the name of the Company has resulted in the alteration of the Name Clause of the Memorandum of Association ("MOA") and the Articles of Association ("AOA") of the Company.

Consequent to the effectiveness of the Scheme of Amalgamation, the authorized share capital of the Transferor Company stands consolidated with and vested in the Transferee Company and the changes in the objects of the Company have resulted in alteration of the capital and object clause of the MOA.



36. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE AND UTGO:

Information relating to Conservation of Energy, Technology Absorption, Foreign Exchange and Outgo is given in Annexure - II forming part of this Report.

37. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR AND THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

No application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year. During the year, the Company did not apply for any loan and no instance of one-time settlement occurred. Therefore, the matter of difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking loans from the Banks or Financial Institutions is not applicable to the Company.

38. DETAILS RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Being a private limited company, the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

39. DECLARATION OF INDEPENDENCE OF DIRECTORS

The Company has received necessary declaration from each of the Independent Directors under Section 149(7) of the Act that he/she meets the criteria of independence laid down in Section 149(6) of the Act. In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. In terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have enrolled themselves on the Independent Directors' Databank as on the date of this Report.

40. BOARD EVALUATION:

The Board carried out an annual performance evaluation of its own performance, the performance of the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.



41. HRD & INDUSTRIAL RELATIONS:

The Company continued its thrust on continuous training of the employees for upgradation of their overall skills. The employees were provided better facilities and were sponsored for several orientation programs, training programs, seminars, workshops, etc., both external and internal, to enhance their skills. The Industrial relations between the management and the Union have been largely peaceful.

42. ACHIEVEMENTS & AWARDS:

The Company won the 3rd Prize CII - 21st edition of “KAIZEN Competition – Maharashtra State Level” held on January 28, 2026, at Hotel BLVD, MIDC Satpur, Nashik.

The Company won Best Trade Finance Solution Award at The Asset Triple A Treasure Awards 2026. This award is a testament to the Company’s planning and foresight in implementing comprehensive trade and working capital solutions.

43. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT), 2013:

The Company has implemented a framework for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Pursuant to Section 22 and Rule No 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 no cases were registered with the Company during the calendar year 2024. The Company has duly submitted the annual report under Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 for the year ended December 31st, 2025.

During the year, no complaints of sexual harassment were received, none were disposed of, and no cases were pending for more than ninety days.

44. OTHER DISCLOSURES:

- a) Dematerialization of shares: - Pursuant to Rule 9B of Companies (Prospectus and Allotment of Securities) Rules, 2023, shares of every specified private limited Company are mandatorily required to be held in dematerialized format. Accordingly, the Company has taken necessary steps and obtained ISIN (INE1EY601011) for the shares of the Company. All the securities of the Company are in dematerialized form.
- b) There has been no change in the nature of business of the Company as on the date of the Report.
- c) The Company is complying with the provisions of the Maternity Benefit Act, 1961.
- h) The Board of Directors states that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these items during the year under review:
 - (i) Issue of equity shares with differential rights as to dividend, voting or otherwise.
 - (ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme



save and except ESOPs referred to in this Report.

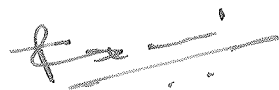
- (iii) Receipt of secured/unsecured loans from its directors.
- (iv) Buy back of the equity shares.
- (v) Receipt of remuneration or commission by Managing Director or the Whole-time Directors of the Company from any of its subsidiary Companies of the Company.
- (vi) Details regarding the difference in valuation between a one-time settlement and valuation for obtaining loans from banks or financial institutions.
- (vii) Details of any application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 along with their status as at the end of the financial year.

45. ACKNOWLEDGEMENT:

The Directors take this opportunity to express their appreciation for the co-operation and their continued support received from Government of India, the State Government of Maharashtra, regulatory authorities and the bankers as well as the shareholders, customers, suppliers and all other stakeholders of the Company during the year under review. The Directors also wish to place on record their appreciation for the dedicated services rendered by all employees of the Company.

For and on behalf of the Board,

JSW JFE Electrical Steel Nashik Private Limited



Tarang Rajeshbhai Desai
(Director, DIN- 10490521)



Joydeep Bhattacharjee
(WTD & CEO, DIN-02813496)



Dated: 08/05/2026

ANNEXURE –I

The Annual Report for Financial Year 2025-26 on CSR Activities as part of the Board's Report as per (Corporate Social Responsibility Policy) Amendment Rules 2022.

1. Brief outline on CSR and Objective of CSR Policy of the Company:

At JSW JFE Electrical Steel Nashik Pvt. Ltd. (formerly known as Jsquare Electrical Steel Nashik Pvt. Ltd.), we believe that science and technology are synonymous with economic and human development as both aim to drive progress and improve standard of living while promoting education in society. Being a part of the JSW & JFE Group and a leading top grade electrical steel producer in the country, we find numerous opportunities to contribute to human progress through our innovative technologies and thus touch lives of people. We constantly strive to contribute to society and take up the cause of welfare amongst communities in which we operate. Delineating our responsibility as a Corporate Citizen, we are committed to operate our business in an economically, socially & environmentally sustainable manner. At the same time, we endeavor to reach out to different sections of society, with socially relevant projects, that benefit these communities and in small ways enhance the quality of their lives. These initiatives are independent of the normal operations of our Company's business. CSR programs, projects and activities (collectively "CSR Programs") as framed within the purview of Schedule VII of the Companies Act, 2013 as amended from time to time and are the subject matter of this CSR Policy of the Company.

2. Composition of CSR Committee:

Pursuant to the Scheme of Amalgamation approved by the Regional Director, Mumbai under Section 233 of the Companies Act, 2013, JSW JFE Electrical Steel Nashik Pvt. Ltd. (formerly thyssenkrupp Electrical Steel Nashik Pvt. Ltd.) merged into the Company with effect from November 8, 2025. Accordingly, various statutory, contractual and operational approvals were aligned, renewed or ratified in the name of the Transferee Company. On a standalone basis, the Company had no CSR obligation due to losses. However, pursuant to the merger, the CSR obligation of the Transferor Company was transferred to the Company. The CSR obligation for FY 2025–26 was initially INR 5.38 crores and was subsequently recalculated due to restatement of financials, with the revised obligation being INR 4.61 crores. The Company's CSR Policy is available on the Company's website at: https://j2es.in/business_vertical/jsquare/#investorid

In terms of the provisions of section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The CSR committee consists of four members including Independent Director. As on March 31, 2026, the CSR committee consists of Mrs. Anuradha Ambar Bajpai, Mr. Tarang Rajeshbhai Desai, Mr. Takafumi Suzuki and Mr. Joydeep Bhattacharjee.

Being first year for CSR the committee meet once to discuss and decide the CSR projects of the Company. The details of CSR committee meetings held during FY 2025-26 are as below:



Sr. No.	Name of Director	Designation /Nature of Directorship	Number of Meetings Held During the Year	Number of Meetings Attended During the Year
1	Mrs. Anuradha Ambar Bajpai	Independent Director/ Non-Executive Director	1	1
2	Mr. Tarang Rajeshbhai Desai	Non-Executive Director	1	1
3	Mr. Takafumi Suzuki	Non-Executive Director	1	1
4	Mr. Joydeep Bhattacharjee	CEO & Whole time Director / Executive Director	1	1

3. The composition of the CSR Committee, CSR Policy, and CSR projects approved by the Board are disclosed at: https://j2es.in/business_vertical/jsquare/#investorid
4. Provide the executive summary along with web link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable - **Not Applicable**
5. (a) Average net profit of the Company as per section 135(5) is **INR 230.45 Crore**
(b) Two percent of average net profit of the Company as per section 135(5): **4.61 Crore**
(c) Surplus arising out of the CSR projects or programmes or activities of the previous FY: **Nil**
(d) Amount required to be set off for the financial year: **Nil**
(e) Total CSR obligation for the financial year **(5b+5c-5d): 4.61 Crore**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **4.49 Crore**
(b) Amount spent in Administrative Overheads: **0.12 Crore**
(c) Amount spent on Impact Assessment: **Not Applicable**
(d) Total amount spent for the Financial Year (6a+6b+6c): **4.61 Crore**
(e) CSR amount spent or unspent for the Financial Year 2025-26:

Total Amount Spent for the Financial Year (in INR Crore)	Amount Unspent (in INR Crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
4.61	--	--	--	--	--



(f) Excess amount for set off: Nil

Sr. No.	Particular	Amount (in INR Mio)
(i)	Two percent of average net profit of the Company as per section 135(5)	4.61
(ii)	Total amount spent for the Financial Year	4.61
(iii)	Excess amount spent for the financial year [(ii)-(i)]	--
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	--
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	--

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in INR)	Amount spent in the reporting Financial Year (in INR)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in INR)	Deficiency, if any
					Name of the Fund	Amount (in Rs)	Date of transfer		
	Nil	Nil	NIL	Nil	Nil	Nil	Nil	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes, the number of Capital assets created/ acquired – 3 Nos

Below the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

(1) Sr. No	(2) Short particulars of the property or asset(s) [including complete address and location of the property]	(3) Pin code of the property or asset(s)	(4) Date of Creation	(5) Amount of CSR amount spent INR Crore	(6) Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
1	Construction of ZP Primary School at Janori Village	422403	31.03.26	0.60	NA	ZP School Janori	At Post Janori, Tal. Igatpuri, Nashik
2	Construction of ZP Primary School at Khairgaon Village	422403	31.03.26	0.48	NA	ZP School Khairgaon	At Post Khairgaon, Tal. Igatpuri, Nashik
3	Development of Community Hall at Mukane Village	422403	31.03.26	0.22	NA	Mukane Village	At Post Mukane Tal. Igatpuri, Nashik

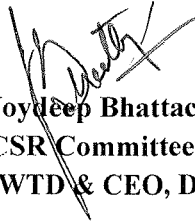


9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Nil

For, JSW JFE Electrical Steel Nashik Private Limited



Tarang Rajeshbhai Desai
CSR Committee Member
(Director, DIN- 10490521)



Joydeep Bhattacharjee
CSR Committee Member
(WTD & CEO, DIN-02813496)



Date: 08/05/2026

ANNEXURE – II

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

I. Conservation of Energy:

Energy conservation and decarbonization remained a key focus area during the year, aligned with the Company's operational excellence strategy and long-term sustainability objectives. In parallel, the Company initiated comprehensive carbon footprint mapping and measurement exercises across its value chain to enhance emissions transparency and preparedness for evolving global regulatory frameworks, including the European Union's Carbon Border Adjustment Mechanism (CBAM). These initiatives reinforce the Company's commitment to responsible energy management, regulatory compliance, and a structured transition towards lower-carbon manufacturing practices. "Over 70% of our savings are driven by Yield and Productivity improvements, validating our operational excellence strategy."

- Optimisation of total gas consumption at TADL, i.e. around 3 % Reduction of total gas (H₂ + N₂) consumption
- Increase of line speed at slitters by 10 %, resulted in reduction of energy
- Reduction in Line stoppages due to Bridle problems by 40% at HFCL.
- Maintaining power factor near to unity to reduce losses.
- CO₂ is monitored and average for financial year is 1.49 tCO₂/t FG
- Carbon footprint mapping, measurement, and compliance in the light of CBAM

II. Environmental Initiatives:

The Company continued to strengthen its environmental management practices through a range of targeted initiatives focused on resource conservation, pollution prevention, waste management, and workplace safety. In line with its long-term sustainability roadmap and with the objective of reducing dependence on conventional energy sources and progressively lowering its environmental footprint

- Entry gas analysers sample point, inlet filter heaters hot surface covered with mesh to prevent hot burn at Decarb
- Waste pallets from container lashing are reused for packing of defective narrow slits
- Water meter installed for Humidifier # 3 water inlet top up water line for effective monitoring of consumption at Decarb.
- Reduction of total gas consumption at Decarb
- All effluents are treated in common Effluent treatment plant having Primary, Secondary & Tertiary treatment facilities. Effluent treatment plant is equipped with RO and MEE plant (Multi Effective Evaporator) resulting in Zero discharge from plant.
- In Pickling & HFCL having Scrubbers are installed with oil mist separation.
- Separate MgO Sludge treatment plant at HFCL, the dry sludge is collected and disposed to Authorized Agency and from this year onwards, it will send to sister concern for reuse of the MgO sludge



III. Cost Saving Measures:

Aligned with our long-term operational excellence and sustainability roadmap, a series of focused cost optimization and productivity initiatives were executed during the period, delivering structural efficiency improvements. These initiatives have strengthened resource efficiency, improved operational discipline, and enhanced the long-term resilience and competitiveness of our manufacturing operations.

- Reduction of operating cost of RO plant by 6 %
- Optimization of hydraulic oil consumption
- Reduction in coating chemical consumption at HFCL by 5 %
- Improvement in Run hour productivity in HRGO by 6 % at Mill
- Improvement in productivity at MgO line by 5 %
- Reduction in free stock generation by 4 %
- Line stoppages optimized at HFCL

IV. Technology Absorption and R&D:

During FY 2025–26, the Company achieved a significant milestone in technology absorption and process innovation. Going forward, sustained efforts are underway to further validate and stabilize the process through continuous trials and optimization across both upstream and downstream operations, with the objective of ensuring consistent quality, scalability, and long-term process robustness. Hot rolled development for initiated via sister company to produce HRGO. First heats were produced in End of March and second week of April. First heats were produced, and we were successful in producing upto 23HP 85 grades. It highlighted first success with respect to technology transfer. Further progress needs to be done to validate process both at upstream and downstream on a continuous basis.

V. Performance Systems, Digitalization and Automation Initiatives:

The Company continued to advance its digitalization and automation roadmap with the objective of enhancing operational efficiency, strengthening governance controls, and reinforcing cyber resilience. Collectively, these digital and automation initiatives have strengthened process reliability, enhanced cyber security resilience, and laid a robust foundation for scalable, data-driven operations.

- Coil Gradation system: -Material Clearance through system which reduces human error
- Scrap Management system -Improves Operational Efficiency & inventory Control
- Check Point Harmony – Email & Collaboration Security: - Uses AI/ML-based threat detection to identify zero-day phishing, malware, impersonation and BEC attacks. Natural Language Processing (NLP) to analyses email intent, context, and behavioral patterns. Continuous learning from global threat intelligence to improve detection accuracy.
- Zscaler – Secure Internet Access (SIA): AI-driven traffic inspection using cloud based sandboxing and inline ML analysis. Behavioral analytics to detect compromised users and anomalous web activity. Real time threat correlation using global telemetry
- Trellix EDR (Endpoint Detection & Response): AI-powered behavioral analysis to detect unknown and fileless attacks. Machine learning models identify lateral movement and suspicious endpoint activity.



- Automated correlation of endpoint events for faster threat detection
- Tenable Vulnerability Management (VM): Risk based prioritization using predictive scoring instead of raw CVSS. Machine learning to assess exploitability, threat trends, and asset criticality. Continuous vulnerability discovery across IT, cloud, and OT environments
 - QR Code–Based Coil Location Management- To enhance accuracy, traceability, and efficiency in coil location management, QR code stickers are pasted on each pole at designated coil storage locations. Each QR code uniquely represents the specific pole and its associated location. When a coil is placed or verified, the operator scans the QR code directly at the location using a handheld device or mobile application. The scanned data enables instant, direct entry into the system, automatically capturing the correct location details without manual intervention. This digital process eliminates manual register entries, reduces human error, improves real-time visibility of coil movement, and ensures faster, more reliable inventory updates, thereby supporting effective automation and operational control

VI. Foreign Exchange:

Earnings:

During the year under review, the Company exported CRGO electrical steel amounting to FOB Value INR 2.79 Crore for the period ended on March 31, 2026.

