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(originally incorporated with limited liability in the Republic of India under the Companies Act, 1956)

US$500,000,000 4.75% Notes Due 2019

The US$500,000,000 4.75% Notes due 2019 (the "Notes") will be the unsecured senior obligations of JSW Steel Limited (the "Company"). The Notes will be unsecured obligations of the Company, rank *pari passu* with all of its other existing and future unsecured and unsubordinated obligations and be effectively subordinated to its secured obligations and the obligations of its subsidiaries.

The Notes will bear interest at a rate of 4.75% per year. Interest will be paid on the Notes semi-annually in arrear on May 12 and November 12 of each year, beginning on May 12, 2015. Unless previously redeemed or purchased and cancelled as provided in the terms and conditions of the Notes (the "Conditions"), the Notes will mature on November 12, 2019. If a Change of Control Triggering Event (as defined herein) occurs, each Noteholder (as defined herein) shall have the right to require the Company to redeem all of such Noteholders' Notes at 101% of their principal amount plus accrued and unpaid interest. Subject to the Conditions, the Company may also redeem all of the Notes at 100% of their principal amount plus accrued and unpaid interest if at any time the Company becomes obligated to pay additional withholding taxes as a result of certain changes in tax law. The Notes are also subject to certain covenants as described herein.

For a more detailed description of the Notes, see "Terms and Conditions of the Notes" beginning on page 131.

Payments on the Notes will be made in U.S. dollars without deduction for or on account of taxes imposed or levied by India to the extent described under "*Terms and Conditions of the Notes — Taxation*".

Issue Price for the Notes: 100%

Investing in the Notes involves certain risks. You should read "*Risk Factors*" beginning on page 25 before investing in the Notes.

Approval-in-principal has been received for the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the offering, the Company, the Group or associated companies or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws. Accordingly, the Notes are being offered and sold only to persons outside the United States in compliance with Regulation S under the Securities Act ("Regulation S"). For a description of certain restrictions on resales and transfers, see "*Transfer Restrictions*".

Each of the Notes will be represented by a global certificate (the "Global Certificate") in registered form which will be registered in the name of a common depositary for Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg") and Euroclear Bank S.A./N.V. ("Euroclear") on or about November 12, 2014. Individual certificates evidencing holdings of the Notes will only be issued in certain limited circumstances described under "*The Global Certificate*".

This Offering Memorandum has not been and will not be registered as a prospectus or a statement in lieu of prospectus in respect of a public offer, information memorandum or private placement offer letter or any other offering material with the Registrar of Companies in India in accordance with the Companies Act (as defined below) and other applicable laws in India for the time being in force. This Offering Memorandum has not been and will not be reviewed or approved by any regulatory authority in India or Indian stock exchange. This Offering Memorandum and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether by way of private placement or to the public in India.

The Notes are expected to be rated BB+ by Fitch Ratings ("Fitch") and Ba1 by Moody's Investor Service Inc. ("Moody's"). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Joint Lead Managers

citi ANZ CREDIT SUISSE Deutsche Bank Standard Chartered

The date of this Offering Memorandum is November 5, 2014.

NOTICE TO INVESTORS

The Company, as well as Citigroup Global Markets Singapore Pte. Ltd., Australia and New Zealand Banking Group Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, Singapore Branch and Standard Chartered Bank (the "Joint Lead Managers"), reserve the right to withdraw the offering of the Notes at any time or to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Notes offered hereby.

This Offering Memorandum is personal to the prospective investor to whom it has been delivered by the Joint Lead Managers and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Notes. Distribution of this Offering Memorandum to any person other than the prospective investor and those persons, if any, retained to advise that prospective investor with respect thereto is unauthorized, and any disclosure of its contents without the Company's prior written consent is prohibited. The prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing and agrees not to make any photocopies of this Offering Memorandum.

This Offering Memorandum is intended solely for the purpose of soliciting indications of interest in the Notes from prospective investors and does not purport to summarize all of the terms, conditions, covenants and other provisions contained in any transaction documents described herein. The information provided is not all-inclusive. The market information in this Offering Memorandum has been obtained by the Company from publicly available sources deemed by it to be reliable. Notwithstanding any investigation that the Joint Lead Managers may have conducted with respect to the information contained herein, the Joint Lead Managers do not accept any liability in relation to the information contained in this Offering Memorandum or its distribution or with regard to any other information supplied by or on the Company's behalf.

The Company confirms that, after having made all reasonable inquiries, this Offering Memorandum contains all information with regard to the Company, the Company and its subsidiaries taken as a whole (the "Group") and the Notes which is material to the offering and sale of the Notes, that the information contained in this Offering Memorandum is true and accurate in all material respects and is not misleading in any material respect and that there are no omissions of any other facts from this Offering Memorandum which, by their absence herefrom, make this Offering Memorandum misleading in any material respect. The Company accepts responsibility accordingly.

Prospective investors in the Notes should rely only on the information contained in this Offering Memorandum. None of the Company, the Joint Lead Managers, the Trustee or the Agents has authorized the provision of information different from that contained in this Offering Memorandum. The information contained in this Offering Memorandum is accurate in all material respects only as at the date of this Offering Memorandum, regardless of the time of delivery of this Offering Memorandum or of any sale of the Notes. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall under any circumstances imply that there has been no change in the Company's affairs and those of each of its subsidiaries or that the information set forth herein is correct in all material respects as at any date subsequent to the date hereof.

Prospective investors hereby acknowledge that (i) they have not relied on the Joint Lead Managers or any person affiliated with the Joint Lead Managers in connection with any investigation of the accuracy of such information or their investment decision, and (ii) no person has been authorized to give any information or to make any representation concerning the Company or the Notes (other than as contained herein and information given by the Company's duly authorized officers and employees, as applicable, in connection with investors' examination of the Company, and the terms of this offering) and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Company, the Joint Lead Managers, the Trustee, the Agents or Citibank Europe plc (the "Common Depository").

None of the Joint Lead Managers, the Company, the Trustee, the Agents and the Common Depository or their respective affiliates or representatives is making any representation to any offeree or purchaser of the Notes offered hereby regarding the legality of any investment by such offeree or purchaser under applicable legal investment or similar laws. None of the Joint Lead Managers, the Trustee, the Agents, the Common Depository or their respective affiliates or representatives makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Memorandum. To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee, the Agents or the Common Depository accepts any responsibility for the contents of this Offering Memorandum or for any other statement made or purported to be made by the Joint Lead Managers, the Trustee, the Agents or the Common Depository or on their behalf in connection with the Company or the issue and offering of the Notes. Each of the Joint Lead Managers, the Trustee, the Agents and the Common Depository accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Memorandum or any such statement.

Each prospective investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Company and the terms of the Notes being offered, including the merits and risks involved and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary. See "*Risk Factors*" for a discussion of certain factors to be considered. Any prospective investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

This Offering Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any Notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation in such jurisdiction.

The distribution of this Offering Memorandum and the offer and sale of the Notes may, in certain jurisdictions, be restricted by law. None of the Company, the Joint Lead Managers, the Trustee, the Agents or the Common Depository represents that this Offering Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Company or the Joint Lead Managers which would permit a public offering of any Notes or distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Each purchaser of the Notes (each, a "Noteholder") must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Offering Memorandum, and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales. Persons into whose possession this Offering Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of Offering Memorandum and the offering and sale of the Notes. In particular, there are restrictions on the offer and sale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, Singapore, the European Economic Area, India, Hong Kong and Japan and to persons connected therewith. See "*Subscription and Sale*".

In connection with the issue of the Notes, any of the Joint Lead Managers appointed and acting in its capacity as a stabilizing manager (the "Stabilizing Manager") or any person acting on behalf of the Stabilizing Manager may, to the extent permitted by applicable laws and directives, over-allot the Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail, but in so doing, the Stabilizing Manager or any person acting on behalf of the Stabilizing Manager shall act as principal and not as agent of the Company. However, there is no assurance that the Stabilizing Manager or any person acting on behalf of the Stabilizing Manager will undertake stabilization action. Any loss or profit sustained as a consequence of any such overallotment or stabilization shall be for the account of the Joint Lead Managers.

ENFORCEABILITY OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of India. Most of its directors and key management personnel named herein reside in India and a substantial portion of the assets of the Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process on the Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of the Company or such directors and executive officers under laws other than Indian law, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

Recognition and enforcement of foreign judgments is provided for under the Code of Civil Procedure, 1908 (the "Civil Code") on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India which the Government of India (the "Government") has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees, which are not amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalty, and does not apply to an arbitration award, even if such award is enforceable as a decree or judgment.

The United Kingdom, Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A, but the United States has not been so declared. A judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court would if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the Reserve Bank of India ("RBI") to repatriate outside India any amount recovered pursuant to such a judgment and any such amount may be subject to income tax in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment.

PRESENTATION OF FINANCIAL INFORMATION

Financial Data

In this Offering Memorandum, unless otherwise specified, all financial information is of the Group on a consolidated basis.

The annual audited consolidated financial statements of the Group as at and for the years ended March 31, 2012, 2013 and 2014 (collectively, the "Annual Financial Statements") and the reviewed consolidated financial statements of the Group as at and for the six month periods ended September 30, 2013 and 2014 (collectively the "Interim Financial Statements") have each been prepared in accordance with Indian GAAP and the Companies Act (as defined herein).