Expenditure:

CIF value of imports is INR 1005.40 Crores and other foreign exchange expenditure is INR 2.70 Crore for the period ended on March 31, 2026.

For, JSW JFE Electrical Steel Nashik Private Limited


Tarang Rajeshbhai Desai
(Director, DIN- 10490521)


Joydeep Bhattacharjee
(WTD & CEO, DIN-02813496)



Dated: 08/05/2026



Shreyans Jain & Co.

Company Secretaries

Off: 603, Ashok Heights, Opp. Saraswati Apartments, Near Nicco Circle,
Niklaswadi Road, Gundavali, Andheri (E), Mumbai - 400069, Maharashtra, India
Tel: 022 - 46002079; website: www.sicocs.com; email: shreyanscs@gmail.com

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
JSW JFE ELECTRICAL STEEL NASHIK PRIVATE LIMITED
(Formerly known as **JSQUARE ELECTRICAL STEEL NASHIK PRIVATE LIMITED**)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JSW JFE ELECTRICAL STEEL NASHIK PRIVATE LIMITED (Formerly known as **JSQUARE ELECTRICAL STEEL NASHIK PRIVATE LIMITED**) having CIN: **U24319MH2024PTC432825** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the company's documents, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the company has during the audit period covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 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, to the extent applicable;
- (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 (Not Applicable to the Company during the audit period);





Shreyans Jain & Co.

Company Secretaries

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- 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, 2018 **(Not Applicable to the Company during the audit period)**;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the audit period)**;
- e. The Securities and Exchange Board of India (Issue and Listing of Non – Convertible Securities) Regulations, 2021;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the audit period)**;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the audit period)**;
- i. The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

(vi) All other relevant laws as are applicable to the Company, a list of which has been provided by the management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes in place to monitor and ensure compliance with those laws.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India in respect of board and general meetings;
- (ii) The Securities and Exchange Board of India (Listing Obligation 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;

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The following changes in the composition of Board of Directors that took place during the audit period are in compliance with the provisions of the act.





Shreyans Jain & Co.

Company Secretaries

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Tel: 022 - 46002079; website: www.sjcocs.com; email: shreyanscs@gmail.com

1. Appointment of Mr. Toshiya Iwano and Mr. Gajraj Singh Rathore as an Additional Director (Non-Executive) of the company w.e.f. 19/01/2026 and regularized them in Extra Ordinary General Meeting (EOGM) held on 22/01/2026.
2. Appointed Ms. Nayantara Palchoudhuri as an Additional Director (Independent) w.e.f. 19/01/2026 and regularized her in EOGM held on 22/01/2026.
3. Appointment of Mr. Joydeep Bhattacharjee as an Additional Director (Executive-Director) w.e.f. 25/07/2025 and regularized him in EOGM held on 24/10/2025.
4. Appointment of Mr. Alok Mehrotra and Ms. Anuradha Bajpai as an Additional Director (Independent) w.e.f. 25/07/2025 and regularized them in EOGM held on 24/10/2025.
5. Appointment of Mr. Joydeep Bhattacharjee as Chief Executive Officer and Whole Time Director w.e.f. 25/07/2025.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

All the decisions were carried through, while there were no dissenting views of members as verified from the minutes.

We 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.

We further report that during the audit period following major events occurred in compliance with the provisions of the Act;

1. Increased the authorized share capital of the Company from Rs.2040,00,00,000/- (Two Thousand and Forty Crore Only) comprising of 204,00,00,000/- (Two Hundred and Four Crore) Equity Shares of Rs.10/- each to Rs.3100,00,00,000/- (Rupees Three Thousand and One Hundred Crore Only) comprising of 310,00,00,000 (Three Hundred and Ten Crore) Equity Shares of Rs.10/- each (Rupees Ten only);
2. Issued 3,99,00,000 Equity Shares of Rs.10/- each for cash at par aggregating to Rs.39,90,00,000/- on rights basis, and the Company had allotted 3,99,00,000 Equity Shares of Rs.10/- each aggregating to Rs.39,90,00,000/-.
3. Issued 16,00,00,000 Equity Shares of Rs.10/- each for cash at par aggregating to Rs.160,00,00,000/- on rights basis, and the Company had allotted 16,00,00,000 Equity Shares of Rs.10/- each aggregating to Rs.160,00,00,000/-.





Shreyans Jain & Co.

Company Secretaries

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4. Amalgamation of its subsidiary Company i.e. erstwhile JSW JFE Electrical Steel Nashik Private Limited with the Company i.e. Jsquare Electrical Steel Nashik Private Limited pursuant to order of Regional Director, Mumbai dated November 4, 2025. The Scheme became effective from November 8, 2025, the date of filing of copy of the Order in Form INC-28 with the Registrar of Companies, Mumbai. Pursuant to the Order Company's name changed from Jsquare Electrical Steel Nashik Private Limited to JSW JFE Electrical Steel Nashik Private Limited w.e.f. 01st December, 2025.

For Shreyans Jain & Co.

Company Secretaries

Unique ID: S2011MH151000



Shreyans Jain
(Proprietor)

FCS No. 8519 /C.P. No. 9801

UDIN: F008519H000306344

PR NO.7773/2026

Place: Mumbai

Date: 07/05/2026

Note: This report to be read with our letter of even date which is annexed as **Annexure - A** and forms part of this Report.



Shreyans Jain & Co.

Company Secretaries

Off: 603, Ashok Heights, Opp. Saraswati Apartments, Near Nicco Circle,
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Tel: 022 - 46002079; website: www.sjcocs.com; email: shreyanscs@gmail.com

Annexure A: to the Secretarial Audit Report of JSW JFE ELECTRICAL STEEL NASHIK PRIVATE LIMITED (Formerly known as JSQUARE ELECTRICAL STEEL NASHIK PRIVATE LIMITED) for the year 31st March, 2026

To,

The Members

JSW JFE ELECTRICAL STEEL NASHIK PRIVATE LIMITED

(Formerly known as JSQUARE ELECTRICAL STEEL NASHIK PRIVATE LIMITED)

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

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances. The Compliance of the Corporate and other applicable laws, rules and regulations, standards are the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Shreyans Jain & Co.

Company Secretaries

Unique ID: S2011MH151000



Shreyans Jain
(Proprietor)

FCS No. 8519 / C.P. No. 9801

UDIN: F008519H000306344

PR NO.7773/2026

Place: Mumbai
Date: 07/05/2026

INDEPENDENT AUDITOR'S REPORT

To the Members of JSW JFE Electrical Steel Nashik Private Limited
(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of JSW JFE Electrical Steel Nashik Private Limited (formerly known as Jsquare Electrical Steel Nashik Private Limited) ("the Company"), which comprise the Balance sheet as at March 31 2026, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 44 of the Financial Statement regarding restatement of prior period comparatives as at and for the period ended March 31, 2025 to give the effect of the adjustments arising from Scheme of Amalgamation ('the Scheme') between the Company and its wholly owned subsidiary, JSW JFE Electrical Steel Nashik Private Limited (Previously known as Thyssenkrupp Electrical Steel India Private Limited) ('Transferor company') from the appointed date of January 30, 2025, as approved by Regional Director, Ministry of Corporate Affairs Western Region vide its order dated November 4, 2025. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the 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 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 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 financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
1. Finalization of Provisionally Recorded Fair Value of Assets and Liabilities and Merger Accounting (as described in note 44 to the financial statements)	
In the previous year on January 30, 2025, the Company had acquired 100% shares of Thyssenkrupp Electrical Steel India Private Limited ('J2ES Nashik') for a net consideration of INR 4,003.61 crores from its shareholders. As per IND AS 103 on Business Combinations, the purchase consideration was allocated on a provisional basis, pending determination of the fair value of acquired assets and liabilities, in the consolidated financial statements of the Company for the period ended March 31, 2025, and was finalized during the year ended March 31, 2026. Further, during the year, pursuant to the order of Regional Director, Ministry of Corporate Affairs Western Region dated November 04, 2025, J2ES Nashik has been merged with the Company from the appointed date January 30, 2025. The said merger has been accounted for under the "Pooling of Interests Method" as prescribed under Appendix C of IND AS 103 Business Combinations using the carrying value of assets, liabilities and reserves pertaining to J2ES Nashik as appearing in the consolidated financial statements of the Company. We consider the finalisation of provisionally recorded fair value of assets and liabilities and subsequent audit of accounting for the merger to be Key Audit Matter since it's a significant transaction during the year which requires significant management judgement regarding: Allocation of the purchase price to the assets and liabilities acquired	Our audit procedures included the following: - We evaluated management's process and controls for finalisation of the provisional purchase price allocation, including the identification and measurement of assets acquired and liabilities assumed. - We tested the identification and fair valuation of the acquired assets including intangible assets acquired, if any and liabilities by corroborating this identification based on our discussion with management and understanding of the business. - Obtained an understanding of the valuation methodologies used by management and the external valuation experts in the final fair valuation of acquired assets and liabilities. - We involved our valuation specialist and assessed the appropriateness of the valuation methodology applied by management and evaluated its consistency with the requirements of the applicable accounting standards. - Assessed the adjustments between provisional and finalisation of purchase price allocation and verified that these represented fair value adjustments. - We have assessed the competence, capabilities and relevant experience of the experts engaged by management to determine final fair valuation of the assets and liabilities acquired. - Read the order of the Regional Director, Ministry of Corporate Affairs dated November 04, 2025, approving the merger of J2ES Nashik with the Company with effect from the appointed date of January 30, 2025. - Verified that the accounting for the said merger



liabilities acquired and to identify intangible assets acquired in the acquisition Accounting and disclosures given in the financial statements in relation to the acquisition and subsequent merger in accordance with the applicable Ind AS.	of Interests Method" as prescribed under Appendix C of IND AS 103, "Business Combinations". Assessed the adequacy and completeness of the disclosures made in the financial statements with the requirements of Ind AS 103.
2. Assessment of recoverability of Goodwill and other intangible assets (as described in Note 6 and Note 7 to the financial statements)	
The Company has Goodwill of INR 1,447.84 crores and other intangible assets customer relationships of INR 873.46 crores as at March 31, 2026 which were acquired through business combination recorded in the previous year. In accordance with the applicable accounting standards, goodwill is required to be tested for impairment at least annually, while other intangible assets are tested when there are indicators of impairment. Considering the Company has suffered losses during the year, the management has tested these assets for recoverability as at March 31, 2026. Assessment of the recoverable amount of Goodwill and Customer relationships has been identified as a key audit matter due to : - Significance of the carrying amount of these balances - Assessment requires management to make significant estimates concerning the estimated future cash flows, associated discount rates and growth rates based on management's view of future business prospects - Changes to any of these assumptions could lead to material changes in the estimated recoverable amount	Our audit procedures included the following: - We obtained and read the management's assessment for impairment. - We performed test of controls over the impairment process through inspection of evidence of performance of these controls - Assessed the appropriateness of the valuation methodology adopted by the management to determine the recoverable amount with the requirements of the applicable accounting standards. - Evaluated the reasonableness of the key assumptions used in the impairment models, including forecast revenue growth, operating margins and discount rates, by: - comparing them with historical performance, approved budgets and external market data, and - assessing their consistency with the Company's business plans and market conditions. - Evaluated the objectivity, competency and independence of the management expert engaged by the Company. - Involved auditor's expert to assist in evaluating the impairment assessment including certain assumptions used. - Evaluated the adequacy of the disclosures made in note 6 and note 7 to the financial statements.

Information Other than the 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 Directors' report, but does not include the financial statements and our auditor's report thereon. The Directors' report is expected to be made available to us after the date of this auditor's report.



Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions as applicable under the relevant laws and regulations.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, 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 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 Financial Statements

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2026, 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (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, except the back-up of books of account and other books and papers maintained in electronic mode was not kept in servers physically located in India on a daily basis from April 1, 2025 to June 30, 2025 as stated in Note 51 to the financial statements and the matter stated in the paragraph (i)(vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid 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 March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);
- (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) The provisions of section 197 read with Schedule V to the Act are not applicable to the Company for the year ended March 31, 2026;
- (i) 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:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 42 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The management has represented that, to the best of its knowledge and belief, as disclosed in the note 49(v)(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 49(v)(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.



- v. No dividend has been declared or paid during the year by the Company.
- vi. As more fully described in note 51 to the financial statements, based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data in the underlying database and in the application when using certain privileged access rights. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software. Additionally, for the reasons stated in note 51 to the financial statements, we are unable to comment whether the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Pushkar Sakhalkar**

Partner

Membership Number: 160411

UDIN: 26160411LQQVEW2702

Place of Signature: Mumbai

Date: May 8, 2026



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

Re: JSW JFE Electrical Steel Nashik Private Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favor of the lessee) as disclosed in note 4 to the financial statements included in property, plant and equipment are held in the name of the Company except immovable properties as indicated in the below mentioned cases:

Description of Property	Gross carrying value (Amt in crs)	Held in name of	Whether Promoter, director or their relative or employee	Period held - Indicate range, where appropriate	Reason for not being in the name of Company
Freehold Land	227.85	Thysenkrupp Electrical Steel India Private Limited	No	January 30, 2025	Application for transfer of said title deed has been submitted to State Government
Building	84.82		No	January 30, 2025	

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2026.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) Physical verification of inventory has been conducted at reasonable intervals during the year, including inventory lying with third parties. In our opinion the coverage and the procedure of such



verification by the management is appropriate. Inventories lying with third parties have been confirmed by such third parties as at March 31, 2026. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.

- (b) As disclosed in note 22 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii)(a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 ("the Act"), are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, for the products manufactured by the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, profession tax, cess and other statutory dues. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed dues in respect these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provision relating to sales-tax, service tax, duty of excise and value added tax are not applicable to the Company.



- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, profession tax, service tax, income-tax, duty of customs, cess and other statutory dues, have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where the dispute is pending
		1.54	-	AY 2012-13	ITAT
Income Tax Act, 1961	Income Tax	4.94	-	AY 2018-19, AY 2020-21, AY 2021-22, AY 2022-23, AY 2023-24	CIT (Appeals)
The Customs Act, 1962		16.32	-	2015-17	The Customs Excise & Service Tax Appellate Tribunal
		17.63	1.32	2020-24	
	Customs Duty	0.39	-	2015-16	Assistant Commissioner of Customs
		0.31	-	2020-21	
		0.48	-	2012-13	Deputy Commissioner of Customs
	Service Tax	0.08	-	2008-2014	Commissioner of Central Excise, Customs and Service tax
Finance Act, 1994		0.81	-	2011-2016	Commissioner of Central Excise, Customs and Service tax
		0.02	-	2012-2015, 2017-2018	The Commissioner (Appeals), GST & Central Excise & Service Tax

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.



- (ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.
- (x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.



- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) We have been informed by the management that as at March 31, 2026, as per the definition of Group under Core Investment companies (Reserve Bank) Directions 2016, there is one Core Investment company (CIC) which is registered and four CIC's which are not required to be registered with Reserve bank of India, forming part of the promoter group.
- (xvii) The Company has incurred cash losses amounting to INR 213.51 crores in the current year and amounting to INR 12.12 crores in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 50 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 36(b) to the financial statements.