Indian GAAP differs in certain respects from generally accepted accounting principles in the International Financial Reporting Standards ("IFRS"). For a discussion of certain significant differences between Indian GAAP and IFRS, see "*Description of Certain Differences between Indian GAAP and IFRS*". In making an investment decision, investors must rely on their own examination of the Company, the terms of the offering and the financial information contained in this Offering Memorandum. Potential investors should consult their own professional advisers for an understanding of the differences between Indian GAAP and US GAAP or IFRS, and how these differences might affect their understanding of the financial information contained herein.

Information in the Annual Financial Statements and the Interim Financial Statements is, unless otherwise stated therein, stated in rupees in "crore" or "lac", whereas in the rest of this Offering Memorandum, financial information is stated in millions of rupees, unless otherwise specified. One crore is equal to 10 million and 10 lacs is equal to one million.

The Annual Financial Statements have been audited, and the Interim Financial Statements have been reviewed, by Deloitte Haskins & Sells LLP, Chartered Accountants, as set forth in their audit reports included herein.

Non-GAAP Financial Measures

As used in this Offering Memorandum, a non-GAAP financial measure is one that purports to measure historical financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable IFRS measures. From time to time, reference is made in this Offering Memorandum to such "non-GAAP financial measures", including EBITDA, or (unless otherwise specified) net profit before finance income and costs, taxation, depreciation, amortization and exceptional items and share of results of minority and associates, and net debt, or (unless otherwise specified) non-current borrowings plus current borrowings minus cash and cash equivalents, current and non-current restricted cash, and short-term investments. The Group's management believes that EBITDA, operating free cash flow, EBITDA/turnover, profit before tax/turnover, net debt to equity ratio, return on average net worth, return on average capital employed and other non-GAAP financial measures provide investors with additional information about the Group's performance, as well as ability to incur and service debt and fund capital expenditure, and are measures commonly used by investors. For more detailed information concerning EBITDA, see "*Summary Financial and Operating Data*". The non-GAAP financial measures described herein are not a substitute for IFRS measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

Rounding

Certain amounts and percentages included in this Offering Memorandum have been rounded. Accordingly, in certain instances, the sum of the numbers in a column may not equal the total figure for that column.

CERTAIN DEFINITIONS

In this Offering Memorandum, unless otherwise specified or the context otherwise requires, "the Company" refers to JSW Steel Limited, the listed parent company incorporated in India, and "the Group" refers to JSW Steel Limited and its consolidated subsidiaries and jointly controlled entities.

In this Offering Memorandum, unless otherwise specified, all financial statements and financial data are of the Group on a consolidated basis. In this Offering Memorandum, unless otherwise specified or the context otherwise requires, references to "$", "US$" or "U.S. Dollars" are to United States dollars, references to "Rs.", "rupee", "rupees" or "Indian Rupees" are to the legal currency of India, references to "Japanese Yen" and "JPY" are to the official currency of Japan and references to "the Euro", "EUR" or "€" are to the common currency of the Eurozone countries. References to a particular "fiscal year" are to the year ended March 31 of such year. In this Offering Memorandum, references to "U.S." or "United States" are to the United States of America, its territories and its possessions. References to "India" are to the Republic of India.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated, certain information concerning the exchange rates between Indian Rupees and U.S. Dollars. The exchange rates reflect the rates as reported by the RBI.

Period	Period end	Average	High	Low
2009[1]	50.95	45.91	52.06	39.89
2010[1]	44.94	47.43	50.53	44.94
2011[1]	44.65	45.58	47.57	44.03
2012[1]	51.16	47.95	54.24	43.95
2013[1]	54.28	54.43	57.33	50.52
2014[1]	59.89	60.47	68.85	53.67
April 2014	60.34	60.36	61.19	59.60
May 2014	59.10	59.32	60.26	58.34
June 2014	60.19	59.76	60.54	58.98
July 2014	60.25	60.06	60.33	59.72
August 2014	60.47	60.90	61.56	60.43
September 2014	61.61	60.86	61.61	60.26
October 2014 (through October 29)	61.32	61.33	61.75	61.04

(1) Represents the financial year ended March 31 of the year indicated.

The exchange rate on October 29, 2014 as reported by the RBI was Rs.61.3175 per US$1.00.

Although certain rupee amounts in this Offering Memorandum have been translated into U.S. Dollars for convenience, this does not mean that the rupee amounts referred to could have been, or could be, converted into U.S. Dollars at any particular rate, the rates stated above, or at all. Except as otherwise stated, Indian Rupee amounts as at and for the financial year ended March 31, 2014 and the six months ended September 30, 2014 were converted to U.S. Dollars at the exchange rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on September 30, 2014).

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

Certain statements in this Offering Memorandum are not historical facts and are forward-looking statements. This Offering Memorandum may contain words such as "believe", "could", "may", "will", "target", "estimate", "project", "predict", "forecast", "guideline", "should", "plan", "expect" and "anticipate" and similar expressions that are intended to identify forward-looking statements, but are not the exclusive means of identifying these statements. All statements regarding the Group's expected financial condition and results of operations and business plans and prospects are forward-looking statements. In particular, "*Summary*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Business*" contain forward-looking statements, including relating to market trends, capital expenditure and other factors affecting the Group that are not historical facts.

Forward-looking statements are subject to certain risks and uncertainties, including, but not limited to:

- changes in global economic, political and social conditions;
- changes in economic and political conditions and increases in regulatory burdens in India and other countries in which the Group operates, transacts business or has interests;
- the Group's substantial indebtedness and ability to meet its debt service obligations;
- the risk of a potential fall in steel prices or of price volatility;
- accidents and natural disasters in India or in other countries in which the Group operates or globally, including specifically India's neighboring countries;
- the Group's business and operating strategies and its ability to implement such strategies;
- the Group's ability to successfully implement its growth and expansion plans, technological changes, exposure to market risks and foreign exchange risks that have an impact on its business activities;
- the Group's ability to ensure continuity of senior management and ability to attract and retain key personnel;
- the implementation of new projects, including future acquisitions and financings;
- the availability and terms of external financing;
- the Group's ability to meet its capital expenditure requirements or increases in capital expenditure requirements;
- the Group's inability to successfully compete with other steel manufacturers;
- cost overruns or delays in commencement of production from the Group's new projects;
- changes in the Group's relationship with the Government and the governments of the countries in which the Group operates;
- changes in exchange controls, import controls or import duties, levies or taxes, either in international markets or in India;
- changes in laws, regulations, taxation or accounting standards or practices that affect the Group;
- changes in prices or demand for the products produced by the Group both in India and in international markets;
- changes in the value of the rupee against major global currencies and other currency changes;

- the ability of third parties to perform in accordance with contractual terms and specifications;
- any adverse outcome in legal proceedings in which the Group is or may become involved including, with respect to product liability claims;
- acquisitions and divestitures which the Group may undertake;
- changes in interest rates;
- significant fluctuations of the prices of raw materials, including iron ore and coal; and
- other factors, including those discussed in "Risk Factors".

Forward-looking statements involve inherent risks and uncertainties. If one or more of these or other uncertainties or risks materialize, actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, projects could be delayed, and anticipated improvements in capacity, performance or profit levels might not be fully realized. Although the Group believes that the expectations of its management as reflected by such forward-looking statements are reasonable based on information currently available to it, no assurances can be given that such expectations will prove to have been correct. Accordingly, you are cautioned not to place undue reliance on the forward-looking statements, which speak only as at the date they are made. The Company does not undertake any obligation to update or revise any of them, whether as a result of new information, future developments or otherwise.

TABLE OF CONTENTS

DEFINITIONS AND GLOSSARY

In addition to the terms that are otherwise defined in this Offering Memorandum, the following sets out the definitions of certain terms used in this Offering Memorandum.

AD Bank	Designated authorised dealer category I bank appointed in accordance with the ECB Guidelines
API	American Petroleum Institute
Audit Committee	Audit committee of the Board of Directors described in the section "Management"
Auditors	Statutory auditors of the Company, being Deloitte Haskins & Sells LLP, Chartered Accountants
Board or Board of Directors	Board of directors of the Company, unless otherwise specified
BOF	basic oxygen furnace
brownfield expansion	the expansion or upgrade of sites currently occupied by existing industrial or commercial facilities
BSE	BSE Limited
CAGR	compounded annual growth rate
CBI	Central Bureau of Investigation
CCI	Competition Commission of India
CEC	Central Empowered Committee
CIA	Central Intelligence Agency
CMN Act	Coal Mines (Nationalization) Act, 1973
Companies Act	Companies Act, 2013, together with rules and regulations thereunder or, where applicable, Companies Act, 1956, together with the rules and regulations thereunder, each as amended, supplemented or reenacted from time to time
Company	JSW Steel Limited as a standalone entity
Competition Act	Competition Act, 2002, as amended
Crore	10 million
crude steel	cast, solidified steel before further treatment
Directors	Directors of the Company
downstream	further processing of crude steel to produce finished steel products
DRI	direct reduced iron
DTAA	Double Taxation Avoidance Agreement

EAF	electric arc furnace method
EBITDA	Net profit before finance income and costs, taxation, depreciation, amortization and exceptional items and share of results of minority and associates. It is not a IFRS or GAAP measure
ECB	External commercial borrowing raised in accordance with the ECB Guidelines
ECB Guidelines	Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 and the circulars issued thereunder by the RBI including the Master Circular — External Commercial Borrowings and Trade Credits dated 1 July 2014, as amended from time to time
EIU	Economist Intelligence Unit
EPA	Environment (Protection) Act, 1986, as amended
Eurozone	the members of the European Union that have adopted the Euro as their common currency
FDT	Forest development tax
FEMA	Foreign Exchange Management Act, 1999, as amended, together with rules and regulations thereunder
FEMA Guarantees Regulations	Foreign Exchange Management (Guarantees) Regulations, 2000
finished product	steel ready for construction or manufacturing use
GAAR	provisions relating to general anti-avoidance rules
GDP	gross domestic product
Government	Government of India
greenfield project	a project on new land that has not been previously developed for industrial or commercial use
Group	JSW Steel Limited, its consolidated subsidiaries and jointly controlled entities
Hazardous Wastes Rules	The Hazardous Waste (Management and Handling) Rules, 1989 as amended, and as superseded by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
I D Act	Industrial Disputes Act, 1947, as amended
I.T. Act	Income Tax Act, 1961, as amended, together with rules and regulations thereunder
IBEF	India Brand Equity Foundation

IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IND AS	Indian Accounting Standards
Indian GAAP	Generally Accepted Accounting Practices in India, Accounting Standards notified under the Companies Act and the relevant provisions thereof
JFE	JFE Steel Corporation
Jindal Family	Mr. P.R. Jindal, Mr. Sajjan Jindal, Mr. Ratan Jindal and Mr. Naveen Jindal, and their wives and children, and Mrs. Savitri Devi Jindal
JSSL	JSW Severfield Structures Limited
JSW Group	JSW Steel Limited, JSW Energy Limited, JSW Infrastructure Limited, JSW Cement Limited and Jsoft Solutions Limited, their respective subsidiaries and holding companies, for the time being
KISMA	Karnataka Iron and Steel Manufacturers Association
km	kilometers
kt	1,000 tons
Lac	0.1 million
LIBOR	London Interbank Offered Rate
Lucchini	Lucchini RS S.p.A.
MC Rules	Mineral Concession Rules, 1960
MCA	Ministry of Corporate Affairs, Government of India
MCD Rules	Mineral Conservation and Development Rules, 1988
Minimum Wages Act	Minimum Wages Act, 1948, as amended
MMDR Bill	Mines and Minerals (Development and Regulation) Bill, 2011
mntpa	million net tons per annum
MoEF	Ministry of Environment and Forests
mt	million tons
mtpa	million tons per annum
MW	Megawatt
NCDs	non-convertible debentures

New Land Acquisition Act	Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013
NMP	National Mineral Policy, 2008
NVGs	National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business
RBI	Reserve Bank of India
Rs. or Rupees	Indian Rupees
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SGX-ST	Singapore Exchange Securities Trading Limited
Supreme Court	Supreme Court of India
ton	metric ton or 1,000 kilograms
tpa	tons per annum
tpd	tons per day
tph	tons per hour
Upstream	processing of raw materials and production of crude steel
US GAAP	Generally Accepted Accounting Principles in the United States of America
WSA	World Steel Association

SUMMARY

This overview highlights certain information contained in this Offering Memorandum. This overview does not contain all the information you should consider before investing in the Notes. You should read this entire Offering Memorandum carefully, including the sections entitled "Forward-Looking Statements and Associated Risks", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" included elsewhere in this Offering Memorandum and the financial information and the notes thereto set forth herein. To understand the terms of the Notes, you should carefully read the sections of this Offering Memorandum entitled "Terms and Conditions of the Notes".

Overview

JSW Steel Limited, a member of the JSW Group and part of the O.P. Jindal Organization, is an integrated manufacturer of a diverse range of steel products with an export presence in more than 100 countries. The JSW Group has diversified interests in mining, carbon steel, power, industrial gases, port facilities and cement. The Group offers an extensive portfolio of flat and long products, including hot rolled coils, sheets and plates, cold rolled coils and sheets, galvanized and galvalume products, pre-painted galvanized and galvalume products, TMT bars, wire rods and special steel bars, rounds and blooms, plates and pipes of various sizes. The Group is also one of the largest producers and exporters of coated flat steel products in India. The Group believes that it has one of the lowest conversion costs in the industry, primarily due to its efficient operations, high manpower productivity, the strategic location of its facilities and its state-of-the-art manufacturing facilities. The Group's Indian operations have a current installed crude steel capacity of approximately 14.3 mtpa, which comprises of 11.8 mtpa (approximately 83% of the capacity) of flat products and 2.5 mtpa (approximately 17% of the capacity) of long products. Since the Group's incorporation in 1994, it has grown its gross revenues to Rs.554,315.1 million (US$8,996.7 million) in the year ended March 31, 2014.

The Company is ranked seventh amongst the top world class steelmakers, according to World Steel Dynamics, based on a variety of factors. In particular, the Company achieved the highest rating on the following factors: conversion costs, yields, expanding capacity, location in high-growth markets and labor costs. This ranking puts the Group ahead of all other Indian steelmakers.

The Group has significantly expanded its steelmaking capacity at its Indian operations, which have increased from 1.6 mtpa in 2002 to 14.3 mtpa in 2013, both through organic and inorganic growth. The Group's Indian manufacturing facilities consist of: Vijayanagar Works in Karnataka (10 mtpa), Dolvi Works in Maharashtra (3.3 mtpa) and Salem Works in Tamil Nadu (1 mtpa), in addition to downstream facilities for its coated products division at Vasind, Tarapur and Kalmeshwar Works in Maharashtra. The Group's Indian facilities are strategically located near raw material sources and are well connected via ports and railways, thus helping the Group to maintain a low cost structure. The Group's overseas manufacturing facilities, located in Baytown, Texas, U.S., consist of a 1.2 mntpa plate mill, a 0.55 mntpa pipe mill and a 0.55 mntpa double jointing mill, along with a 0.35 mntpa coating line. The Baytown facility is also located near port facilities as well as key customers in the oil and gas industry. The Group intends to expand its Indian production capacity from the current 14.3 mtpa to 18 mtpa by 2016, through brownfield expansion at Vijayanagar Works and Dolvi Works.

For the year ended March 31, 2014, approximately 80% of the Company's net sales from sale of products were derived within India through a widespread sales and distribution network that sells its products directly to customers, wholesale traders and stock points. The Group's sales presence is especially strong in South and West India, where a large number of automotive manufacturers are located. The Group is particularly focused on retail sales through its JSW Shoppes. As at March 31, 2014, the Group had 450 JSW Shoppe outlets located throughout India. For the year ended March 31, 2014, approximately 20% of the Company's net sales from sale of products were derived from overseas markets. The Group has an export presence in more than 100 countries across five continents. The Group uses a combination of direct sales to customers and sales to international trading houses for its international sales. The Group intends to strengthen its international sales presence through inorganic opportunities and to that end, the Group has recently placed a binding bid for the takeover of rolling mills from Lucchini RS S.p.A. ("Lucchini") in Italy. The Group believes that this acquisition will help the Group make further inroads into the European market by leveraging Lucchini's existing customer relationships to increase its international sales.

The Group has entered into strategic joint ventures as well as acquired stakes in various entities which have enabled it to add more value-added products, enhance its global footprint, secure raw materials and increase its technological know-how. To strengthen its presence in structural steel, the Group entered into a 50:50 joint venture with UK-based Severfield-Reeve Structures Limited for the construction of a 35,000 tpa structural steel plant at Vijayanagar Works. The Group has further widened its product diversity into cutting edge flooring technology with composite metal decking through a joint venture with Structural Metal Decks Limited, UK. The Group also has a 49% stake in Georgia Steel LLC, which has a steel rolling facility with 175,000 tpa capacity designed to produce rebars through the hot rolling mill process by using steel billets. The Group also entered into a joint venture with Marubeni-Itochu Steel to set up steel service centers in North and West India for just-in-time solutions to the automotive, white goods and construction sectors which are expected to be operational by the end of 2014. In April 2014, the Group acquired a 50% equity stake in Vallabh Tinplate Private Limited, which has a capacity of 60,000 tpa, marking the Group's entry into the growing tinplate business in India. In August 2014, the Group entered into an agreement to acquire a 99.85% equity stake in Welspun Maxsteel, subject to certain regulatory approvals and closing conditions. The acquisition was completed on October 31, 2014. The acquisition is expected to provide DRI to Dolvi Works while the Group's subsidiary, Amba Coke River Limited, will supply surplus pellets to it, thereby reducing the Group's cost of production.

In order to effectively enhance its operational capabilities, expertise and technology, the Company entered into a strategic collaboration with JFE Steel Corporation ("JFE") of Japan to acquire energy reduction and environmental-friendly technologies, enabling it to produce high-end value-added steel products for the automotive and construction industries as well as optimize cost. JFE has also taken a 15% stake in the Company. The collaboration between JSW and JFE includes a general technology assistance agreement, which encompasses all facets of steelmaking and processing from raw material handling to rolling mills including energy control and savings; a technical assistance agreement encompassing the Group's new cold rolling mill; and a foreign collaboration agreement focusing on the manufacture of high-end auto-grade steel that was being imported into India.

The Group continues to focus on backward integration by investing in its resource base to secure critical raw materials. The Group has acquired coking coal mines in West Virginia, U.S. and has also acquired coal mining concessions in Mozambique and iron ore mining concessions in Chile. The Group believes that securing critical raw materials, either for sale in the global market or for direct use in its production, will help protect the Group from variations in raw material prices.

For the year ended March 31, 2014, the Group recorded net revenue from operations of Rs.512,196 million (US$8,313.0 million) and profit after taxes, minority interests and share of profit of associates of Rs.4,520 million (US$73.4 million). For the six months ended September 30, 2014, the Group recorded net revenue from operations of Rs.271,489 million (US$4,406.3 million) and profit after taxes, minority interests and share of profit of associates of Rs.14,053 million (US$228.1 million). The Group had net fixed assets of Rs.561,874 million (US$9,119.3 million) and a net debt to equity ratio of 1.56x as at September 30, 2014.

Competitive Strengths

The Group believes that the following competitive strengths can be leveraged to allow it to further enhance its position as a leading global steel producer.

Strategically located manufacturing facilities

The Group's strategically located facilities in South and West India provide the Group access to key automotive manufacturers in these regions as well as easy access to ports on both eastern and western coasts of India. All of the Group's facilities are well connected to rail and road networks. As a result of the facilities' strategic locations, the Group has enjoyed an approximate 60% market share in South and West India. Vijayanagar Works, India's first single location 10 mtpa steel plant, is located close to the rich iron ore belt of the Bellary-Hospet region in Karnataka and is well connected to the Group's dedicated port facilities at South West Port Limited in Goa and other port locations. Dolvi Works, with its strategic presence in Western India near Mumbai, has a captive jetty along with rail, road and seaport connections.

Salem Works, India's leading producer of long special steel products, is located near the automotive manufacturing hub in Southern India. The Group's strategically located facilities enable a reliable and cost efficient supply of raw materials and efficient delivery of finished steel products to the market. In addition, the Group believes its approximate 60% market share in South and West India is a result of its cost advantage in delivering finished steel products to customers in that region.

Leading technology

The Group believes it is a pioneer in introducing leading technologies in India. In order to maintain quality while lowering the cost of production, the Group has adopted a combination of industry leading technologies, including non-recovery coke ovens, blast furnace, DRI, twin shell Conarc, Corex and galvalume technology, in addition to other well established steelmaking methods.

The Corex process is used in combination with blast furnace technology at Vijayanagar Works. Dolvi Works is the first facility in India to adopt a combination of Conarc technology for steelmaking and Compact Strip Production for producing hot rolled coils. In addition, the Group's beneficiation plant at Vijayanagar is able to convert low grade iron ore to higher grade variants, thus allowing the Group to utilize lower grade iron ore and achieve significant cost savings. The adoption of various advanced technologies gives the Group the flexibility to blend coking coal of different quality for the manufacture of coke, produce pellets and sinter in the iron ore agglomeration process, make use of coal fines, utilize waste heat for power generation and produce galvalume products, each of which generates cost efficiencies for the Group. These advanced technologies also provide the Group with flexibility in the choice of raw materials and enable the Group to take advantage of market variances in the availability and price of raw materials.

At Vijayanagar Works, the Group has introduced an innovative new technology of mill scale briquetting, which reduces iron ore and lime consumption and helps to reduce waste. The Group has also developed methods to recover finer iron ore value from slime dumps, which has further helped in reducing consumption of iron ore while creating wealth from waste. The Group has also commissioned a micro pelletization plant at Vijayanagar Works for utilization of sludge and fine dust from de-dusting systems.

In addition, the Group's collaboration with JFE involves a general technology assistance agreement which encompasses all facets of steelmaking and processing from raw material handling to rolling mills, including energy control and savings. It also encapsulates a technical assistance agreement to set up a cold rolling mill and a foreign collaboration agreement focusing on the manufacture of high-end auto-grade steel and electrical steel.

Integrated and efficient operations

The Group is an integrated manufacturer of a diverse range of products, utilizing various industry leading technologies. The Group believes that it has one of the lowest conversion costs in the industry, primarily due to its efficient operations, high manpower productivity, the strategic location of its facilities and its state-of-the-art manufacturing facilities. The Group's integrated operations span from raw material processing units, such as beneficiation plants, pelletization and sinter plants, to downstream value addition capabilities, such as production of cold rolled and galvanized products. The facilities are well connected to rail, road and port for logistics support, which provides natural competitive advantages in terms of reliable and cost efficient supply of raw materials and delivery of finished steel products to the market. Most of the Group's domestic production facilities are serviced by captive power plants: Vijayanagar Works by captive power generation of 854 MW; Dolvi Works by a 55 MW power plant and long-term power purchase arrangement with JSW Energy Limited; Vasind Works and Tarapur Works by a 30 MW power plant; and Salem Works by a 60 MW power plant. Moreover, of the aggregate electricity of 999 MW generated by the Group's captive power plants, 284 MW is generated through waste gases and heat generated from operations, an environmentally friendly and cost efficient source. The Group also has tie-ups for utilities and industrial gases with its associate company Jindal Praxair Oxygen Company Private Limited and long-term tie-ups with British Oxygen Co, Praxair India Pvt. Ltd and INOX.

Backward integration and raw material security continue to be strategic priorities for the Group. Development activities for coal and iron ore mines are currently planned for Chile, U.S. and Mozambique. The Group believes that securing critical raw materials, either for sale on the global market or for direct use at its facilities, will help protect the Group from variations in raw material prices.

The high level of integration has reduced product development costs and production time, which in turn has enabled the Group to offer a shorter and more reliable delivery cycle to its customers.

Diversified product portfolio

The Group has a wide range of product offerings that cater to diversified end markets across geographies. The Group has significantly expanded its product portfolio through a mix of acquisitions, downstream capacity expansions and joint ventures with other leading steel companies. The Group offers an extensive portfolio of flat and long products, including hot rolled coils, sheets and plates, cold rolled coils and sheets, galvanized and galvalume products, pre-painted galvanized and galvalume products, TMT bars, wire rods and special steel bars, rounds and blooms, plates and pipes of various sizes. The Group believes that the breadth of the Group's product range gives it the flexibility to adapt its product mix to market demands and enables it to sustain through adverse economic conditions.

The Group is focused on value-added steel products. The strategic collaboration with JFE allows the Group to produce high-end value-added steel products for the automotive and construction industries. Moreover, the Group manufactures a wide range of value-added flat steel products, such as medium to high carbon steel, high tensile and high strength low-alloy steel grades for the automotive sector, American Petroleum Institute ("API") grade steel for the oil and gas sector, cold rolled close annealed coils, galvanized products and color coated products in the flat product segment and rebars, wire rods and structural steel in the long product segment. The Group currently has one of the largest galvanizing and galvalume and color coating production capacity in India and it is also one of the largest Indian exporters of coated flat steel products, with an export presence in more than 100 countries across five continents.

The Group believes that its recent venture into the highly value-added product of vinyl coated metal, which until recently has only been imported into India, will localize its sourcing and make it more affordable in the domestic market. To further enhance its product offerings, the Group is setting up an electrical steel facility at Vijayanagar Works.

The Group has entered into strategic joint ventures as well as acquired stakes in various entities which have enabled it to add more value-added products, enhance its global footprint, secure raw materials and increase its technological know-how. To strengthen its presence in structural steel, the Group entered into a 50:50 joint venture with UK-based Severfield-Reeve Structures Limited for the construction of a 35,000 tpa structural steel plant at Vijayanagar Works. The Group has further widened its product diversity into cutting edge flooring technology with composite metal decking through a joint venture with Structural Metal Decks Limited, UK. The Group also has a 49% stake in Georgia Steel LLC, which has a steel rolling facility with 175,000 tpa capacity designed to produce rebars through the hot rolling mill process by using steel billets. The Group also entered into a joint venture with Marubeni-Itochu Steel to set up steel service centers in North and West India for just-in-time solutions to the automotive, white goods and construction sectors which are expected to be operational by the end of 2014. In April 2014, the Group acquired a 50% equity stake in Vallabh Tinplate Private Limited, which has a capacity of 60,000 tpa, marking the Group's entry into the growing tinplate business in India. In August 2014, the Group entered into an agreement to acquire a 99.85% equity stake in Welspun Maxsteel, subject to certain regulatory approvals and closing conditions. The acquisition was completed on October 31, 2014. The acquisition is expected to provide DRI to Dolvi Works while the Group's subsidiary, Amba Coke River Limited, will supply surplus pellets to it, thereby reducing the Group's cost of production.

Strong project execution capabilities

The Group has a track record of successful project implementation by its in-house team instead of awarding turnkey contracts, resulting in cost savings, faster implementation and better quality control. The

Group has a highly experienced project management team supported by a cross functional team with demonstrated experience of several expansion projects completed within the planned timelines and cost. The Group leverages its long-term relationships with key domestic and international suppliers, which enables it to achieve timely delivery at a competitive cost, thus ensuring smooth project implementation. The Group's strong project execution capabilities have been recognized by several significant awards, including the Prime Ministry's Trophy for Excellence in Performance in 2012-2013 for Vijayanagar Works, which was also adjudged the Best Integrated Steel Plant in India. The Group also won the Golden Peacock Eco-Innovation Award 2013 and the 'Industry Leadership Award' at Platts Global Metals Awards for its achievements in Steel, Metals and Mining.

Skilled workforce led by an experienced management team

The Group's senior management team comprises members with diverse skills in manufacturing, sales and marketing, finance and supply chain management in the steel industry. Their extensive experience and understanding of the Group have been instrumental in building a sustainable global operation. In order to create an environment conducive to retaining talent, a clear goal setting agenda is in place to create a leadership pipeline. To encourage employees to think beyond their individual targets, the Group has institutionalized innovation projects, creating an innovation portal to allow employees to generate and apply ideas that enable the Group to operate effectively. The Group continuously invests in building and enhancing its competencies and encourages employees to participate in sponsored learning programs. The Group believes that the mix of experience and diversity of its management team gives it the ability to successfully execute its business strategy.

Strategy

The Group aims to enhance its position as a leading global steel producer through the following strategies.