SRBC & CO LLP

Chartered Accountants

JSW JFE Electrical Steel Nashik Private Limited
(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

Page 13 of 15

- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in note 36(b) to the financial statements.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Pushkar Sakhalkar**

Partner

Membership Number: 160411

UDIN: 26160411LQQVEW2702

Place of Signature: Mumbai

Date: May 8, 2026



ANNEXURE 2 to the Independent Auditor's Report of even date on the financial statements of JSW JFE Electrical Steel Nashik Private Limited (Formerly known as Jsquare Electrical Steel Nashik Private Limited)**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls with reference to financial statements of JSW JFE Electrical Steel Nashik Private Limited (formerly known as Jsquare Electrical Steel Nashik Private Limited) (the "Company") as of March 31, 2026, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions



are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, 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 issued by the ICAI.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Pushkar Sakhalkar**

Partner

Membership Number: 160411

UDIN: 26160411LQQVEW2702

Place of Signature: Mumbai

Date: May 8, 2026



JSW JFE Electrical Steel Nashik Private Limited

(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

[CIN:U24319MH2024PTC432825]

Financial statements for the year ended 31 March 2026

Registered Office:-

5th Floor, JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai-4500051.

Plant Address:-

At post Gonde, Village Wadivarhe, Taluka Igatpuri, Dist. Nashik, Maharashtra 422403, India.

P: +91 (0) 2553 225182-88, F: +91 (0) 2553 225181

JSW JFE Electrical Steel Nashik Private Limited
(Formerly known as Jsquare Electrical Steel Nashik Private Limited)
Balance Sheet as at 31 March 2026
(All amounts in INR Crores, unless otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025*
Assets			
Non-current assets			
(a) Property, plant and equipment	4	810.68	855.94
(b) Capital work-in-progress	4	214.41	12.77
(c) Investment property	5	12.48	12.48
(d) Goodwill	6	1,447.84	1,447.84
(e) Other intangible assets	7	873.94	995.12
(f) Financial assets			
(i) Other financial assets	8	1.58	0.94
(g) Deferred tax assets (net)	21	10.47	-
(h) Current tax assets (net)	9	1.39	7.92
(i) Other non-current assets	10	131.17	6.98
Total non-current assets		3,503.96	3,339.99
Current assets			
(a) Inventories	11	822.70	633.81
(b) Financial assets			
(i) Trade receivables	12	106.02	196.91
(ii) Cash and cash equivalents	13(a)	47.41	193.03
(iii) Bank balance other than cash and cash equivalents	13(b)	12.63	2.41
(iv) Other financial assets	14	18.72	1.22
(c) Other current assets	15	97.83	15.71
Total current assets		1,105.31	1,043.09
Assets classified as held for sale	16	5.40	0.14
TOTAL ASSETS		4,614.67	4,383.22
Equity and Liabilities			
Equity			
(a) Equity share capital	17	1,660.00	1,460.10
(b) Other equity	18	(470.64)	(62.95)
Total equity		1,189.36	1,397.15
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	3,011.15	2,602.71
(b) Provisions	20	30.64	19.64
(c) Deferred tax liabilities (net)	21	-	127.74
Total non-current liabilities		3,041.79	2,750.09

*Restated pursuant to merger (refer note 44)



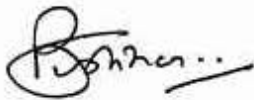
JSW JFE Electrical Steel Nashik Private Limited
(Formerly known as Jsquare Electrical Steel Nashik Private Limited)
Balance Sheet as at 31 March 2026 (continued)
(All amounts in INR Crores, unless otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025*
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	158.66	-
(ii) Trade payables	23		
a) Total outstanding dues of micro and small enterprises		2.12	0.68
b) Total outstanding dues of creditors other than micro and small enterprises		99.59	170.42
(iii) Other financial liabilities	24	88.50	29.08
(b) Other current liabilities	25	5.83	7.40
(c) Provisions	26	28.60	28.17
Total current liabilities		383.30	235.75
Liabilities directly associated with asset classified as held for sale	27	0.22	0.22
Total liabilities		3,425.31	2,986.06
TOTAL EQUITY AND LIABILITIES		4,614.67	4,383.22
Summary of material accounting policies	2		

*Restated pursuant to merger (refer note 44)

The accompanying notes are an integral part of these financial statements
As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm's Registration No: 324982E/E300003



per Pushkar Sakhalkar
Partner
Membership No.160411
Place: Mumbai
Date: 08 May 2026



**For and on behalf of the Board of Directors of
JSW JFE Electrical Steel Nashik Private Limited**
(Formerly known as Jsquare Electrical Steel Nashik Private Limited)
CIN: U24319MH2024PTC432825



Tarang R. Desai
Director
DIN: 10490521



Joydeep Bhattacharjee
Director & CEO
DIN: 02813496



Supriya Naik
Company Secretary
ICSI membership no. A62860
Place: Mumbai
Date: 08 May 2026



Rajiv Negandhi
Chief Financial Officer



JSW JFE Electrical Steel Nashik Private Limited
(Formerly known as Jsquare Electrical Steel Nashik Private Limited)
Statement of Profit and Loss for the year ended 31 March 2026
(All amounts in INR Crores, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025*
I. Income			
Revenue from operations	28	861.63	214.64
Other income	29	18.69	4.89
Total income		880.33	219.53
II. Expenses			
Cost of material consumed	30	770.44	131.05
Purchase of stock-in-trade	31	5.67	10.12
Changes in inventories of finished goods, stock in trade and work-in progress	32	(114.53)	(5.16)
Employee benefits expenses	33	60.16	9.91
Finance costs	34	263.36	43.79
Depreciation and amortisation expenses	35	218.72	64.08
Other expenses	36	205.90	44.10
Total expenses		1,409.72	297.89
III. Loss before exceptional items and tax (I - II)		(529.40)	(78.36)
IV. Exceptional Items	45	18.51	-
V. Loss before tax (III - IV)		(547.91)	(78.36)
VI. Income tax expenses	37		
Current tax		-	-
Deferred tax		(138.71)	(18.35)
Total tax expense		(138.71)	(18.35)
VII. Loss for the year/period (V - VI)		(409.20)	(60.01)
VIII. Other comprehensive income			
Items that will not be re-classified to profit or Loss			
Remeasurements gain of post employment benefit obligations	46	2.02	0.18
Income tax relating to these items		(0.51)	(0.05)
Other comprehensive income for the year/period, net of tax		1.51	0.13
IX. Total comprehensive loss for the year/period (VII + VIII)		(407.69)	(59.88)
X. Earnings per equity share (of INR 10/- each)			
Basic and Diluted earnings per share (INR)	38	(2.76)	(0.85)
Summary of material accounting policies	2		

*Restated pursuant to merger (refer note 44)

The accompanying notes are an integral part of these financial statements
As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
Firm's Registration No: 324982E/E300003



per Pushkar Sakhalkar
Partner
Membership No.160411
Place: Mumbai
Date: 08 May 2026



For and on behalf of the Board of Directors of
JSW JFE Electrical Steel Nashik Private Limited
(Formerly known as Jsquare Electrical Steel Nashik Private Limited)
CIN: U27100MH2000PTC127807



Tarang R. Desai
Director
DIN: 10490521



Joydeep Bhattacharjee
Director & CEO
DIN: 02813496



Supriya Naik
Company Secretary
ICSI membership no. A62860
Place: Mumbai
Date: 08 May 2026



Rajiv Negandhi
Chief Financial Officer


JSW JFE Electrical Steel Nashik Private Limited
(Formerly known as Jsquare Electrical Steel Nashik Private Limited)
Statement of changes in equity for the year ended 31 March 2026
(All amounts in INR Crores, unless otherwise stated)

A. Equity share capital

	Amount
As at 27 September 2024	-
Changes in equity share capital	1,460.10
As at 31 March 2025	1,460.10
Changes in equity share capital	199.90
As at 31 March 2026	1,660.00

B. Other equity

	Retained earnings
As at 27 September 2024	-
Loss for the period	(60.01)
Share issue expenses	(3.06)
Other comprehensive income for the period, net of tax	0.13
As at 31 March 2025*	(62.95)
Loss for the year	(409.20)
Share issue expenses	(0.01)
Other comprehensive income for the year, net of tax	1.51
As at 31 March 2026	(470.64)

*Restated pursuant to merger (refer note 44)

The accompanying notes are an integral part of these financial statements
As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm's Registration No: 324982E/E300003



per Pushkar Sakhalkar
Partner
Membership No.160411
Place: Mumbai
Date: 08 May 2026



For and on behalf of the Board of Directors of
JSW JFE Electrical Steel Nashik Private Limited
(Formerly known as Jsquare Electrical Steel Nashik Private Limited)
CIN: U27100MH2000PTC127807



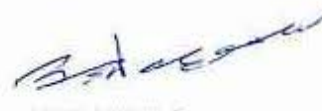
Tarang R. Desai
Director
DIN: 10490521



Joydeep Bhattacharjee
Director & CEO
DIN: 02813496



Supriya Naik
Company Secretary
ICSI membership no. A62860
Place: Mumbai
Date: 08 May 2026



Rajiv Negandhi
Chief Financial Officer



JSW JFE Electrical Steel Nashik Private Limited
(Formerly known as Jsquare Electrical Steel Nashik Private Limited)
Statement of cash flows for the year ended 31 March 2026
(All amounts in INR Crores, unless otherwise stated)

Particulars	Year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025*
Cash flow from operating activities		
(Loss) before tax	(547.91)	(78.36)
Adjustments for :		
Depreciation and amortization expenses	218.72	64.08
Loss / (Gain) on sale of property, plant and equipment	2.55	(0.16)
Interest expenses	263.36	43.79
Interest income	(5.42)	(4.43)
Change in fair value of financial assets at FVTPL	(5.05)	-
Liabilities no longer required written back	(5.08)	-
Unrealised foreign exchange gain	(6.55)	(0.02)
Income from rent	(0.98)	(0.16)
Operating profits before working capital changes	(86.36)	24.73
Adjustments for changes in working capital:		
Decrease/(Increase) in trade receivables	90.89	(51.92)
(Increase) in inventories	(188.88)	(85.21)
Decrease/(Increase) in other financial assets	0.57	(3.62)
(Increase)/Decrease in other assets	(77.75)	18.57
(Decrease)/Increase in trade payables	(69.39)	112.22
Increase/(decrease) in provisions	18.53	(0.15)
Increase in other financial liabilities	60.17	1.22
(Decrease) in other current liabilities	(1.57)	(0.19)
Net cash flow (used in) / generated from operating activities	(253.79)	15.65
Income taxes paid (net of refunds received)	6.49	(0.33)
Net cash flow (used in) / generated from operating activities	(247.30)	15.32
Cash flow from investing activities		
Purchase consideration towards acquisition of business (refer note 44)	-	(4,003.61)
Acquisition of property, plant and equipment, capital work-in-progress and intangible assets	(391.49)	(1.86)
Proceeds from sale of property, plant and equipment, capital work-in-progress and intangible assets	1.20	0.16
Investment made in fixed deposits	(14.40)	-
Interest received	5.42	4.43
Rent received	0.98	0.16
Bank deposits not considered as cash and cash equivalents	(10.22)	-
Net cash (used in) investing activities	(408.51)	(4,000.72)
Cash flow from financing activities		
Proceeds from non current borrowings	153.88	-
Proceeds from/(Repayments) of current borrowings (net)	158.66	-
Proceeds from issue of shares	199.90	1,460.10
Share issue expenses	(0.01)	(3.06)
Net proceeds from issue of non-convertible debentures	-	2,600.00
Non-convertible debentures issue expenses	-	(29.20)
Interest paid	(2.24)	-
Net cash generated from financing activities	510.19	4,027.84
Net (decrease) / increase in cash and cash equivalents	(145.62)	42.45
Cash and cash equivalents at the beginning of the year/period	193.03	150.58
Cash and cash equivalents at the end of the year (refer note 13(a))	47.41	193.03

*Restated pursuant to merger (refer note 44)



JSW JFE Electrical Steel Nashik Private Limited

(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

Statement of cash flows for the year ended 31 March 2026 (continued)

(All amounts in INR Crores, unless otherwise stated)

Reconciliation forming Statement of Cash Flows

Particulars	Borrowings (non current)	Borrowings (current)
As at 27 September 2024	-	-
Cash flows (net)	2,600.00	-
Others #	2.71	-
As at 31 March 2025	2,602.71	-
Cash flows (net)	153.88	154.52
Others #	254.56	4.14
As at 31 March 2026	3,011.15	158.66

Others include foreign exchange difference, upfront fee amortisation and interest cost accrual on non-convertible debentures.

Notes:

The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7 - Statement of Cash Flows.

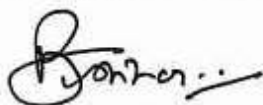
The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

Firm's Registration No: 324982E/E300003



per Pushkar Sakhalkar

Partner

Membership No.160411

Place: Mumbai

Date: 08 May 2026

**For and on behalf of the Board of Directors of****JSW JFE Electrical Steel Nashik Private Limited**

(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

CIN: U24319MH2024PTC432825



Tarang R. Desai

Director

DIN: 10490521



Supriya Naik

Company Secretary

ICSI membership no. A62860

Place: Mumbai

Date: 08 May 2026



Joydeep Bhattacharjee

Director & CEO

DIN: 02813496



Rajiv Negandhi

Chief Financial Officer



1. General Information

JSW JFE Electrical Steel Nashik Private Limited (Formerly known as Jsquare Electrical Steel Nashik Private Limited) ("the Company") is incorporated in India on September 27, 2024 under the Companies Act, 2013. It is a wholly owned subsidiary of JSW JFE Electrical Steel Private Limited, which is a 50:50 joint venture between JSW Steel Limited, India and JFE Steel Corporation, Japan. The registered office of the Company is located at 5th Floor, JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai Maharashtra – 400 051. The debentures issued by the Company are listed on the Bombay Stock Exchange.

The Company is engaged in the manufacturing of all kinds and forms of steels including Cold Rolled Grain Oriented Electrical Steel (CRGO) and Cold Rolled Non-Grain Oriented Electrical Steel or carrying on any business capable of being conducted so as directly or indirectly to benefit the Company.

2. Material Accounting policies

I. Statement of compliance

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 and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to financial statement.

Accordingly, the Company has prepared these Financial statements, on the basis that it will continue as going concern, which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss, the Statement of Cash Flows and the 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 "Financial statements" or "financial statements").

These financial statements are approved for issue by the Board of Directors on 8 May 2026.

II. Basis of preparation and presentation

The 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 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 financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 116 Leases, fair value of plan assets within the scope of Ind AS 19 Employee benefits and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of assets.

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 Financial Statement is presented in INR and all values are rounded to the nearest crores 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.

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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current only.

III. Revenue recognition

A. Sale of Goods

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

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognised when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e., if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated



between separate products and services in the arrangement based on their stand-alone selling prices. Revenue from sale of by products are included in revenue.

Contract balances

i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

ii) Trade receivables

A receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e., only the passage of time is required before payment of the consideration is due).

Trade receivables is derecognised when the Company transfers substantially all the risks and rewards of ownership of the asset to another party including discounting of bills on a non-recourse basis.

iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from Customer.

B. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

IV. 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 lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income 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.

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 Rs. 5,00,000). 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.