Selective growth through brownfield expansion and greenfield projects as well as inorganic growth

The Group intends to leverage its proximity to iron ore reserves and its existing logistics infrastructure to expand its production capacity at a low investment cost per ton. The Group's strategy is to maintain its share of steel production in India, while locating the production of its finished products close to the markets in which they will be sold, in particular the Group's value-added products. The Group intends to maintain its domestic market share of approximately 13% to 14% through selective and inorganic growth. The Group will continue to undertake brownfield expansions, which can be accomplished at a low specific investment cost per ton, as well as consider inorganic growth opportunities that are value accretive.

The Group is currently undertaking brownfield expansions at Vijayanagar Works from its existing 10 mtpa to 12 mtpa and at Dolvi Works from its existing 3.3 mtpa to 5 mtpa, thereby increasing the Group's overall capacity to 18 mtpa by 2016.

On October 31, 2014, the Group acquired Welspun Maxsteel Limited, which has a gas based DRI plant located near Dolvi Works with an installed capacity of 0.9 mtpa. The facility has a captive jetty and a captive railway siding and has approximately 480 acres of surplus land available for future brownfield expansion. The Group believes that this acquisition has significant synergies as the Group shall supply its surplus pellets to the unit, resulting in a low cost of production of DRI which shall be used for steelmaking at Dolvi Works.

The Group is also proposing to set up an integrated steel complex at Salboni in West Bengal for which the environmental clearance for a 3 mtpa integrated steel plant and a 300 MW captive power plant was granted by the Ministry of Environment and Forests (the "MoEF"). This is part of a 10 mtpa steel plant which the Group proposes to set up as a part of its overall expansion plan.

Further diversification of the Group's product profile and customer base

Rising consumer aspirations and the inevitable growth in infrastructure spending are significant macro trends in India. The Group believes that these trends will lead to an increase in demand for steel. The Group has moved quickly to create a portfolio of relevant value-added products in anticipation of this change. The Group further intends to increase its proportion of high margin value-added products in its product mix so as to better withstand steel price volatility, to offer a broad-based suite of products to meet the growing requirements of customers and facilitate import substitution.

The Group intends to increase its focus on the production of medium and high carbon steel, high tensile and high strength low alloy steel for the automotive sector, and API grade steel for the oil and gas sector. Aligned with this strategy are the Group's expansion plans to set up a new 2.3 mtpa cold rolling mill at Vijayanagar Works. The first phase of this project has already been completed and the second phase is expected to be completed by the end of fiscal year 2015. In addition, the Group is also targeting to commission a 0.2 mtpa non-grain oriented electrical steel facility at Vijayanagar Works by the end of fiscal year 2015. The Group believes this project will allow it to address domestic requirements for high-grade electrical steel, which is primarily imported at present. The Group is further strengthening its position in the long product segment and is in the process of setting up new rebar mills at Vijayanagar Works and Dolvi Works to address the growth in the infrastructure and construction sectors. The Group believes that its entry into the highly value-added product of vinyl coated metal, which until recently has only been imported into India, will localize its sourcing and make it more affordable in the domestic market. The Group has further diversified into the tinplate business in India with its acquisition of a 50% stake in Vallabh Tinplate Private Limited.

The Group intends to further diversify its customer base, both within India and abroad. In India, the Group will continue to focus on developing the rural market, which the Group believes is less susceptible to economic cycles. To support this rural focus, the Group intends to further expand its rural distribution network by opening additional JSW Shoppe Connect outlets in rural parts of India. The Group also intends to expand its international sales outreach through inorganic growth opportunities. The Group has recently placed a binding bid for the takeover of rolling mills from Lucchini. The Group intends to leverage Lucchini's existing customer relationships to increase its export sales to the European market.

Focus on resource optimization

The Group is a leader in using sustainable and eco-friendly technologies to drive growth, as well as reducing cost and increasing energy efficiency. The Group will continue to invest in new technologies to enhance its operational productivity and efficiency and shall continuously review and assess new technologies, such as improvements to the Corex process, replacing natural gas with coke oven gas for its DRI plant at Dolvi Works and the use of galvalume technology. Advanced technologies will continue to be adopted across the Group's operations, ranging from power generation from waste gases and heat generated from its operations, non-recovery based coke making, using the beneficiation process to convert low grade iron ore and blending different varieties of coking coal for coke making, each of which improve operational efficiencies and reduce costs. The Group also attempts to minimize fresh water consumption by maximizing reutilization of treated waste water. The Group will continue its focus on reducing raw materials consumed per unit of steel produced by replacing virgin raw materials and recycling of waste.

Strengthening backward and forward integration

Backward integration and raw material security are key components of the Group's future strategy. The Group believes that securing critical raw materials, either for sale on the global market or for direct use at its facilities, will help protect the Group from variations in raw material prices. To this end, development activities for coal and iron ore mines are currently being planned in Chile, the U.S. and Mozambique. The Group will continue to evaluate additional raw material assets that fit within its strategic criteria and intends to look for further opportunities in India and abroad to secure key raw material supplies and to reduce its cost of production by targeting strategic tie-ups and investments in new technologies to achieve further backward integration.

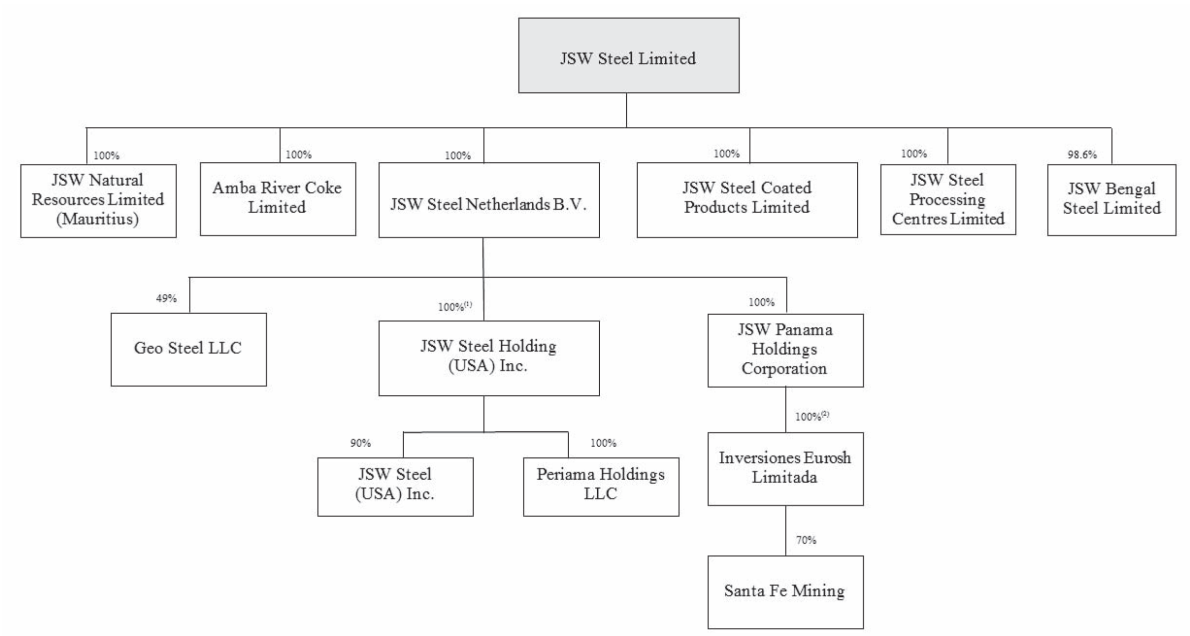
The Group intends to strengthen its forward integration by expanding its retail outlets to sell higher value-added products, both within India and abroad. For example, the Group's recent bid for Lucchini is expected to allow the Group to leverage Lucchini's existing customer relationships to increase the Group's sales in Europe.

Prudent balance sheet management

The Group operates in a capital intensive industry with a history of volatile prices. The Group therefore continuously seeks to improve its financial profile as it believes a strong financial position will be critical to support its future growth. The Group maintains a strong focus on cost management and prudent investment in new projects. The Group has developed robust financial principles and business criteria to assess potential acquisitions and expansions. The Group intends to manage its capacity expansion and debt profile so as to capture market opportunities without taking on excessive risk. The Group seeks to maintain a debt to equity ratio of less than or equal to 1.50x.

JSW Steel Limited — Corporate Structure Chart

As at the date of this Offering Memorandum, the chart below summarizes the Group's corporate structure, including its key subsidiaries. This is a summary chart only and does not show all of the Group's subsidiaries. For further details of the subsidiaries of the Group, see note 1 to the Group's Annual Financial Statements.



Note:

(1) JSW Steel Holding (USA) Inc. is held 99.9% by JSW Steel Netherlands B.V. and 0.1% by JSW Steel Limited.

(2) Inversiones Eurosh Limitada is held 94.9% by JSW Panama Holdings Corporation, 0.1% by JSW Steel Netherlands B.V. and 5% by JSW Steel Limited.

Corporate Information

The Company was incorporated with limited liability in the Republic of India on March 15, 1994 under the Companies Act, 1956 as "Jindal Vijayanagar Steel Limited". The Company's name was changed to "JSW Steel Limited" with effect from June 16, 2005. The Company's registered office is located at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India. The Group's website is http://www.jsw.in. Information contained on the Group's website does not constitute part of this Offering Memorandum.

SUMMARY FINANCIAL AND OPERATING DATA

The summary consolidated financial data for the Group and the summary non-consolidated financial data for the Company as at the end and for each of the years ended March 31, 2012, 2013 and 2014 and the six months ended September 30, 2013 and 2014 set forth below have been derived or calculated from the Annual Financial Statements and the Interim Financial Statements included elsewhere in this Offering Memorandum unless stated otherwise. The Annual Financial Statements and the Interim Financial Statements have been prepared in accordance with Indian GAAP. This financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Selected Financial Data and Other Information", "Capitalization", the Annual Financial Statements and the Interim Financial Statements set forth in this Offering Memorandum.