V. Foreign currencies

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

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting



year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

VI. Borrowing costs

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

All other borrowing costs are recognised in the Statement of Profit and Loss in the 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.

VII. 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 Balance sheet 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 Statement of profit and loss. Past service cost is recognised in Statement of profit and 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 Statement of profit and 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 Balance sheet 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/ contingency 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.

VIII. 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 using the balance sheet approach on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are 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. Further, deferred tax is not recognized on the items that does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the company 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.

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.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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.

Current and deferred tax for the year

Current and deferred tax are recognised in profit and 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.

IX. Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation and impairment. 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 year 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 Capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels, revenue (net of cost) generated from production during the trial period is capitalised.

Property, plant and equipment held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following category of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.

Class of assets	Years
Plant and equipment	20-30 years *
*The Company believe that the useful lives as given above best represent the period over which the Company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.	



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

Freehold land are not depreciated.

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

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

X. Business combination

Acquisition of business has been accounted for using the acquisition method. The consideration transferred in business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Company to the former owners of the acquiree and consideration paid by the Company 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 recognised in the statement of profit and loss.

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 Company 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 recognizing gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Company 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 Company recognizes 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 Company recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.



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 financial statements and provisional amounts recognized at the acquisition date shall be retrospectively adjusted during the measurement period. During the measurement period, the Company shall also recognize 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.

XI. 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 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. Any impairment loss for goodwill is recognized directly in the standalone Statement of Profit and Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

XII. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives that are acquired separately are carried at cost or deemed cost applied on transition to Ind AS 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.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Years
Computer Software	3-5 years
Customer Relations	10 years
Order Backlog and Vendor Relationships	1-2 years

XIII. Impairment of Non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be



identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

XIV. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of semi-finished /finished goods and work in progress include cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost of traded goods include purchase cost and inward freight. Costs of inventories are determined on weighted average basis.

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

Provisions are made to cover slow moving and obsolete items (stores & spares) based on its periodically revisited historical trend of utilization at each manufacturing unit.

XV. Provisions

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

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

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



XVI. Investment Property

Recognition and measurement

Investment properties are properties held to earn rentals or for capital appreciation or both but not for sale in the ordinary course of business, use in provision of services or for administrative purposes. Investment properties are measured initially at their cost of acquisition, including transaction costs. The cost comprises purchase price, borrowing cost, if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Derecognition

Investment properties are de-recognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement profit or loss in the period of de-recognition. In determining the amount of consideration from the derecognition of investment properties the Company considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Reclassification

Transfers are made to (or from) investment properties only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

The fair values of investment property is disclosed in Note 5.

XVII. Assets Held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of their carrying amount and fair value less costs to dispose off, except for the assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Assets held for sale are presented separately from other assets.

An impairment loss is recognised for any initial or subsequent write down of the asset to the fair value less cost to dispose off. A gain is recognised for any subsequent increases in fair value less cost to dispose off of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.



XVIII. Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss. Trade receivables that do not contain a significant financing component are measured at transaction cost.

A. Financial assets

a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

b) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at –

- amortised cost,
- fair value through other comprehensive income (OCI), and
- fair value through profit and loss.

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

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

d) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, 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).

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

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.

e) 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 statement of profit and loss and is included in the 'Other income' line item.

B. Financial liabilities and equity instruments

a) Classification as debt or equity

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

b) Equity instruments

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

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

c) Financial liabilities

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

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.



Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derecognition of financial liabilities:

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

XIX. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

XX. 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, that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above.

XXI. Earnings per share

Basic earnings per share is computed by dividing the profit and loss after tax for the year attributable to owners of the Company 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, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit or 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 Company to satisfy the exercise of the share options by the employees.

3. Key sources of estimation uncertainty and critical accounting judgements

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



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

A) Key sources of estimation uncertainty and critical accounting judgements

i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

ii) Impairment of Goodwill

Determining whether the goodwill acquired in business combinations are impaired, requires an estimate of recoverable amount of the Company's cash generating unit (or Company's of cash generating units). In considering the recoverable value of cash generating unit, the management have anticipated the future benefits to arise from commodity prices, capacity utilisation of plants, discount rates and other factors of the underlying unit.

iii) 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 crystallising 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 financial statements unless when an inflow of economic benefits is probable.

iv) Going Concern

The assessment of the Company's ability to continue as a going concern requires management to exercise significant judgement and make estimates regarding future cash flows, funding arrangements and business performance.

In making this assessment, management has considered the Company's financial position, financial ratios, expected realization of assets, settlement of liabilities, operating cash flow projections and other relevant information available as at the reporting date.

The Company has also approved an expansion capital expenditure plan of INR 4,300 crore, which is proposed to be funded through debt of INR 2,850 crore and equity infusion of INR 1,450 crore. The Company's shareholders, JSW Steel Limited and JFE Steel Corporation, have approved providing credit support through letters of comfort in respect of the proposed borrowings. Management has considered the availability of these funding arrangements in its going concern assessment. Based on this assessment, the Company has positive working capital and expects to generate adequate cash flows to meet its obligations as and when they fall due for a period of at least twelve months from the balance sheet date. Accordingly, the financial statements have been prepared on a going concern basis.

v) Recognition of deferred tax assets

The recognition of deferred tax assets requires management to assess the probability that future taxable profits will be available against which deductible temporary differences, unused tax losses and tax credits can be utilised.

In making this assessment, management considers forecast taxable profits, reversal of existing taxable temporary differences, business plans, production volumes, market demand and other relevant factors. Significant judgement is involved in determining the timing and level of future taxable profits, particularly in periods involving capacity expansions, commencement of new production lines or changes in market conditions.



Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profits will be available in future periods. Changes in assumptions relating to future profitability, operating performance or tax regulations may impact the carrying amount of deferred tax assets recognised in the financial statements..

vi) Defined benefit plans

The Company's defined benefit obligations are subject to a number of assumptions including discount rates, inflation, salary growth, regulatory changes and mortality rate. Significant assumptions are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these assumptions based on previous experience and third party actuarial advice. The assumptions are reviewed annually and adjusted following actuarial and experience changes. Further details on the Company's employee benefit obligations, including key assumptions are set out in note 46.

B) Recent accounting pronouncements

The new and amended standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company will adopt these amendments to the standards, when they become effective.

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

This amendment also includes specific provisions that will take effect for reporting periods beginning on or after 01 April 2026, retrospectively. These provisions relate to the treatment of lender waivers granted after the reporting date but before the consolidated financial statements are approved for issue. Under the amended requirements, such waivers will no longer be permitted to be considered for the purpose of classification of loans.

The Company is currently assessing the impact the amendments will have on its financial statements.

C) Application of new and amended standards

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The MCA vide notification dated 7 May 2025 and 13 August 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Second Amendment Rules, 2025, which amended certain accounting standards effective for annual reporting periods beginning on or after 01 April 2025:

Ind AS 1 – Presentation of financial statements: Classification of liabilities as current or non-current, including debt covenants

As a result of the adoption of the amendments to Ind AS 1, the Company revised its accounting policy for the classification of borrowings. Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification. This new policy did not result in a change in the classification of the Company's borrowings.

Ind AS 7 - Statement of cash flows and Ind AS 107: Financial instruments (Disclosures): Disclosure of supplier financial arrangements

These amendments require clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended



to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Ind AS 21 – The Effects of changes in foreign exchange rates: Lack of exchangeability

The amended Ind AS 21 introduces requirements to help entities determine whether a currency is exchangeable into another currency and the spot exchange rate to use where it is not. The Company has evaluated these amendments and determined that they do not have any material impact on its financial statements. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future period.

The above amendments have no significant impact on the Company's financial statements.



4 Property, plant and equipment and capital work-in-progress

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fittings	Vehicles	Office equipments	Computers	Total	Capital work in progress
Cost / deemed cost									
At 27 September 2024	-	-	-	-	-	-	-	-	-
Acquired pursuant to merger (refer note 44)	215.23	86.89	555.32	1.46	0.58	0.10	6.82	866.39	18.63
Additions	-	0.30	4.83	-	-	-	-	5.13	0.62
Deductions / capitalisations	-	-	(0.04)	-	-	-	-	(0.04)	(6.48)
At 31 March 2025	215.23	87.20	560.10	1.46	0.58	0.10	6.82	871.48	12.77
Additions	29.87	-	30.60	0.04	0.01	0.02	0.30	60.84	262.48
Reclass to assets held for sale (refer note (v) below)	-	-	(5.26)	-	-	-	-	(5.26)	-
Deductions / capitalisations	-	(2.37)	(2.96)	-	-	-	-	(5.33)	(60.84)
At 31 March 2026	245.09	84.82	582.49	1.50	0.59	0.12	7.12	921.74	214.41
Accumulated depreciation									
At 27 September 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	0.91	14.27	0.00	0.04	0.01	0.31	15.54	-
Deductions	-	-	-	-	-	-	-	-	-
At 31 March 2025	-	0.91	14.27	0.00	0.04	0.01	0.31	15.54	-
Depreciation	-	5.43	89.32	0.26	0.25	0.03	1.94	97.24	-
Deductions	-	(0.36)	(1.36)	-	-	-	-	(1.72)	-
At 31 March 2026	-	5.99	102.22	0.26	0.29	0.04	2.25	111.06	-
Net book Value									
At 31 March 2026	245.09	78.84	480.26	1.24	0.30	0.08	4.87	810.68	214.41
At 31 March 2025	215.23	86.29	545.83	1.45	0.54	0.09	6.51	855.94	12.77

Notes:

- (i) All movable property, plant and equipment have been hypothecated as security against external commercial borrowings - refer note 19.
- (ii) The Company has not revalued its property, plant and equipment during the current year or previous period.
- (iii) Refer note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (iv) In May 2022, the Company has leased land parcels aggregating to 37,190 square meters at nominal rentals of INR 100 per annum to Maharashtra State Electrical Transmission Company Ltd (MSETCL). This lease agreement is valid until May 2027, with provision for further renewal.
- (v) These assets represent plant and machinery acquired in merger which were valued at salvage value and subsequently classified as held for sale (refer note 16).



4 Property, plant and equipment and capital work-in-progress (continued)

(vi) Title deeds of immovable properties not held in the name of the company

Relevant line item in balance sheet	Description of item of property	Gross carrying value	Title deeds in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Freehold land	215.23	Thyssenkrupp Electrical Steel India Private Limited	No	30-Jan-25	Application for transfer of said title deed has been submitted to State Government.
		215.23				
Property, plant and equipment	Buildings	84.82		No	30-Jan-25	
		87.20				
Asset classified as held for sale	Freehold land	0.14		No	30-Jan-25	
		0.14				
Investment property	Investment property	12.48		No	30-Jan-25	
		12.48				

4(a) Ageing of capital work-in-progress (CWIP)

Particulars	Amounts in capital work-in-progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2026					
(i) Project in progress					
a) Annealing and pickling line	185.23	-	-	-	185.23
b) Expansion project	28.24	-	-	-	28.24
c) Others	0.94	-	-	-	0.94
(ii) Project temporarily suspended	-	-	-	-	-
	214.41	-	-	-	214.41
As at 31 March 2025					
(i) Project in progress					
a) Roll bearings for mill	4.24	-	-	-	4.24
b) Others	8.42	-	-	0.11	8.53
(ii) Project temporarily suspended	-	-	-	-	-
	12.66	-	-	0.11	12.77

Note: There are no projects which are overdue or have exceeded their costs as compared to original plans as on 31 March 2026 and 31 March 2025.



5 Investment property

Particulars	As at 31 March 2026	As at 31 March 2025
	Land	Land
Opening gross carrying amount	12.48	-
Acquired pursuant to merger (refer note 44)	-	12.48
Additions	-	-
Closing gross carrying amount	12.48	12.48
Accumulated depreciation	-	-
Net carrying amount	12.48	12.48

(i) Amounts recognised in statement of profit and loss for investment property

Particulars	Year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
Rental Income (refer note 29)	0.98	0.16
Direct operating expenses	-	-
Profit from investment properties before depreciation	0.98	0.16
Depreciation	-	-
Profit from investment properties	0.98	0.16

(ii) Fair value

Particulars	As at 31 March 2026	As at 31 March 2025
Investment property	12.48	12.48

The fair value measurement of the investment properties has been categorised as Level 2 based on the inputs to the valuation technique used. Considering the type of the assets, market approach (sales comparable method) to estimate the fair value of the subject properties is adopted. In performing this valuation, the Company has estimated the Fair Value for the investment property by considering the prevailing market prices of subject properties.

(iii) Leasing arrangements

The investment property aggregating to 24,768 square meters, is leased to a tenant under operating lease for the period upto 31 March 2033 with rental payable monthly. The agreements are non-cancellable and renewable by mutual consent of both parties.

Minimum lease payments receivable on leases of investment properties are as follows:

Lease period	As at 31 March 2026	As at 31 March 2025
Within 1 year	1.08	1.00
Between 1 to 2 years	1.16	1.08
Between 2 to 3 years	1.24	1.16
Later than 3 years	5.99	7.23

6 Goodwill

Particulars	As at 31 March 2026	As at 31 March 2025
Opening gross carrying amount	1,447.84	-
Acquired pursuant to merger (refer note 44)	-	1,447.84
Additions	-	-
Closing gross carrying amount	1,447.84	1,447.84
Impairment	-	-
Net carrying amount	1,447.84	1,447.84



6 Goodwill (continued)**Description of key assumptions considered for the value in use calculation:**

The Company assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include changes resulting from market and economic environment, including internal and external factors, significant changes in the Company's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or asset group is an integral part of a value chain where no independent prices for the intermediate products exist, a group of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies. Nashik's Cold Rolled Grain Oriented ("CRGO") steel plant is considered as one CGU for the purpose of impairment assessment in accordance with the standards.

The recoverable amount of CRGO steel plant is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors, and a pre-tax discount rate of 18.16% per annum. The discount rate commensurate with the risk specific to the projected cash flow and reflects the rate of return required by an investor.

Cash flow projections during the budget period are based on estimated steel production till FY 2030-31 and future prices of CRGO/Steel products. The projections do not consider growth rate in production and price in terminal year.

As a result of the management's annual goodwill impairment test for the year ended 31 March 2026, no goodwill impairment was identified as the recoverable value of the CGU to whom goodwill was allocated exceeded carrying amounts by INR 964 Crores as of 31 March 2026.

Further, considering past trend of movement in CRGO prices, the management believes that the following changes in these key estimates would result in the following changes to the recoverable amount:

- Decrease in steel prices by 1% would result into change in recoverable value by INR 247.02 crores.
- Decrease in production quantities by 5% would result into change in recoverable value by INR 407.83 crores.

7 Other intangible assets

Particulars	Software	Customer relations	Order backing	Vendor relationships	Total
Cost / deemed cost					
At 27 September 2024	-	-	-	-	-
Acquired pursuant to merger (refer note 44)	0.67	986.27	29.45	27.27	1,043.65
At 31 March 2025	0.67	986.27	29.45	27.27	1,043.65
Additions	0.30	-	-	-	0.30
At 31 March 2026	0.96	986.27	29.45	27.27	1,043.95
Accumulated amortisation					
At 27 September 2024	-	-	-	-	-
Amortisation	0.17	13.95	29.45	4.96	48.53
At 31 March 2025	0.17	13.95	29.45	4.96	48.53
Amortisation	0.31	98.86	-	22.31	121.48
At 31 March 2026	0.48	112.81	29.45	27.27	170.01
Net book value					
At 31 March 2026	0.48	873.46	-	-	873.94
At 31 March 2025	0.50	972.32	-	22.31	995.12

Management performed an assessment of customer relations for potential impairment indicators as at 31 March 2026 and determined that no impairment charge was required to be recognised (31 March 2025: Nil).



8	Other non current financial assets	As at 31 March 2026	As at 31 March 2025
	Unsecured, considered good, carried at amortized cost, unless otherwise stated		
	Term deposit with banks having remaining maturity of more than 12 months	0.51	0.51
	Security deposits (refer note below)	1.07	0.43
		1.58	0.94

Note: The security deposit includes INR 0.25 crores (31 March 2025: INR 0.25 crores), as deposit to BSE Limited towards listing of non convertible debentures (NCD).

9	Current tax assets (net)	As at 31 March 2026	As at 31 March 2025
	Advance income tax refund receivable (net of provision for tax)	1.39	7.92
		1.39	7.92

10	Other non-current assets	As at 31 March 2026	As at 31 March 2025
	Unsecured, considered good		
	Capital advances	129.17	0.60
	Balances with government authorities (refer notes below)	1.65	5.83
	Prepaid expenses	0.35	0.55
		131.17	6.98

Balances with government authorities primarily pertain to deposits paid under protest against direct tax and indirect tax litigations.

- (i) CIT(A) passed an order disputing the method of transfer pricing adopted by the Company and thereby imposed a demand of INR 26.84 crores. The Company filed an appeal with Income tax appellate tribunal (ITAT) against the above order and deposited INR 5.50 crores under protest. During the year ended March 2026, ITAT passed the order in favor of the Company and refund of the deposited amount has been received.
- (ii) The Company had prepaid the sales tax loan availed from state government against which the Company had received a gain. According to the assessing officer, gain from early repayment of loan should be considered for levy of excise duty and demanded duty of INR 4.38 crores. Against this, the Company have filed an appeal with Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai and debited in cenvat register INR 0.33 crores as a pre deposit against duty demand.
- (iii) The Company has availed exemption of basic customs duty under IGC&D Rules, 2022 for import of raw materials used in the manufacture of Cold Rolled Grain Oriented ("CRGO") steel. The Department has issued a show cause notice (SCN) disputing the eligibility of the exemption for a demand of INR 17.63 crores. Subsequently, the Company has filed an appeal before CESTAT and deposited INR 1.32 crores under protest during the year.

11	Inventories (cost or net realisable value, whichever is lower)	As at 31 March 2025	As at 31 March 2025
	Raw materials [includes goods in transit INR 127.03 crores (PY: INR 149.27 crores)]	440.03	364.04
	Stores and spares [includes goods in transit INR 1.65 crores (PY: INR Nil)]	11.41	13.05
	Work-in-progress	102.22	145.10
	Finished goods [includes goods in transit INR 5.53 crores (PY: INR 6.27 crores)]	268.39	82.52
	Traded goods [includes goods in transit INR Nil (PY: INR 2.34 crores)]	0.65	29.10
		822.70	633.81

Amounts recognised in profit and loss:

- (i) Value of inventories above is stated after write down to net realisable value by INR 129.77 crores (31 March 2025: Nil).
- (ii) Provision for slow-moving and obsolete items of consumables and stores and spares amounting INR 2.59 crores (31 March 2025: 2.18 crores).
- (iii) Inventories have been hypothecated as security against borrowings (refer note 22).



12	Trade receivables	As at 31 March 2026	As at 31 March 2025
	Trade receivables from contract with customers	98.59	198.84
	Trade receivables from related parties (refer note 39)	7.43	-
	Less: Loss allowance for expected credit loss	-	(1.93)
		106.02	196.91

Particulars	As at 31 March 2026	As at 31 March 2025
Trade receivables considered good - secured*	87.38	188.80
Trade receivables considered good - unsecured	18.64	10.00
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	0.04
Total	106.02	198.84
Less: Loss allowance for expected credit loss	-	(1.93)
Total trade receivables	106.02	196.91

*Trade receivables are secured by letter of credits received from customers.

Ageing as at 31 March 2026

	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
considered good	103.41	2.61	-	-	-	-	106.02
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Less: Loss allowance for expected credit loss	-	-	-	-	-	-	-
Total	103.41	2.61	-	-	-	-	106.02

Ageing as at 31 March 2025

	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
considered good	196.65	0.24	0.02	-	-	-	196.91
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	1.93	-	-	1.93
Disputed trade receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Less: Loss allowance for expected credit loss	-	-	-	(1.93)	-	-	(1.93)
Total	196.65	0.24	0.02	-	-	-	196.91

Notes:

- The credit period on sales of goods ranges upto 90 days with or without security.
- Before accepting any new customer, the Company uses various parameters to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.
- Trade receivables have been hypothecated against borrowings (refer note 22).
- Credit risk management regarding trade receivables has been described in note 41.
- Trade receivables from related parties details has been described in note 39.
- Trade receivables does not include any receivables from directors and officers of the Company.



13(a) Cash and cash equivalents	As at 31 March 2026	As at 31 March 2025
Balance with banks		
In current account	47.41	30.91
Deposits with maturity of less than 3 months at inception	-	161.44
Interest accrued on deposits	-	0.68
	47.41	193.03

13(b) Bank balance other than cash and cash equivalents	As at 31 March 2026	As at 31 March 2025
Earmarked balances with banks		
In current account (refer note (a) below)	-	2.41
Deposits with original maturity of more than 3 months but less than 12 months (refer note (b) below)	12.63	-
	12.63	2.41

Notes:

(a) The earmarked bank balances are restricted in use and relate to corporate social responsibility (CSR) activities related balances.

(b) Term deposits are restricted balances with banks as collateral for bank guarantees issued to authorities for concessional import of raw materials and capital goods.

14 Other financial assets (current)	As at 31 March 2026	As at 31 March 2025
Unsecured, considered good		
Short term deposits with banks with a remaning maturity period less than 12 months	14.41	0.01
Other receivable	-	1.21
Derivatives assets	4.31	-
	18.72	1.22

15 Other assets (current)	As at 31 March 2026	As at 31 March 2025
Unsecured, considered good		
Balances with government authorities	85.22	12.51
Advances to suppliers	8.15	0.60
Prepaid expenses	4.33	2.52
Advances to employees	0.05	0.07
Other receivables	0.08	0.01
	97.83	15.71

16 Assets classified as held for sale	As at 31 March 2026	As at 31 March 2025
Freehold land (refer note (a) below)	0.14	0.14
Property, plant and equipment (refer note (b) below)	5.26	-
	5.40	0.14

Notes:

- (a) The Board of directors of the Company (refer note 44) approved the sale of piece of freehold land to Rothe Erde India Private Limited (referred as "buyer") and executed an agreement with the buyer on 29 September 2010. Post execution, a suite was filed against the Company by a third party claiming the ownership of the land sold. The matter is under dispute and the management expects favourable outcome. The Company as well as the buyer are committed to the sale of land and continue to disclose it as asset held for sale. The Company has received INR 0.22 crores as advance towards sale of land which has been classified as "Liabilities directly associated with asset classified as held for sale" (refer note 27).

Land has been measured at lower of carrying amount and fair value less cost to dispose off. No write down is required to be recognised as fair value less cost to dispose off of land is higher than carrying amount. The fair value of land has been determined using the sales comparison approach.

- (b) During the year ended 31 March 2026, the Board has approved the proposal by the management to discard few assets which have been discontinued from use and held for sale. As at the reporting date, the management is in the process of identifying buyers for selling these assets and accordingly, such assets are classified as "Assets held for sale" at its acquisition cost.



JSW JFE Electrical Steel Nashik Private Limited

(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

Notes to the financial statements as at and for the year ended 31 March 2026

(All amounts in INR Crores, unless otherwise stated)

17 Equity share capital

(a) Authorised equity share capital	No. of shares	Amount
Equity shares of the par value of INR 10 each		
As at 27 September 2024	1,600,000,000	1,600.00
Increased during the period	440,000,000	440.00
As at 31 March 2025	2,040,000,000	2,040.00
Increased during the year (refer note below)	1,060,000,000	1,060.00
As at 31 March 2026	3,100,000,000	3,100.00

Note: In January 2026, the Company has increased its authorised share capital by INR 1,060 crores i.e. 106 crores equity share of 10 each.

(b) Issued, subscribed and fully paid-up

	No. of shares	Amount
As at 27 September 2024	-	-
Changes during the year	1,460,100,000	1,460.10
As at 31 March 2025	1,460,100,000	1,460.10
Changes during the year (refer note below)	199,900,000	199.90
As at 31 March 2026	1,660,000,000	1,660.00

(c) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Particulars	As at 31 March 2026	As at 31 March 2025
JSW JFE Electrical Steel Private Limited		
No. of shares held	1,660,000,000	1,460,100,000
% of shareholding	100.00%	100.00%

(e) Details of shares held by promoters:

Promoter name	As at 31 March 2026	As at 31 March 2025	Change in promoter holding
JSW JFE Electrical Steel Private Limited			
No. of shares held	1,660,000,000	1,460,100,000	199,900,000
% of shareholding	100.00%	100.00%	-

(f) There were no shares issued for consideration other than cash.

18 Other equity	As at 31 March 2026	As at 31 March 2025
Retained earnings	(470.64)	(62.95)
	(470.64)	(62.95)



18 Other equity (continued)

Retained earnings	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year/period	(62.95)	-
Net loss for the year	(409.20)	(60.01)
Share issue expenses	(0.01)	(3.06)
Other comprehensive income for the year:		
Remeasurement of post employment benefit obligation (net of tax)	1.51	0.13
Balance at the end of the year	(470.64)	(62.95)

Nature and purpose of reserves

(i) Retained earnings

(a) Retained earnings are the profits/losses that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

(b) Share issue expenses include stamp duty and other fees in relation to increase in share capital.

19 Borrowings (non current) (at amortised cost)	As at 31 March 2026	As at 31 March 2025
Bank borrowings (secured)		
External commercial borrowings (refer note (i))	147.32	-
Debentures (unsecured) (refer note (ii))	2,600.00	2,600.00
Less: Unamortised upfront fee on borrowings	(28.28)	(39.69)
Interest accrued but not due on borrowings	292.11	42.40
	3,011.15	2,602.71

Notes:

- (i) On 24 June 2025 (agreement date), the Company has obtained a foreign currency term loan facility of USD 35 million from MUFG Bank, Ltd which can be availed in the next 24 months and is secured by first pari-passu charge over the fixed assets. Of the total facility, USD 16 million has been availed by the Company as at 31 March 2026. The entire loan is repayable in 60 months from the agreement date and carries an interest rate of 5.72% p.a. (SOFR + 200 bps spread) payable at half yearly resets.
- (ii) On 16 January 2025, the Company had raised debt funds of INR 2,600 crores by private placement of secured and redeemable non-convertible debentures (NCDs) with foreign portfolio investors (FPI), which are listed on Bombay Stock Exchange (BSE) effective 29 January 2025. The Board at its meeting held on 14 August 2025, approved restructuring of NCDs from secured to unsecured. The said NCDs are assigned credit rating of AA- by Credit Analysis and Research Limited (CARE Ratings) and have been converted to unsecured effective 8 November 2025, pursuant to merger becoming effective (refer note 44). The Company is in the process of completing necessary formalities of restructuring of NCDs from secured to unsecured with stock exchange and depositories. These debentures are redeemable after 36 months from deemed date of allotment i.e. 28 January 2025 at premium with an implied interest rate of 9.45% p.a. The co-venturers of the holding company have issued letters of comfort to the debenture trustee in relation to these NCDs issued by the Company.

20 Non current provisions	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits		
Provision for gratuity (refer note 46)	30.64	19.64
	30.64	19.64

21 Deferred tax assets / (liabilities) (net)	As at 31 March 2026	As at 31 March 2025
Deferred tax assets	10.47	-
Deferred tax liabilities	-	(127.74)
Net deferred tax asset / (liability)	10.47	(127.74)



21 Deferred tax assets / (liabilities) (net) (continued)

(a) Significant components of deferred tax assets / (liabilities) recognised in the financial statement are as follows:

31 March 2026

Particulars	As at 31 March 2025	Recognised in statement of profit and loss	Recognised through other comprehensive income	As at 31 March 2026
Deferred tax asset				
Provision for employee benefit / others	12.70	5.44	(0.51)	17.64
Section 40(a) disallowance	0.75	(0.06)	-	0.69
Others	0.20	-	-	0.20
Unabsorbed business losses	39.87	143.30	-	183.17
Total deferred tax asset	53.52	148.68	(0.51)	201.70
Deferred tax liability				
Property, plant and equipment	177.81	10.57	-	188.38
Investment property	1.74	-	-	1.74
Others	1.71	(0.60)	-	1.11
Total deferred tax liability	181.26	9.97	-	191.23
Net deferred tax asset / (liability)	(127.74)	138.71	(0.51)	10.47

31 March 2025

Particulars	As at 27 September 2024	Acquired pursuant to merger (refer note 44)	Recognised in statement of profit and loss	Recognised through other comprehensive income	As at 31 March 2025
Deferred tax asset					
Provision for employee benefit / others	-	12.73	0.02	(0.05)	12.70
Section 40(a) disallowance	-	0.70	0.05	-	0.75
Others	-	0.20	-	-	0.20
Unabsorbed business losses	-	-	39.87	-	39.87
Total deferred tax asset	-	13.63	39.94	(0.05)	53.52
Deferred tax liability					
Property, plant and equipment	-	154.48	23.33	-	177.81
Investment property	-	1.74	-	-	1.74
Inventory	-	3.45	(3.45)	-	-
Others	-	-	1.71	-	1.71
Total deferred tax liability	-	159.67	21.59	-	181.26
Net deferred tax asset / (liability)	-	(146.04)	18.35	(0.05)	(127.74)

22 Current borrowings (secured)

	As at 31 March 2026	As at 31 March 2025
Bank borrowings - Buyers credit *	158.65	-
	158.65	-

* On 14 May 2025 (agreement date), the Company has obtained a foreign currency buyers credit facility of USD 40 million from MUFG Bank, Ltd for import purchase of raw material and capital goods which can be availed upto 31 January 2027 and is secured by first pari-passu charge over the current assets. Of the total facility, USD 16.86 million has been availed by the Company as at 31 March 2026. The loan is repayable within 6 months from the drawdown date and carries an interest rate ranging from 3.25 to 3.40 % p.a. (SOFR + 200 bps spread).



23	Trade payables	As at 31 March 2026	As at 31 March 2025
	(a) Total outstanding, dues of micro and small enterprises (refer note 47)	2.12	0.68
	(b) Total outstanding, dues of creditors other than micro and small enterprises		
	(i) Payable to related parties (refer note 39)	0.97	-
	(ii) Others	98.62	170.42
		99.59	170.42
		101.71	171.10

Ageing as at 31 March 2026

	Unbilled	Not due	Outstanding for following periods from the due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	1.61	0.33	0.10	0.05	0.04	2.12
Others	17.77	80.64	1.12	0.00	0.00	0.05	99.59
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	17.77	82.25	1.45	0.10	0.05	0.09	101.71

Ageing as at 31 March 2025

	Unbilled	Not due	Outstanding for following periods from the due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	0.55	0.03	0.07	0.03	-	0.68
Others	13.89	154.49	1.46	0.09	0.12	0.36	170.42
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	13.89	155.04	1.49	0.16	0.16	0.36	171.10

Notes:

- Trade payables are normally settled within 90 days.
- Trade payables from related parties are disclosed in note 39.
- The information about market and liquidity risk related to trade payables has been described in note 41.