The Annual Financial Statements have been audited, and the Interim Financial Statements have been reviewed, by Deloitte Haskins & Sells LLP, Chartered Accountants, as set forth in their audit reports included herein.

Consolidated Statement of Profit and Loss of the Group

	Year ended March 31,				Six months ended September 30,		
	2012	2013	2014	2014	2013	2014	2014
	(Rs. million)			(US$ million)[1]	(Rs. million)		(US$ million)[1]
REVENUE							
Revenue from operations	369,642	415,778	554,315	8,996.6	253,381	294,018	4,772.0
Less: Excise duty	(25,962)	(33,682)	(42,119)	(683.6)	(20,836)	(22,530)	(365.7)
	343,681	382,097	512,196	8,313.0	232,544	271,489	4,406.3
Other income	769	697	858	14.0	703	802	13.0
TOTAL REVENUE	**344,449**	**382,794**	**513,054**	**8,327.0**	**233,247**	**272,290**	**4,419.3**
EXPENSES							
Cost of materials consumed	222,452	242,983	302,218	4,905.1	139,960	163,899	2,660.1
Purchase of stock-in-trade	775	118	2,156	35.0	1,114	1,474	23.9
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,437)	(1,524)	(1,922)	(31.3)	(4,667)	(14,580)	(236.6)
Cost of construction	489	109	888	14.4	327	156	2.5
Employee benefits expense	8,464	9,803	12,982	210.6	6,489	7,614	123.6
Finance costs	14,273	19,675	30,479	494.7	14,743	16,985	275.7
Depreciation and amortization	19,332	22,375	31,826	516.5	15,529	16,463	267.2
Other expenses	54,918	65,570	104,219	1,691.3	47,048	58,896	955.9
TOTAL EXPENSES	**316,266**	**359,107**	**482,846**	**7,836.7**	**220,542**	**250,908**	**4,072.3**
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	28,183	23,687	30,208	490.3	12,705	21,382	347.0
EXCEPTIONAL ITEMS							
Exchange loss (net)	(8,249)	(3,694)	(17,128)	(278.0)	(17,128)	—	—
PROFIT BEFORE TAX	**19,934**	**19,993**	**13,081**	**212.7**	**(4,423)**	**21,382**	**347.0**

	Year ended March 31,				Six months ended September 30,		
	2012	2013	2014	2014	2013	2014	2014
	(Rs. million)			(US$ million)[1]	(Rs. million)		(US$ million)[1]
TAX EXPENSES							
Current tax	4,113	5,151	4,441	72.1	129	5,051	82.0
Deferred tax	7,732	6,243	9,043	146.8	777	7,292	118.3
Less: MAT credit entitlement	(6,844)	(2,941)	(4,284)	(69.5)	(37)	(4,779)	(77.6)
	5,002	8,453	9,201	149.4	869	7,564	122.8
PROFIT AFTER TAX BUT BEFORE MINORITY INTERESTS AND SHARE OF PROFITS/LOSS OF ASSOCIATE	14,932	11,541	3,880	63.9	(5,291)	13,818	224.3
SHARE OF (LOSSES)/PROFIT OF MINORITY	189	(343)	(504)	(8.2)	(240)	(219)	(3.6)
SHARE OF (LOSSES)/PROFIT FROM ASSOCIATE (NET)							
Before exceptional items	(2,262)	(1,645)	135	2.2	77	16	0.3
Exceptional items	(7,104)	(608)	—	—	—	—	—
PROFIT FOR THE PERIOD	**5,377**	**9,631**	**4,520**	**73.7**	**(4,974)**	**14,053**	**228.1**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2014 and the six months ended September 30, 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on September 30, 2014.

Consolidated Balance Sheet of the Group

	As at March 31,				As at September 30,	
	2012	2013	2014	2014	2014	2014
		(Rs. million)		(US$ million)[(1)]	(Rs. million)	(US$ million)[(1)]
ASSETS						
NON-CURRENT ASSETS						
Fixed assets:						
Tangible assets	325,293	333,478	453,865	7,366.3	490,312	7,957.9
Intangible assets	388	547	976	15.8	923	15.0
Capital work-in-progress	28,018	58,544	93,290	1,514.1	68,637	1,114.0
Intangible assets under development	299	434	708	11.5	2,002	32.5
	353,998	393,004	548,838	8,907.7	561,874	9,119.4
Goodwill on consolidation	12,440	13,143	15,619	253.5	15,929	258.5
Non-current investments	18,856	16,064	5,947	96.5	5,557	90.2
Deferred tax assets (net)	3,162	2,152	—	—	26	0.4
Long-term loans and advances	28,180	33,420	51,317	832.9	52,440	851.1
Other non-current assets	144	160	175	2.8	180	2.9
	416,779	**457,943**	**621,896**	**10,093.4**	**636,007**	**10,322.5**
CURRENT ASSETS						
Current investments	2,040	1,435	680	11.0	—	—
Inventories	57,893	54,952	81,551	1,323.6	103,472	1,679.4
Trade receivables	14,620	21,063	22,924	372.0	27,372	444.3
Cash and cash equivalents	30,470	16,534	6,630	107.7	5,051	82.0
Short-term loans and advances	20,583	25,352	42,717	693.4	39,590	642.5
	125,605	119,336	154,503	2,507.7	175,484	2,848.1
	542,384	**577,280**	**776,399**	**12,601.1**	**811,490**	**13,170.7**
EQUITY AND LIABILITIES						
SHAREHOLDERS' FUNDS						
Share capital	5,632	5,632	10,672	173.2	10,672	173.2
Reserves and surplus	161,864	167,806	208,712	3,387.5	217,633	3,532.2
	167,496	173,437	219,383	3,560.7	228,305	3,705.4
MINORITY INTERESTS	2,177	1,972	1,670	27.1	1,487	24.1
NON-CURRENT LIABILITIES						
Long-term borrowings	128,891	173,932	267,026	4,334.1	276,020	4,479.9
Deferred tax liabilities (net)	30,412	34,872	21,234	344.5	28,318	459.6
Other long-term liabilities	4,722	6,004	9,100	147.6	7,955	129.1
Long-term provisions	350	412	596	9.7	658	10.7
	164,376	215,220	297,956	4,835.9	312,950	5,079.2
CURRENT LIABILITIES						
Short-term borrowings	13,758	16,530	48,871	793.2	53,797	873.1
Trade payables	97,141	102,513	116,993	1,898.9	124,602	2022.3
Other current liabilities	95,129	64,533	87,900	1,426.5	90,262	1465.0
Short-term provisions	2,308	3,075	3,625	58.8	87	1.4
	208,336	186,651	257,389	4,177.4	268,748	4361.8
	542,384	**577,280**	**776,399**	**12,601.1**	**811,490**	**13,170.6**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2014 and the six months ended September 30, 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on September 30, 2014.

Summary Consolidated Cash Flow Statement of the Group

	Year ended March 31,				Six months ended September 30,	
	2012	2013	2014	2014	2014	2014
	(Rs. million)			(US$ million)[(1)]	(Rs. million)	(US$ million)[(1)]
Statement of Cash Flow Data:						
Net cash generated from/(used in) operating activities	35,124	58,442	25,935	420.8	31,409	509.8
Net cash generated from/(used in) investing activities	(41,006)	(54,334)	(56,713)	(920.4)	(30,778)	(499.5)
Net cash generated from/(used in) financing activities	6,978	(7,909)	33,005	535.7	(2,412)	(39.2)
Net increase/(decrease) in cash and cash equivalents	1,096	(3,801)	2,227	36.1	(1,781)	(28.9)
Cash and cash equivalents considered for cash flow	6,825	3,024	5,756	93.4	3,975	64.5

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2014 and the six months ended September 30, 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on September 30, 2014.

Consolidated Results of Operations of the Group by Segment for the Years Ended March 31, 2012, 2013 and 2014 and the Six Months Ended September 30, 2013 and 2014

The following table sets forth segment revenue and segment results for the periods indicated.

	Segment revenue					Segment results				
	Year ended March 31,			Six months ended September 30,		Year ended March 31,			Six months ended September 30,	
	2012	2013	2014	2013	2014	2012	2013	2014	2013	2014
	(Rs. million)					(Rs. million)				
Steel	347,510	380,224	515,320	234,278	270,900	26,389	29,755	46,288	20,086	30,836
Power	27,109	41,295	40,783	20,393	19,247	5,356	10,819	14,394	6,993	7,913
Other	5,570	7,736	7,636	3,229	5,241	601	214	(143)	58	(445)
Eliminations	(36,508)	(47,158)	(51,543)	(25,356)	(23,900)	—	—	—	—	—
Total	**343,681**	**382,097**	**512,196**	**232,544**	**271,489**	**32,346**	**40,788**	**60,539**	**27,137**	**38,305**