24	Other current financial liabilities	As at 31 March 2026	As at 31 March 2025
	Capital creditors: micro and small enterprises	35.67	0.30
	Capital creditors: other than micro and small enterprises	42.24	0.61
	Interest accrued but not due on borrowings	0.32	-
	Security deposits (unsecured)	0.14	0.59
	Employee benefits payable	9.57	12.39
	Derivative forward contracts	0.16	0.90
	Other payables	-	11.87
	Corporate social responsibility payable (refer note 36(b))	-	2.41
		88.50	29.08



25	Other liabilities (current)	As at 31 March 2026	As at 31 March 2025
	Statutory dues including provident fund and tax deducted at source	1.51	1.87
	Advance from customers	4.32	4.85
	Other liabilities	-	0.68
		5.83	7.40

26	Provisions (current)	As at 31 March 2026	As at 31 March 2025
	Provision for employee benefits		
	Gratuity (refer note 46)	13.05	9.90
	Compensated absences (refer note 46)	13.29	10.11
	Other provisions		
	Provision for compounding charges (refer note (a) below)	-	5.89
	Others provisions (refer note (b) below)	2.26	2.26
		28.60	28.17

Movement in other provisions	Compounding charges		Other provisions	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	5.89	-	2.26	-
Acquired pursuant to merger (refer note 44)	-	5.89	-	2.26
Utilised during the year	(1.63)	-	-	-
Provision written back	(4.26)	-	-	-
Balance at the end of the year	-	5.89	2.26	2.26

Notes:

(a) Provision for compounding charges

During FY 2021-22, a notice from Nashik Tehsildar Office (revenue officer) was received by the Company, requiring it to submit the copy of permissions obtained for buildings and other structures constructed on the land, as per the requirement of the Maharashtra Regional Town Planning Act, 1966 (MRTPA). The Company submitted certain documents/ approvals, which it believed demonstrate implied approval by the authority. Parallely the Company made a provision for the estimated compounding charges of INR 26.81 crores covering expenses for regularization of construction and approval from NMRDA. Government issued amnesty scheme (G/R MRD 3324 3324/P.No.48/Navl-7) dated 15.03.2024 for compounding the offence. The application under the said scheme was submitted in April 2024, along with land scrutiny charges. Subsequently, NMRDA vide their letter dated 13.06.2024, advised the Company to pay the Development Cess and Compounding charges amounting to INR 16.56 crores which the Company paid off. NMRDA has Issued Commencement Certificate in favour of the Company, specifying certain terms & conditions to be fulfilled like getting Occupation Certificate from NMRDA, Non- Agricultural Order from the District Collector etc. As at 31 March 2026, the Company has fulfilled all the terms and conditons, received Occupancy certificate and reversed back the additional provision not required to the extent of INR 4.26 crores.

(b) Other provisions pertains to contingent liabilities acquired pursuant to merger towards direct and indirect tax open demands (refer note 44).

27	Liabilities directly associated with asset classified as held for sale	As at 31 March 2026	As at 31 March 2025
	Advance received towards sale of property, plant and equipments (refer note 16(a))	0.22	0.22
		0.22	0.22



28: Revenue from operations	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
Sale of products		
Domestic turnover	766.65	182.34
Export turnover	3.00	-
Traded goods	29.14	17.45
Other operating revenue		
Scrap sales	62.07	14.85
Export incentive	0.77	-
Total revenue from operations	861.63	214.64

(a) Ind AS 115 Revenue from contracts with customers

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company deals only in one product which is Cold Rolled Grain Oriented ("CRGO") steel.

The Company has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure.

Particulars	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
Revenue from Sale of products/traded goods	798.79	199.79
Other operating revenue	62.84	14.85
Total revenue from operations	861.63	214.65
India	858.64	214.65
Outside India	3.00	-
Total revenue from operations	861.63	214.65
Timing of revenue recognition		
At a point in time	861.63	214.65
Total revenue from operations	861.63	214.65

The Company does not have any significant adjustments between the contracted price and revenue recognised in the statement of profit and loss.

(b) Details of contract balances

The following table provides information about trade receivables and contract liabilities from contracts with customers:

	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
Trade receivables (refer note 12)	106.02	196.91
Contract liabilities		
Advance from customers (refer note 25)	4.32	4.85

- The credit period on sales of goods ranges upto 90 days with or without security.
- As at 31 March 2026, INR Nil (31 March 2025: INR 1.92 crores) was recognised as provision for allowances for expected credit loss on trade receivables.
- Contract liabilities include short term advances received against orders pending to be executed.
- Amount of revenue recognised from amounts included in the contract liabilities at the beginning of the year INR 4.85 crores.
- Out of the total contract liabilities outstanding as on 31 March 2026, INR 4.32 crores (31 March 2025: INR 4.85 crores) will be recognised by 31 March 2027.



29	Other income	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
	Interest income from fixed deposits	5.42	4.43
	Gain on foreign currency transactions and translation (net)	0.10	-
	Rental income (refer note 5)	0.98	0.16
	Fair value changes on derivatives not designated as hedges	5.05	-
	Net profit on sale of property plant and equipment	-	0.16
	Liabilities written back to the extent no longer required	5.08	-
	Miscellaneous income	2.06	0.14
		18.69	4.89
30	Cost of material consumed	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
	Raw material at the beginning of the year	364.04	-
	Add: Raw material acquired pursuant to merger (refer note 44)	-	282.63
	Add: Purchases during the year	846.43	212.46
	Less: Raw material at the end of the year	440.03	364.04
		770.44	131.05
31	Purchase of stock in trade	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
	Purchases of stock in trade	5.67	10.12
		5.67	10.12
The Company deals only in a single traded product which is Cold Rolled Grain Oriented ("CRGO").			
32	Changes in inventories of finished goods, stock in trade and work-in progress	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
	Opening stock (A)	256.72	-
	Work-in-progress	145.10	-
	Finished goods	82.52	-
	Traded goods	29.10	-
	Acquired pursuant to merger (refer note 44) (B)	-	251.56
	Work-in-progress	-	140.77
	Finished goods	-	73.80
	Traded goods	-	36.99
	Closing stock (C)	371.25	256.72
	Work-in-progress	102.22	145.10
	Finished goods	268.39	82.52
	Traded goods	0.65	29.10
	Total (A + B - C)	(114.53)	(5.16)
33	Employee benefit expenses	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
	Salaries, wages and bonus	48.42	8.03
	Gratuity (refer note 46)	3.41	0.45
	Contribution to provident fund and other fund (refer note 46)	5.08	0.89
	Staff welfare expenses	3.25	0.55
		60.16	9.91



JSW JFE Electrical Steel Nashik Private Limited

(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

Notes to the financial statements as at and for the year ended 31 March 2026

(All amounts in INR Crores, unless otherwise stated)

34	Finance costs	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
	Interest on debentures	261.12	43.78
	Interest on short term borrowing	2.24	-
	Other finance costs	-	0.01
		263.36	43.79
35	Depreciation and amortisation expenses	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
	Depreciation of property, plant and equipment (refer note 4)	97.24	15.54
	Amortisation of intangible assets (refer note 7)	121.48	48.53
		218.72	64.08
36	Other expenses	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
	Stores and spares consumed	46.34	9.07
	Power and fuel	112.22	20.20
	Repairs and maintenance		
	- Machinery	2.74	0.48
	- Building	2.12	0.92
	- Others	2.83	0.55
	Insurance	2.96	0.96
	Rates and taxes	2.28	0.16
	Loss on sale/write off of assets	2.55	-
	Freight expenses	4.30	1.53
	Corporate social responsibility expenses (refer note 36(b))	4.61	3.63
	IT service contract fees	1.45	1.40
	Legal and professional fees	5.23	2.97
	Information technology expenses	6.16	0.50
	License, testing and certification fees	1.09	0.20
	Payment to auditors (refer note 36(a))	1.16	0.04
	Miscellaneous expenses	7.86	1.50
		205.90	44.10
36(a)	Details of payment to auditors	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
	As auditors		
	- Statutory audit (ncluding limited reviews)	0.74	0.03
	- Tax audit	0.06	-
	- Fees for other services and certifications	0.26	-
	- Reimbursement of expenses	0.10	0.01
		1.16	0.04
36(b)	Details of corporate social responsibility expenditure	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
	(a) Amount required to be spent by the Company	4.61	3.63
	(b) Amount approved by the Board to be spent	4.61	3.63
	(c) Amount spent during the year / period		
	(i) On construction / acquisition of any asset	-	-
	(ii) On purposes other than (i)	4.61	1.22

As per Sec 135(5) of Companies Act, 2013, amount required to be spent by the Company on CSR activities during the year was INR 4.61 crores (31 March 2025: INR 3.63 crores). There was no amount unspent for the year ended 31 March 2026. In respect of the amount to be spent as at 31 March 2025, the Company had deposited amount of INR 2.41 crores in CSR unspent escrow account which has been utilised in the current year.

CSR expenditure has been incurred through JSW Foundation towards educational infrastructure, sanitation and society strengthening.



JSW JFE Electrical Steel Nashik Private Limited

(Formerly known as Isquare Electrical Steel Nashik Private Limited)

Notes to the financial statements as at and for the year ended 31 March 2026

(All amounts in INR Crores, unless otherwise stated)

37 Income tax expense

Components of income tax expense	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
Current tax expense	-	-
Deferred tax expense		
- recognised in statement of profit and loss account	(138.71)	(18.30)
- recognised in other comprehensive income	0.51	(0.05)
Total	(138.21)	(18.35)

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

	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
Loss before tax	(547.91)	(78.36)
Enacted tax rate in India	25.17%	25.17%
Expected income tax expense at statutory tax rate	(137.91)	(19.72)
Expenses not deductible in determining taxable profit	1.16	1.48
Write back of provisions not offered to tax in earlier years	(1.48)	-
Others	0.03	(0.11)
Tax expense for the year / period	(138.20)	(18.35)
Effective income tax rate	25.22%	23.42%

38 Earnings per share

Particulars	For the year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
(a) Loss attributable to equity shareholders of the Company	(409.20)	(60.01)
(b) Weighted average number of equity shares outstanding	1,484,513,425	704,927,586
Basic and diluted earnings per share (amount in INR)	(2.76)	(0.85)



39 Related party transactions

a) List of related parties

Nature of relationship	Name of related parties
Co-venturers of the Holding company	JSW Steel Limited JFE Steel Corporation
Holding company	JSW JFE Electrical Steel Private Limited
Other related parties with whom transactions have taken place	JSW Cement Limited JSW Foundation JFE Shoji Corporation JSW Sambalpur Steel Limited JFE Shoji Steel India Private Limited JSW Steel Coated Products Limited

Key Management Personnel

Name	Designation
Mr. Gajraj Singh Rathore	Non-Executive Director and Chairman (w.e.f 19.01.2026)
Mr. Tarang Rajeshbhai Desai	Non-Executive Director
Mr. Takafumi Suzuki	Non-Executive Director
Mr. Toshiya Iwano	Non-Executive Director (w.e.f 19.01.2026)
Mrs. Anuradha Ambar Bajpai	Independent Director (w.e.f 25.07.2025)
Mr. Alok Mehrotra	Independent Director (w.e.f 25.07.2025)
Ms. Nayantra Palchoudhuri	Independent Director (w.e.f 19.01.2026)
Mr. Joydeep Bhattacharjee	Chief Executive Officer and Whole-time Director (w.e.f 25.07.2025)
Mr. Rajiv Negandhi	Chief Financial Officer
Ms. Snigdha Tripathi	Company Secretary (upto 08.05.2026)
Ms. Supriya Naik	Company Secretary (w.e.f 08.05.2026)



39 Related party transactions (continued)

b) Transactions with related parties

Particulars	Co-ventures		Holding company		Other related parties	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Sale of products						
JSW Steel Limited	17.71	-	-	-	-	-
JFE Shoji Corporation	-	-	-	-	3.00	-
JFE Shoji Steel India Private Limited	-	-	-	-	68.03	-
Purchases of raw materials						
JSW Steel Limited	50.75	-	-	-	-	-
Purchases of capital asset						
JSW Cement Limited	-	-	-	-	4.81	-
JSW Steel Limited	15.20	-	-	-	-	-
Rent expenses						
JSW Steel Limited	0.03	0.02	-	-	-	-
Reimbursement of expenses incurred on our behalf by						
JSW JFE Electrical Steel Private Limited	-	-	-	7.07	-	-
JSW Steel Limited	0.70	-	-	-	-	-
JSW Steel Coated Products Limited	-	-	-	-	0.21	-
JSW Sambalpur Steel Limited	-	-	-	-	0.03	-
Corporate social responsibility expenses						
JSW Foundation	-	-	-	-	4.61	-
Issue of equity shares						
JSW JFE Electrical Steel Private Limited	-	-	199.90	1,460.10	-	-
Compensation to key management personnel *						
Short term employment benefits	-	-	-	-	1.93	-
Sitting fees	-	-	-	-	0.06	-

*As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

c) Amounts due to or from related parties

Particulars	Co-ventures		Holding company		Other related parties	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Trade payables (including capital creditors)						
JSW Steel Limited	3.93	0.01	-	-	-	-
JSW Cement Limited	-	-	-	-	0.94	-
JSW Steel Coated Products Limited	-	-	-	-	0.21	-
JSW Sambalpur Steel Limited	-	-	-	-	0.03	-
Trade receivables						
JSW Steel Limited	2.30	-	-	-	-	-
JFE Shoji Steel India Private Limited	-	-	-	-	5.13	-

d) 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 31 March 2026, 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 made on normal commercial terms and conditions and market rates.



40 Fair value measurements

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

A significant part of the financial assets is classified as Level 1 and Level 2. The fair value of these assets is marked to an active market or based on observable market data. The financial assets carried at fair value by the Company are mainly in derivatives, accordingly, any material volatility is not expected.

(a) Categories of financial instruments

Financial instruments by category	As at 31 March 2026				As at 31 March 2025			
	Amortized Cost	FVTPL	Total carrying value	Fair Value	Amortized Cost	FVTPL	Total carrying value	Fair Value
Financial assets								
Trade receivables	106.02	-	106.02	106.02	196.91	-	196.91	196.91
Cash and cash equivalents	47.41	-	47.41	47.41	193.03	-	193.03	193.03
Bank balance other than cash and cash equivalents	12.63	-	12.63	12.63	2.41	-	2.41	2.41
Other financial assets	15.99	4.31	20.30	20.30	2.16	-	2.16	2.16
Total financial assets	182.05	4.31	186.36	186.36	394.51	-	394.51	394.51
Financial Liabilities								
Borrowings	3,169.81	-	3,169.81	3,132.37	2,602.71	-	2,602.71	2,585.92
Trade payables	101.71	-	101.71	101.71	171.10	-	171.10	171.10
Other financial liabilities	88.35	0.16	88.50	88.50	28.18	0.90	29.08	29.08
Total financial liabilities	3,359.87	0.16	3,360.03	3,322.59	2,802.00	0.90	2,802.90	2,786.10

(b) Fair value hierarchy of financial instruments:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Details of financial assets / liabilities measured at amortised cost but fair value disclosed in category wise

Particulars	As at 31 March 2026	As at 31 March 2025	Level	Valuation techniques and key inputs
Other financial assets				
Derivatives financial assets	4.31	-	2	Based on exchange rate received from bank on monthly basis
Other financial liabilities				
Derivatives financial liabilities	0.16	0.90	2	Based on exchange rate received from bank on monthly basis

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. However the Company does not have any financial instruments that are measured using Level 1 inputs.

Level 2: The fair value of derivatives is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.



41 Financial instruments**(A) Capital risk management**

The Company monitors its capital using gearing ratio, which is net debt to total equity. Net debt includes interest bearing loans and borrowings less cash and cash equivalents and bank balances other than cash and cash equivalent.

Particulars	As at 31 March 2026	As at 31 March 2025
Long term borrowings	3,011.15	2,602.71
Short term borrowings	158.66	-
Total borrowings	3,169.81	2,602.71
Less:		
Cash and cash equivalents	47.41	193.03
Bank balance other than cash and cash equivalents	12.63	2.41
Net debt	3,109.77	2,407.28
Total equity	1,189.36	1,397.15
Gearing ratios	2.61	1.72

(i) The Company's capital requirement is mainly towards capex, operations, repayment of principal and interest on its borrowings.

(ii) Total equity includes all capital and reserves of the Company that are managed as capital.

(B) Financial risk management

Due to its business activities, the Company is exposed to various financial risks, such as market risks (which comprises of foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's financial risk management aims to limit any adverse effects that the markets may have on the Company's financial health, at an acceptable hedging cost. Risk limitation does not mean complete exclusion of financial risks, rather it means following a policy of economically sensible management of the Company's finances within an agreed framework of documented authority. The Company uses derivative financial instruments to hedge certain risks. Only pre-approved instruments are used and no speculative transactions are carried out. No hedges are entered into without a corresponding base transaction. Management monitors and steers such risks continuously with the support of finance department.

(i) Market risk**(a) Foreign currency risk management**

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The objective of the hedge is to minimise the impact of the volatility of the foreign currency cost on imports during the year.

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

Particulars	As at 31 March 2026			As at 31 March 2025		
	EUR	USD	JPY	EUR	USD	JPY
Financial liabilities						
Trade payables	1.45	21.07	-	1.90	0.01	-
Borrowings	158.66	147.32	-	-	-	-
Other financial liabilities	0.47	-	-	0.89	0.09	1.50
Total financial liabilities	160.58	168.39	-	2.79	0.10	1.50
Financial Assets						
Other financial assets	4.31	-	-	-	-	-
Total financial assets	4.31	-	-	-	-	-
Net exposure to foreign currency risk (assets)/liabilities	156.27	168.39	-	2.79	0.10	1.50

(b) Interest rate risk exposure

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. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in SOFR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.



41 Financial instruments (continued)

The following table provides the breakup of the Company's fixed and floating rate borrowings:

Particulars	31 March 2026	31 March 2025
Fixed rate borrowings	2,863.83	2,602.71
Floating rate borrowings	305.98	-
Total borrowings (refer note 19 and 22)	3,169.81	2,602.71

Sensitivity

Profit or loss is sensitive to the higher or lower interest expense from variable rate borrowings as a result of changes in interest rates. The below table provides the impact on profit or loss after tax changes as a result of increase or decrease in interest rates:

	(Increase) / Decrease in loss before tax	
	31 March 2026	31 March 2025
Interest rates - Increase by 100 basis points	(3.06)	-
Interest rates - Decrease by 100 basis points	3.06	-

(ii) Credit risk

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's trade receivables, security deposits and balances with banks.

(a) Risk management:

In case of credit or default risk associated with trade receivables, the Company follows a defined credit policy under which each new customer is analysed individually for creditworthiness before payment and delivery terms and conditions are offered. Credit ratings are reviewed regularly, and limits are set and monitored on an ongoing basis. Trade receivables are valued at the original invoiced amount less any necessary value adjustments for default risks. The Company has process of detailed review of overdue trade receivables at various levels within organisation to ensure proper attention and focus for realisation and based on assessment performed management has concluded that impact of expected credit loss is not material and current provision made against trade receivable is adequate to cover the provision on account of expected credit loss.

The Company keeps funds only with reputed banks with very high credit worthiness. The management periodically assesses the relevant ratings and credit default spreads of these banking institutions. There was no subsequent loss identified by management for cash and cash equivalent.

(b) Security:

For some trade receivable the Company may obtain letter of credit which can be called upon if the counter party defaults in the terms of agreement.

(c) Impairment of financial assets:

The Company has following type of financial assets that are subject to expected credit loss model:

- Trade receivable

- Security deposits carried at amortised cost

While cash and cash equivalents are also subject to impairment requirements under Ind-AS 109, there was no identified impairment loss.

Trade Receivable:

To measure the expected credit losses, trade receivables have been grouped based days past due. The expected credit loss rates are based on the payment profiles of sales and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macro economic factors affecting the ability of the customers to settle the receivables.

As at 31 March 2026

	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Gross carrying amount – trade receivables	103.41	2.61	-	-	-	-	106.02
Expected loss rate		0.00%					0.00%
Expected credit losses – trade receivables	-	-	-	-	-	-	-
Carrying amount of contract assets (net of impairment)	103.41	2.61	-	-	-	-	106.02

As at 31 March 2025

	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Gross carrying amount – trade receivables	196.65	0.24	0.02	-	-	-	196.91
Expected loss rate		0.00%					0.00%
Expected credit losses – trade receivables	-	-	-	-	-	-	-
Carrying amount of contract assets (net of impairment)	196.65	0.24	0.02	-	-	-	196.91

41 Financial risk management (continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities which will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period to settle trade payables is about 60-90 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Liquidity exposure as at 31 March 2026

Particulars	<1 year	1-5 year	>5 year	Total
Financial assets				
Trade receivables	106.02	-	-	106.02
Cash and cash equivalents	47.41	-	-	47.41
Bank balance other than cash and cash equivalents	12.63	-	-	12.63
Other financial assets	18.72	1.58	-	20.30
Total financial assets	184.78	1.58	-	186.36
Financials Liabilities				
Trade payables	101.71	-	-	101.71
Other financial liabilities	88.50	-	-	88.50
Borrowings	158.66	3,011.15	-	3,169.81
Total financial liabilities	348.87	3,011.15	-	3,360.03

Liquidity exposure as at 31 March 2025

Particulars	<1 year	1-5 year	1-5 year	Total
Financial assets				
Trade receivables	196.91	-	-	196.91
Cash and cash equivalents	193.03	-	-	193.03
Bank balance other than cash and cash equivalents	2.41	-	-	2.41
Other financial assets	1.22	0.94	-	2.16
Total financial assets	393.57	0.94	-	394.51
Financials Liabilities				
Trade payables	171.10	-	-	171.10
Other financial liabilities	29.08	-	-	29.08
Borrowings	-	2,602.71	-	2,602.71
Total financial liabilities	200.18	2,602.71	-	2,802.90



JSW JFE Electrical Steel Nashik Private Limited

(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

Notes to the financial statements as at and for the year ended 31 March 2026

(All amounts in INR Crores, unless otherwise stated)

42 Contingent liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Indirect tax matters (includes service tax, customs and central excise)	44.31	22.45
Direct tax matters	10.22	34.17
Other matters	0.88	0.88
Total	55.41	57.50

It is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities.

43 Commitments

Particulars	As at 31 March 2026	As at 31 March 2025
Capital commitments		
Estimated value of contracts in capital account remaining to be executed and not provided for (net of advance)	1,379.10	174.86

Other commitments:

The Company in the normal course of business, has entered into a purchase agreement wherein the Company has committed to purchase certain minimum quantities of raw material for each month until the end of the contract in April 2026.



44 Merger

On 30 January 2025 (acquisition date), the Company had acquired 100% shares of JSW JFE Electrical Steel Nashik Private Limited (Transferor company) (formerly known as Thyssenkrupp Electrical Steel India Private Limited) for a net consideration of INR 4,003.61 crores from thyssenkrupp Electrical Steel GmbH and thyssenkrupp Electrical UGO S.A.S. pursuant to Share Purchase Agreement dated 18 October 2024. Transferor company is engaged in the manufacture of Electrical Steel Cold Rolled Grain Oriented Electrical Steel ("CRGO") (hereinafter referred to as the "finished goods"), which is a speciality material used wherever electrical energy is required to be efficiently converted, transported, and used, such as in transformers, electric motors, inductors, chokes and in large high-performance generators. The finished goods are used in various industries due to its unique and exceptional magnetic properties. As at 31 March 2025, the Company had accounted for the said acquisition on provisional basis, pending final determination of the Fair Value of acquired assets and liabilities in the consolidated books of accounts of the Company, in accordance with Ind-AS 103 'Business Combinations' and had recognised Goodwill amounting to INR 1,157.12 crores during the financial year ended 31 March 2025.

Further, during the current year, the Company has finalised the fair values of assets and liabilities, on acquisition date and accordingly, the difference between the net assets recognised on provisional basis and on finalisation of fair values has been recognised as an adjustment to Goodwill in the previous period, in accordance with Ind-AS 103 'Business Combinations'. The said difference between provisional and finalised fair values in net assets has been tabulated below:

Particulars	Provisional fair value recognised on acquisition	Final fair value recognised on acquisition
(A) ASSETS		
a) Property, plant and equipment (including capital work in progress and investment property)	1,188.47	897.45
b) Intangible assets	1,485.11	1,043.65
c) Inventories	539.68	545.59
d) Cash and cash equivalents, trade and other receivables	314.39	334.82
Total (A)	3,527.65	2,821.51
(B) LIABILITIES		
a) Trade and other payables	34.10	63.11
b) Other liabilities	7.20	8.63
c) Provisions	47.96	47.96
d) Deferred tax liabilities	591.90	146.04
Total (B)	681.16	265.74
Total identifiable net assets acquired at fair value (C) = (A-B)	2,846.49	2,555.77
Purchase consideration transferred in cash (D)	4,003.61	4,003.61
Goodwill (D - C)	1,157.12	1,447.84

Subsequently on 20 May 2025, the Board had approved the Proposed scheme of Amalgamation of transferor company with the Company under Sections 233 and other applicable provisions of the Companies Act, 2013, with appointed date as 30 January 2025. The Company filed an application with Regional Director - Registrar of Companies, Mumbai and other applicable statutory authorities for necessary approvals for fast-track merger.

The Regional Director through its order dated 4 November 2025 has approved the Scheme. Accordingly, the Company has accounted for the merger by using carrying values as appearing in the consolidated financial statements of the Company, in accordance with the "Pooling of Interest Method" of accounting as laid down in Appendix C of Ind AS 103 Business Combinations. Consequently, the numbers for the period ended 31 March 2025 have been restated to give effect to the merger. The impact of the merger on the financial statements is as under:

Particulars	As at 31 March 2025	
	Reported	Restated
Total assets	4,028.70	4,383.22
Total equity	1,414.08	1,397.16
Total liabilities	2,614.62	2,986.06

Particulars	For the period ended 31 March 2025	
	Reported	Restated
Revenue from operations	-	214.64
Loss before tax	(42.96)	(78.36)
Loss after tax	(42.96)	(60.01)



45 Exceptional items

The Government has notified the Code on Social Security, 2020 ("Social Security Code"); the Occupational Safety, Health and Working Conditions Code, 2020; the Industrial Relations Code, 2020 and the Code on Wages, 2019 (collectively, the "Labour Codes") on 21 November 2023. The Ministry of Labour and Employment notified Central Rules on 8 May 2026 however State Rules are yet to be notified. The Company has evaluated the impact of increased employee benefits obligations arising from the implementation of the Labour Codes based on its best judgement in consultation with external experts. Accordingly, the Company has recognized financial impact of INR 18.51 crores in accordance with Ind AS 19 - 'Employee Benefits' and disclosed it as an Exceptional Item.

46 Employee benefit obligation

(A) Defined contribution plans

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary and allowances as per local regulations. The contributions are made to regulated provident fund administered by the government. The Company also contributes towards super annuation fund for employees up to 13% of basic salary to Life Insurance Corporation of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company has recognised the following amount in the Statement of Profit and Loss

Particulars	Year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
Contribution to employees provident fund	3.41	0.59
Superannuation fund	1.68	0.30
Total	5.08	0.89

(B) Defined benefit plans - Gratuity

The Company provides for gratuity for employees as per The Code on Social Security, 2020. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn wages per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is unfunded.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
Opening balance	29.54	-
Acquired pursuant to merger (refer note 44)	-	29.73
Current service cost	1.46	0.18
Past service cost (refer note 45)	15.51	-
Interest expenses/(income)	1.95	0.27
Total amount recognised in the statement of profit and loss	18.92	0.45
Remeasurements		
(Gain)/loss from change in financial assumptions	(0.21)	0.04
Experience (gains)/losses	(1.81)	(0.22)
Total amount recognised in other comprehensive income	(2.02)	(0.18)
Employer contribution	-	-
Benefits payments	(2.75)	(0.46)
Closing balance	43.69	29.54

The net liability disclosed above relates to unfunded plans are as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Present value of unfunded obligation	43.69	29.54
Classification		
Non current	30.64	19.64
Current	13.05	9.90



46 Employee benefit obligation (continued)

Significant estimates

The significant actuarial assumptions were as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Discount rate*	6.85%	6.70%
Salary escalation rate #	8.00%	8.00%
Withdrawal rate:		
Age up to 30 years	21.00%	21.00%
Age 31-40 years	6.00%	6.00%
Age 41-50 years	1.00%	1.00%
Age above 50 years	17.00%	17.00%
Mortality rate	IAAM(2012-14)ult	IAAM(2012-14)ult

*The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Sensitivity of actuarial assumptions

The sensitivity of defined obligation to changes in the principal assumptions is:

Assumption	Impact on defined benefit obligation	
	As at 31 March 2026	As at 31 March 2025
Discount rate increase by 0.50%	(0.69)	(0.51)
Discount rate decrease by 0.50%	0.71	0.53
Salary escalation rate increase by 0.50%	0.70	0.48
Salary escalation rate decrease by 0.50%	(0.69)	(0.47)

The above sensitivity analysis is based on a change in an assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Risk exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

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 value of 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.

Changes in bond yields

A decrease in bond yields will increase plan liabilities.



46 Employee benefit obligation (continued)**Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in higher present value of liabilities. Further, unexpected salary increases provided at the discretion of the management may lead to uncertainties in estimating this increasing risk.

The weighted duration of the defined benefit obligation is 3.2 years (31 March 2025: 3.49 years)

Expected maturity analysis on an undiscounted basis restricted to the expected payment for period of 10 years as provided in actuarial report is as follows:

Maturity profile	As at 31 March 2026	As at 31 March 2025
Expected benefits for less than 1 year	13.05	8.60
Expected benefits for 1 to 5 year	29.62	18.57
Expected benefits for 5 to 10 year	13.62	11.52

(C) Leave obligation

Particulars	As at 31 March 2026	As at 31 March 2025
Leave obligations		
Current	13.29	10.11
	13.29	10.11

The leave obligations cover the Company's liability for earned leave which are classified as current.