Non-Consolidated Statement of Profit and Loss of the Company

	Year ended March 31,				Six months ended September 30,		
	2012	2013	2014	2014	2013	2014	2014
	(Rs. million)			(US$ million)(1)	(Rs. million)		(US$ million)(1)
REVENUE							
Revenue from operations	347,207	388,676	492,954	8,000.8	228,460	257,403	4,177.7
Less: Excise duty	(25,980)	(33,758)	(39,977)	(648.8)	20,022	21,404	347.4
	321,227	354,918	452,977	7,352.0	208,438	235,998	3,830.3
Other income	1,793	2,609	3,311	53.8	1,931	2,172	35.2
TOTAL REVENUE	**323,020**	**357,527**	**456,288**	**7,405.7**	**210,369**	**238,170**	**3,865.5**
EXPENSES							
Cost of materials consumed	209,601	225,904	267,058	4,334.4	122,916	143,627	2,331.1
Purchase of stock-in-trade	775	100	4,948	80.3	3,988	1,345	21.8
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,978)	(1,725)	(2,441)	(39.7)	(2,372)	(13,556)	(220.0)
Employee benefits expense	6,259	6,710	7,996	129.8	4,044	4,730	76.8
Finance costs	11,864	17,245	27,401	444.7	13,308	14,426	234.1
Depreciation and amortization	17,082	19,739	27,259	442.4	13,291	13,626	221.2
Other expenses	51,262	60,841	87,590	1,421.6	40,032	50,939	826.7
TOTAL EXPENSES	**293,864**	**328,814**	**419,811**	**6,813.5**	**195,206**	**215,136**	**3,491.6**
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	29,155	28,713	36,476	592.3	15,163	23,034	373.8
EXCEPTIONAL ITEMS							
Exchange loss (net)	(8,210)	(3,672)	(16,923)	(274.7)	16,923	—	—
PROFIT BEFORE TAX	**20,946**	**25,041**	**19,553**	**317.6**	**(1,760)**	**23,034**	**373.8**
TAX EXPENSES							
Current tax	4,024	5,014	4,098	66.5	—	4,777	77.5
Deferred tax	7,538	4,956	6,208	100.8	(565)	7,403	120.2
Less: MAT credit entitlement	(6,875)	(2,941)	(4,098)	(66.5)	—	(4,777)	(77.5)
	4,687	7,029	6,208	100.8	(565)	7,403	120.2
PROFIT FOR THE PERIOD	**16,259**	**18,012**	**13,345**	**216.8**	**(1,195)**	**15,631**	**253.6**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2014 and the six months ended September 30, 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on September 30, 2014.

Non-Consolidated Balance Sheet of the Company

	As at March 31,				As at September 30,	
	2012	2013	2014	2014	2014	2014
		(Rs. million)		(US$ million)[(1)]	(Rs. million)	(US$ million)[(1)]
ASSETS						
NON-CURRENT ASSETS						
Fixed assets:						
Tangible assets	270,717	276,045	372,251	6,041.7	384,042	6,233.1
Intangible assets	189	343	700	11.4	650	10.6
Capital work-in-progress	24,768	50,340	67,897	1,102.0	64,236	1,042.6
Intangible assets under development	270	406	678	11.0	1971	32.0
	295,944	327,133	441,526	7,166.1	450,899	7,318.3
Non-current investments	42,122	44,956	43,129	700.0	43,157	700.4
Long-term loans and advances	26,514	30,840	49,615	805.2	51,072	828.9
Other non-current assets	16	1	—	—	—	—
	364,596	**402,930**	**534,269**	**8,671.3**	**545,128**	**8,847.5**
CURRENT ASSETS						
Current investments	2,012	1,405	677	11.0	—	—
Inventories	51,791	47,991	61,966	1,005.8	79,668	1,293.0
Trade receivables	12,846	18,622	22,187	360.1	29,372	476.7
Cash and cash equivalents	29,560	14,018	4,657	75.6	3,353	54.4
Short-term loans and advances	44,408	61,188	60,501	981.9	60,998	990.0
	140,617	143,223	149,988	2,434.4	173,390	2,814.1
	505,213	**546,154**	**684,257**	**11,105.7**	**718,517**	**11,661.7**
EQUITY AND LIABILITIES						
SHAREHOLDERS' FUNDS						
Share capital	5,632	5,632	10,672	173.2	10,672	173.2
Reserves and surplus	179,343	193,742	232,170	3,768.2	244,321	3,965.4
	184,975	199,374	242,842	3,941.4	254,993	4,138.6
NON-CURRENT LIABILITIES						
Long-term borrowings	115,281	154,343	210,543	3,417.2	215,969	3,505.2
Deferred tax liabilities (net)	30,121	34,502	19,085	309.8	26,245	426.0
Other long-term liabilities	827	1,941	4,664	75.7	3,558	57.7
Long-term provisions	329	395	407	6.6	450	7.3
	146,558	191,181	234,699	3,809.3	246,221	3,996.2
CURRENT LIABILITIES						
Short-term borrowings	7,741	11,095	39,207	636.4	45,309	735.4
Trade payables	91,845	92,744	99,913	1,621.6	102,000	1,655.5
Other current liabilities	71,825	48,740	64,160	1,041.2	69,994	1,136.0
Short-term provisions	2,269	3,021	3,437	55.8	—	—
	173,680	155,599	206,716	3,355.0	217,303	3,526.9
	505,213	**546,154**	**684,257**	**11,105.7**	**718,517**	**11,661.7**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2014 and the six months ended September 30, 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on September 30, 2014.

Summary Non-Consolidated Cash Flow Statement of the Company

	Year ended March 31,				Six months ended September 30,	
	2012	2013	2014	2014	2014	2014
	(Rs. million)			(US$ million)[1]	(Rs. million)	(US$ million)[1]
Statement of Cash Flow Data:						
Net cash generated from/(used in) operating activities	21,393	39,247	52,742	856.4	21,232	344.6
Net cash generated from/(used in) investing activities	(39,281)	(44,512)	(47,375)	(769.0)	(23,602)	(383.1)
Net cash generated from/(used in) financing activities	19,676	1,240	(3,664)	(59.5)	774	12.6
Net increase/(decrease) in cash and cash equivalents	1,788	(4,026)	1,703	27.9	(1,597)	(25.9)
Cash and cash equivalents considered for cash flow	6,057	2,031	4,235	69.0	2,638	42.8

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2014 and the six months ended September 30, 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on September 30, 2014.

Non-Consolidated Results of Operations of the Company by Segment for the Years Ended March 31, 2012, 2013 and 2014 and the Six Months Ended September 30, 2013 and 2014

The following table sets forth segment revenue and segment results for the periods indicated.

	Segment revenue					Segment results				
	Year ended March 31,			Six months ended September 30,		Year ended March 31,			Six months ended September 30,	
	2012	2013	2014	2013	2014	2012	2013	2014	2013	2014
	(Rs. million)					(Rs. million)				
Steel	330,576	360,781	463,346	213,440	239,567	33,892	32,536	46,609	19,400	29,617
Power	27,109	41,295	39,210	19,729	18,627	5,356	10,819	14,045	7,140	7,841
Other	—	—	490	—	1,187	—	—	(21)	—	180
Eliminations	(36,459)	(47,158)	(50,068)	(24,731)	(23,383)	—	—	—	—	—
Total	**321,227**	**354,918**	**452,977**	**208,439**	**235,998**	**39,248**	**43,355**	**60,633**	**26,540**	**37,638**

The Group's Key Operating and Financial Information

This disclosure is intended to assist in understanding the trends in the operating and financial information of the Group included in this Offering Memorandum.

	Year ended March 31,			Six months ended September 30,	
	2012	2013	2014	2013	2014
Total revenue (Rs. million)[7]	344,449	382,794	513,054	233,247	272,290
EBITDA (Rs. million)[1]&[7]	61,018	65,041	91,656	42,274	54,029
Capital expenditure outflow (Rs. million)	40,795	56,301	57,629	35,433	32,685
Operating free cash flow[2]&[7] (Rs. million)	20,224	8,740	34,027	6,841	21,344
Net profit before tax (Rs. million)	19,934	19,993	13,081	(4,423)	21,382
Profit after tax (Rs. million)	5,377	9,631	4,520	(4,974)	14,053
EBITDA/turnover[3] (%)	17.75%	17.02%	17.89%	18.18%	19.90%
Profit before tax/turnover (%)	5.80%	5.23%	2.55%	(1.90%)	7.88%
Net debt to equity ratio (times)[4]	0.98	1.11	1.54	1.44	1.56%
Return on average net worth[5]&[7] (%)	3.19%	5.58%	2.28%	(2.61%)	6.23%
Return on average capital employed[6]&[7] (%)	11.13%	10.44%	11.83%	5.72%	6.21%

(1) EBITDA: profit (loss) for the year/period +(-) share of losses/profit from associate +(-) share of losses/profit of minority +(-) taxes + exceptional items + depreciation + finance charges - other income

(2) Operating free cash flow: EBITDA - capital expenditure outflow

(3) Turnover: revenue from operations less excise duty

(4) Net debt to equity: net debt ÷ net worth
(Net debt: long-term borrowings + short-term borrowings + current maturities of long-term borrowings - cash and bank balances - current investments)
(Net worth: shareholders' funds + minority interests)

(5) Return on average net worth: profit for the year/period ÷ average net worth
(Net worth: shareholders' funds + minority interests)

(6) Return on average capital employed: EBIT ÷ average capital employed
(Capital employed: net worth + long-term borrowings + short-term borrowings + current maturity of long-term borrowings + deferred tax liabilities(net))
(EBIT: EBITDA - depreciation)

(7) As used in this Offering Memorandum, a non-GAAP financial measure is one that purports to measure historical financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable Indian GAAP measures. From time to time, reference is made in this Offering Memorandum to such "non-GAAP financial measures", primarily EBITDA, or (unless otherwise specified) net profit before finance income and costs, taxation, depreciation, amortization and exceptional items and share of results of minority and associates, and net debt, or (unless otherwise specified) non-current borrowings plus current borrowings minus cash and cash equivalents, current and non-current restricted cash, and short-term investments. The Group's management believes that EBITDA, operating free cash flow, EBITDA/turnover, profit before tax/turnover, net debt to equity ratio, return on average net worth, return on average capital employed and other non-GAAP financial measures provide investors with additional information about the Group's performance, as well as ability to incur and service debt and make capital expenditures, and are measures commonly used by investors. The non-GAAP financial measures described herein are not a substitute for Indian GAAP measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