The entire amount of the provision of INR 13.29 crores (31 March 2025: INR 10.11 crores) is presented as current, since the Company does not have right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

The leave obligation covers the company's sick leave and privilege leave. The significant assumptions were as follows-

Particulars	As at 31 March 2026	As at 31 March 2025
Discount rate	6.85%	6.70%
Salary growth rate	8.00%	8.00%



47 Dues to micro and small enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows based on the information available with the management:

Particulars	As at 31 March 2026	As at 31 March 2025
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end #	37.80	0.98
Interest due to micro and small suppliers registered under the MSMED Act and remaining unpaid as at year end *	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	27.93
Interest paid, other than under Section 16 of MSMED Act, to micro and small suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to micro and small suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already	-	0.10
Interest accrued and remaining unpaid at the end of the year	-	0.10
Further interest remaining due and payable for earlier years until such date when the interest dues have been repaid under section 23 of MSMED Act	0.44	0.44

* Amount is below the rounding off norms

It includes vendors classified as part of other financial liabilities in note 24 relating to payable for capital projects.

48 Segment reporting

The Company has only one operating segment which is manufacturing of grain oriented steel. Accordingly, separate segment information is not required to be disclosed.

Geographical information:

	Year ended 31 March 2026	For the period 27 September 2024 to 31 March 2025
India	858.63	214.64
Outside India	3.00	-
Total segment revenue	861.63	214.64

All non-current assets are located within India.

The Company has derived more than 10% of the total revenue from one single customer amounting to INR 125.18 crores during the year (31 March 2025: INR 21.32 crores).

49 Additional regulatory information required by Schedule III**(i) Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or to any other lender during current year and previous period.

(iii) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 during current year and previous period.

(iv) Undisclosed income

There is no income surrendered or disclosed as income during the current year or previous period in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of accounts.

(v) Utilisation of borrowed funds and share premium

(a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded by writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.



JSW JFE Electrical Steel Nashik Private Limited

(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

Notes to the financial statements as at and for the year ended 31 March 2026

(All amounts in INR Crores, unless otherwise stated)

49 - Additional regulatory information required by Schedule III (continued)**(vi) Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current year or previous period.

(vii) Revaluation of property, plant and equipment, intangible asset and investment property

The Company has not revalued its property, plant and equipment or intangible assets or both during the current year or previous period.

(viii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(ix) Loans or advances to specified person

There are no loans or advances given to specified person in the current year and previous period.

50 Analytical ratios

Ratios	Numerator	Denominator	31 March 2026	31 March 2025	% variance	Reason for variance
Current ratio	Current assets	Current liabilities	2.88	4.42	-35%	Decrease is primarily on account of increase in current liabilities over current assets in the current year.
Debt equity ratio	Total borrowings	Total equity	2.67	1.86	43%	Increase is primarily due to increase in the borrowings.
Debt service coverage ratio	Loss before exceptional items and tax, depreciation and finance cost	Net finance cost - Long term borrowing scheduled principal repayments during the period	(0.18)	0.67	-127%	Decrease is primarily due to increase in the borrowings.
Return on equity ratio	Net loss after tax	Average equity	(0.32)	(0.04)	637%	Decrease is mainly due to increase in current year's loss.
Inventory turnover ratio (no. of days)	Average inventory	Cost of materials consumed + Purchases of stock in trade + Changes in inventories	402	333	21%	
Trade receivables turnover ratio (no. of days)	Average trade receivables	Sale of products	69	48	44%	Increase in the ratio is primarily due to increase average trade receivables.
Trade payables turnover (no. of days)	Average trade payables	Cost of materials consumed + Purchases of stock in trade + Changes in inventories	75	38	98%	Increase in the ratio is primarily due to increase average trade payables.
Net capital turnover ratio	Revenue from operations	Current assets - Current liabilities	1.19	0.27	349%	Increase is mainly due to increase in current year's revenue from operations.
Net profit ratio	Net loss after tax	Revenue from operations	-47.49%	-27.96%	70%	Decrease is primarily due to increase in current year's revenue from operations.
Return on capital employed	Loss before tax after exceptional items, finance cost	Tangible net worth + Total debt + Deferred tax liability (net)	-6.12%	-0.84%	630%	Decrease is mainly on account of increase in current year's loss.
Return on investment	Interest income	Average fixed deposits	0.07	-	0%	



JSW JFE Electrical Steel Nashik Private Limited

(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

Notes to the financial statements as at and for the year ended 31 March 2026

(All amounts in INR Crores, unless otherwise stated)

- 51 The Company uses an accounting software, namely SAP, which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made as required by proviso to sub rule (1) of rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021. However, the audit trail feature was not enabled for direct changes to data in the underlying database and in the application when using certain privileged access rights. Additionally, as the relevant system logs were not available prior to the activation of SM20 logs in March 2026, the Company is unable to ascertain whether the audit trail has been preserved in accordance with the applicable statutory record retention requirements. Further, the Company is in the process of migrating to an upgraded version of SAP containing necessary controls and documentations regarding audit trail.

Further, in the previous period, the server of the application was located outside India and was managed by the erstwhile Promoter Company i.e. thyssenkrupp Electrical Steel GmbH. Accordingly, the Company had taken daily backups of the books of account and other books and papers maintained in electronic mode on servers physically located outside India. Effective from 26 May 2025, the Company has transferred the server in India and started maintaining daily back up of the books of account and other books and papers maintained in India w.e.f. 1 July 2025.

- 52 As the Company was incorporated on 27 September 2024, accordingly, the comparative figures for the previous period are for the period 27 September 2024 to 31 March 2025 and are not comparable with those for full current financial year.

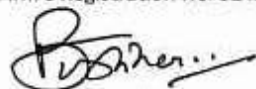
The accompanying notes are integral part of these Financial Statements

As per our report on event date

For S R B C & CO LLP

Chartered Accountants

Firm's Registration No. 324982E/E300003



per Pushkar Sakhalakar
Partner
Membership No.160411
Place: Mumbai
Date: 08 May 2026



For and on behalf of the Board of Directors of
JSW JFE Electrical Steel Nashik Private Limited
CIN: U24319MH2024PTC432825



Tarang R. Desai
Director
DIN: 10490521



Joydeep Bhattacharjee
Director & CEO
DIN: 02813496



Supriya Naik
Company Secretary
ICSI membership no. A62860
Place: Mumbai
Date: 08 May 2026



Rajiv Vegandhi
Chief Financial Officer



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 2nd ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF JSW JFE ELECTRICAL STEEL NASHIK PRIVATE LIMITED WILL BE HELD ON THURSDAY, 24th SEPTEMBER 2026 AT 1:30 P.M. (IST) THROUGH VIDEO CONFERENCE AND OTHER AUDIO-VISUAL MEANS ("VC/OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and the Auditors thereon.**

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

"RESOLVED THAT the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and Auditors thereon, as circulated to the Members be and are hereby received, considered and adopted."

SPECIAL BUSINESS:

- 2. Ratification of Remuneration Payable to Cost Auditors of the Company for the financial year ending March 31, 2027:**

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 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s R C K & Co (ICWAI FRN:002587), Cost Auditors of the Company, for the financial year 2026-27, amounting to Rs. 1,50,000 (Rupees One Lakh Fifty Thousand only) plus taxes as applicable and reimbursement of actual out-of-pocket expenses incurred in connection with the cost audit, as recommended by the Finance Review Committee and approved by the Board of Directors of the Company, be and is hereby ratified;

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to do all such acts, deeds, and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution."

By order of the Board



Supriya Naik
Company Secretary
(ICSI Membership no.: A62860)

Date: 29.08.2026

Place: Mumbai

Registered Office: 5th Floor, JSW Center, Bandra
Kurla Complex, Bandra (East) Mumbai 400051

JSW JFE Electrical Steel Nashik Private Limited

(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

CIN.: U24319MH2024PTC432825 | GST: 27AAGCJ5936K1Z3

Factory Premises: At post Gonde, Village Wadivarhe, Taluka Igatpuri, Dist. Nashik, Maharashtra 422403, India.

P: +91 (0) 2553 225182-88 | F: +91 (0) 2553 225181

Registered Office: 5th Floor, JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra 400051, India

Email: compliance@j2es.in | P: + 91 22 42861000 | website: www.j2es.in

NOTES:

1. Annual General Meeting ("AGM") through Video Conferencing ("VC") or any other Audio-Visual Means ("OAVM"):

The Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020, followed by General Circular no. 20/2020 dated 5th May, 2020 and General Circular 10/2022 dated 28th December, 2022, September 25, 2023, September 19, 2024 and September 22, 2025 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue till further orders.

In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for the 2nd AGM will be Registered Office of the Company at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra.

2. Dispatch of Notice and Annual Report through electronic means:

In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM and Notice and Annual Report will be sent via e-mail to all Members who have registered their e-mail addresses with the Company.

3. Attendance Slip and Proxy Form:

A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company.

Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Request for updating contact and other details:

Members are requested to update their change in contact details including email address and Bank details, if any.

5. Quorum:

Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. Corporate Representations:

Corporate members intending to attend the meeting through their authorized representatives are requested to email/ courier/deliver to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting in pursuance of Section 113 of the Companies Act, 2013.

JSW JFE Electrical Steel Nashik Private Limited

(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

CIN.: U24319MH2024PTC432825 | GST: 27AAGCJ5936K1Z3

Factory Premises: At post Gonde, Village Wadivarhe, Taluka Igatpuri, Dist. Nashik, Maharashtra 422403, India.

P: +91 (0) 2553 225182-88 | F: +91 (0) 2553 225181

Registered Office: 5th Floor, JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra 400051, India

Email: compliance@j2es.in | P: + 91 22 42861000 | website: www.j2es.in

7. Instructions for Members for attending the AGM through VC / OAVM:

- i. The Company is providing facility for attending the AGM through VC / OAVM through MS-teams video conferencing platform. Members may join the AGM through VC Facility by following the procedure as mentioned below.
- ii. The video streaming link of the AGM will be kept open for the Members to join 15 minutes before the time scheduled to start the AGM i.e. from 1:15 p.m. and the Company may close the window for joining the VC / OAVM facility 15 minutes after the scheduled time to start the AGM i.e. up to 1:45 p.m.
- iii. Members are encouraged to join the AGM through laptops/desktops with front camera and internet with a good speed to avoid any disturbance during the AGM and seamless experience. Please note that Members connecting from their mobile devices or tablets or through laptop/desktops via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- iv. To attend the AGM of the Company through VC / OAVM facility, Members shall log-on to the link provided in the e-mail by which this notice is being sent and follow the procedure below:
 1. The AGM meeting link will be sent along with the E-mail of the AGM notice on your registered e-mail Id.
 2. Type in your name and turn-on the Camera and Microphone before joining the AGM. You may choose the audio and video settings.
 3. Select Join now.
 4. You will enter the meeting through the lobby admission.

Members who need any technical or other assistance before or during the AGM, can also e-mail to Ms. Supriya Naik, Company Secretary vide e-mail at supriya.naik@jsw.in.

8. Inspection of Relevant Documents/Registers:

For inspection of the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, Register of Members under section 171 or other documents as referred in this Notice, the members may send their request on the designated email ID (supriya.naik@jsw.in) any time before and during the meeting.

9. Queries:

Members can express their views and submit questions/ queries in advance with regard to the Financial Statements or any other agenda item to be placed at the AGM, from their registered e-mail address, mentioning their name, Folio-number and mobile number, on the email id of the Company Secretary of the Company at supriya.naik@jsw.in. Members will also be allowed to pose questions during the course of the Meeting.

10. The notice of the AGM along with the Annual Report for the financial year 2025-26 is being sent only through electronic mode to members whose email addresses are registered with the Company. Members may note that Notice and the Annual Report for the financial year 2025-26 will also be available on Company's website.

11. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.

JSW JFE Electrical Steel Nashik Private Limited

(Formerly known as Jsquare Electrical Steel Nashik Private Limited)

CIN.: U24319MH2024PTC432825 | GST: 27AAGCJ5936K123

Factory Premises: At post Gonde, Village Wadivarhe, Taluka Igatpuri, Dist. Nashik, Maharashtra 422403, India.

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12. This Notice is being dispatched to all equity shareholders of the Company whose names appear in the Register of Members of the Company as on August 28, 2026. Voting rights shall be reckoned accordingly on the paid-up value of the shares registered in the names of the equity shareholders as on August 28, 2026.

13. Route Map:

Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

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

The following Statement sets out for material facts relating to the Special Business mentioned in the Notice:

ITEM NO. 2: RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING MARCH 31, 2027:

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Finance Review Committee and approved by the Board of Directors, must be ratified by the members of the Company.

The Board of Directors of the Company, on the recommendation of the Finance Review Committee of the Company, at its meeting held on May 08, 2026, has considered and approved the appointment of M/s R C K & Co, Cost Accountant, Pune, Maharashtra, as the Cost Auditor of the Company for the FY 2026-27 at a remuneration of Rs. 150,000 (Rupees One Lakhs Fifty Thousand Only) per annum plus taxes as applicable and reimbursement of actual travel and out of pocket expenses.

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

Accordingly, approval and ratification by the Members is sought for the remuneration payable to the Cost Auditor of the Company for the financial year 2026-27 by passing an Ordinary Resolution as set out at Item No. 2 of this Notice.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise in the resolution set out at Item No. 2 of the Notice.

Your Board recommends the Ordinary Resolution as set out at Item No. 2 of this notice for your approval.

By order of the Board


Supriya Naik

Company Secretary
(ICSI Membership no.: A62860)

Date: 29.08.2026

Place: Mumbai

Registered Office: 5th Floor, JSW Center, Bandra
Kurla Complex, Bandra (East) Mumbai 400051

JSW JFE Electrical Steel Nashik Private Limited
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Email: compliance@j2es.in | P: + 91 22 42861000 | website: www.j2es.in

RELEVANT DETAIL FORMING PART OF ANNUAL REPORT

Board of Directors (as on March 31, 2026):

Mr. Gajraj Singh Rathore (DIN: 01042232)
(Non-Executive Director)

Mr. Toshiya Iwano (DIN: 10458239)
(Non-Executive Director)

Mr. Tarang Rajeshbhai Desai (DIN: 10490521)
(Non-Executive Director)

Mr. Takafumi Suzuki (DIN: 10458199)
(Non-Executive Director)

Mrs. Anuradha Ambar Bajpai (DIN: 07128141)
(Independent Director)

Ms. Nayantara Palchoudhuri (DIN: 00581440)
(Independent Director)

Mr. Alok Mehrotra (DIN: 01066025)
(Independent Director)

Mr. Joydeep Bhattacharjee (DIN: 02813496)
(Executive Director)

Key Managerial Personnel (as on March 31, 2026):

CFO- Mr. Rajiv Negandhi

Company Secretary- Ms. Snigdha Tripathi (till 08.05.2026)

Ms. Supriya Naik (w.e.f. 08.05.2026)

Statutory Auditors: M/s. S R B C & Co. LLP, Chartered Accountants, Mumbai
(ICAI Firm Registration No. 324982E / E300003)

Secretarial Auditors: M/s. Shreyans Jain & Co., Company Secretaries, Mumbai

Cost Auditor: M/s R C K & Co. Cost Auditors, Pune

Debenture Trustee:

IDBI Trusteeship Services Limited

Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai – 400001

+91 22 4080 7000 | itsl@idbitrustee.com

Registrar and Share Transfer Agent: NSDL Database Management Limited

Registered office address of Company:

5th Floor, JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai 400051

Phone: +91 022 4286 5100 | compliance@j2es.in

CIN: U24319MH2024PTC432825

Website: Contact: www.j2es.in

Factory Premises of Company: At post Gonde, Village Wadivarhe, Taluka Igatpuri, Dist. Nashik, Maharashtra 422403, India.

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