Non-GAAP Financial Measures

The following table reconciles Group's profit after tax under Indian GAAP to the Group's definition of EBITDA for the periods indicated:

	Year ended March 31,			Six months ended September 30,	
	2012	2013	2014	2013	2014
			(Rs. million)		
EBITDA	61,018	65,041	91,656	42,274	54,029
Adjustments					
Other income	769	697	858	702	802
Finance costs	(14,273)	(19,675)	(30,479)	(14,743)	(16,985)
Depreciation and amortization	(19,332)	(22,375)	(31,826)	(15,529)	(16,463)
Exceptional Items — Exchange loss (net)	(8,249)	(3,694)	(17,128)	(17,128)	—
Tax expenses					
Current tax	(4,113)	(5,151)	(4,441)	(129)	(5,051)
Deferred tax	(7,732)	(6,243)	(9,043)	(777)	(7,292)
Less: MAT credit entitlement	6,844	2,941	4,284	37	4,779
Share of (losses)/profit of minority	(189)	343	504	240	219
Share of (losses)/profit from associate (net)					
Before exceptional items	(2,262)	(1,645)	135	77	16
Exceptional items	(7,104)	(608)	—	—	—
Total adjustments	(55,641)	(55,410)	(87,136)	(47,248)	(39,976)
Profit after tax	5,377	9,631	4,520	(4974)	14,053

THE OFFERING

The following is a brief summary of the terms of this offering and is qualified in its entirety by the remainder of this Offering Memorandum. This summary is derived from, and should be read in conjunction with, the full text of the "Terms and Conditions of the Notes" and other information included in this Offering Memorandum.

Company..	JSW Steel Limited (the "Company")
Notes Offered	US$500,000,000 4.75% Notes due 2019 (the "Notes")
Joint Lead Managers......................	Citigroup Global Markets Singapore Pte. Ltd., Australia and New Zealand Banking Group Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, Singapore Branch and Standard Chartered Bank
Issue Price	100%
Maturity Date	November 12, 2019
Interest...	The Notes will bear interest from and including November 12, 2014 (the "Issue Date") at the rate of 4.75% per annum from, and including, the Issue Date to, but excluding November 12, 2019 payable semi-annually in arrear on May 12 and November 12 of each year. The first payment (for the period from, and including November 12, 2014 to, but excluding May 12, 2015) will be made on May 12, 2015.
Registrar	Citigroup Global Markets Deutschland AG
Trustee	Citicorp International Limited
Principal Paying Agent and Transfer Agent............................	Citibank, N.A., London Branch
Status of the Notes	The Notes constitute (subject to Condition 4.2 (*Covenants*)) direct, general, unsecured and unsubordinated obligations of the Company and will rank at all times *pari passu* without any preference among themselves and at least equally with all other present and future outstanding unsecured and unsubordinated obligations of the Company but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
Form and Denomination of the Notes..	The Notes will be issued in fully registered form and in the denomination of US$200,000 each and integral multiples of U.S.$1,000 in excess thereof. The Notes shall initially be represented by Global Certificates in the aggregate principal amount of the Notes registered in the name of a common nominee for, and held by or to the order of a depositary (the "Common Depositary") common to, Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*. See "*Summary of Provisions Relating to the Notes in Global Form*".

Redemption for Tax Reasons	The Notes may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if: (a) the Company has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the official application or interpretation of such laws or regulations; and (b) such obligation cannot be avoided by the Company taking reasonable measures available to it, *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Notes then due. See "*Terms and Conditions of the Notes — Redemption and Purchase — Redemption for Taxation Reasons*". ECB Guidelines at the time of such redemption may require the Company to obtain the prior approval of RBI or the AD Bank before effecting a redemption of the Notes prior to its stated maturity date and such approval may not be forthcoming. See "*Risk Factors — Risks Related to the Notes — Early redemption of Notes prior to its stated average maturity may require the prior approval of RBI or the AD Bank in accordance with the ECB Guidelines*".
Redemption for a Change of Control Triggering Event	If a Change of Control Triggering Event (as defined below) occurs with respect to the Company, each Noteholder shall have the right at such Noteholder's option, to require the Company to redeem all of such Noteholder's Note in whole but not in part at 101% of their principal amount plus accrued and unpaid interest, if any, to and including the date of purchase, in accordance with the Conditions. See "*Terms and Conditions of the Notes — Redemption and Purchase — Redemption for a Change of Control Triggering Event.*" ECB Guidelines at the time of such redemption may require the Company to obtain the prior approval of RBI or the AD Bank before effecting a redemption of the Notes prior to its stated maturity date and such approval may not be forthcoming. See "*Risk Factors — Risks Related to the Notes — Early redemption of Notes prior to its stated average maturity may require the prior approval of RBI or the AD Bank in accordance with the ECB Guidelines*".
Events of Default...........................	For a description of events that would permit acceleration of repayment of principal and interest of the Notes see "*Terms and Conditions of the Notes — Events of Default*."

	ECB Guidelines at the time of such redemption in the case of an Event of Default, may require the Company to obtain the prior approval of RBI or the AD Bank in accordance with ECB Guidelines before effecting a redemption of the Notes prior to its stated maturity date and such approval may not be forthcoming. See "*Risk Factors — Risks Related to the Notes — Early redemption of Notes prior to its stated average maturity may require the prior approval of RBI or the AD Bank in accordance with the ECB Guidelines*".
Covenants	The Company has agreed in the Trust Deed constituting the Notes and the Conditions related thereto to observe certain covenants, including, among other things, limitation on indebtedness, negative pledge, limitation on asset sales, consolidation and merger and reporting covenants. For details see "*Terms and Conditions of the Notes — Covenants*.
Suspension of Covenants	If, on any date following the date of the Trust Deed, the Notes are rated Investment Grade from both of the Rating Agencies and no Default or Event of Default has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, (i) at which the Notes cease to be rated Investment Grade from either of the Rating Agencies or (ii) an Event of Default occurs and is continuing, Condition 4.1 (*Limitation on Indebtedness*) and Condition 4.3 (*Limitation on Asset Sales*) will not apply to the Notes. Such Conditions will be reinstituted and apply according to their terms as of and from the first day on which a Suspension Event ceases to be in effect. Such Conditions will not, however, be of any effect with regard to actions of the Company properly taken in compliance with the provisions of the Trust Deed during the continuance of the Suspension Event, and no Default will be deemed to have occurred as a result of a failure to comply with such covenants during such period. See "*Terms and Conditions of the Notes — Covenants — Suspension of Covenants*."
Meetings of Noteholders	The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.
Withholding Tax and Additional Amounts	The Company will pay such additional amounts as may be necessary in order that the net payment received by each Noteholder in respect of the Notes, after withholding for any taxes imposed by tax authorities in an Relevant Jurisdiction upon payments made by or on behalf of the Company or the Company, as the case may be, in respect of the Notes, will equal the amount which would have been received in the absence of any such withholding taxes, subject to the customary exceptions, as described in "*Terms and Conditions of the Notes — Taxation*".

	The payments to be made by the Company have to be within the 'all-in cost' ceiling prescribed by the RBI in the ECB Guidelines. The Company shall seek the approval of the RBI for making any payments in excess of the 'all-in cost' ceiling prescribed in the ECB Guidelines and such approval may not be forthcoming.
Selling Restrictions........................	There are restrictions on the offer, sale and transfer of the Notes in, among others, Singapore, India, the United States, the European Economic Area, the United Kingdom, Hong Kong and Japan. For a description of the selling restrictions on offers, sales and deliveries on the Notes, see "*Subscription and Sale*".
Identification Numbers	ISIN: XS1133588233. Common Code: 113358823.
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance, with English law.
Risk Factors..................................	For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see "*Risk Factors*".
Listing	The Company has obtained approval-in-principle for the listing of the Notes on the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.
Clearing System.............................	The Notes will be represented by beneficial interests in the Global Certificate, which will be registered in the name of a common depositary for Clearstream, Luxembourg and Euroclear, and deposited on or about the Closing Date. Beneficial interests in the Global Certificate will be shown on and transfers thereof will be effected only through records maintained by of Euroclear or of Clearstream, Luxembourg.
Use of Proceeds	The Company intends to use all of the proceeds to fund the prepayment, repayment and refinancing of certain of its outstanding Rupee-denominated term loans availed for capital expenditure purposes in accordance with the approval dated October 21, 2014 received from RBI and other purposes in accordance with the ECB Guidelines. See "*Description of Material Indebtedness*".

This Offering Memorandum contains forward-looking statements that involve risks and uncertainties. Prospective investors should carefully consider the risks and uncertainties described below and the information contained elsewhere in this Offering Memorandum before making an investment in the Notes. In making an investment decision, each investor must rely on its own examination of the Group and the terms of the offering of the Notes. The risks described below are not the only ones faced by the Group or investments in India in general that may adversely affect the Company's ability to make payment on the Notes. The Group's business, prospects, financial condition, cash flows and results of operations could be materially adversely affected by any of these risks. Additional risks not currently known to the Group or that the Group currently deems immaterial may also impair the business, prospects, financial condition, cash flows and results of operations of the Company or the Group.

Risks Relating to the Group

The steel industry is cyclical in nature and the Group's performance, including operating margin, is affected by a variety of factors, including demand and supply of steel products and domestic and global economic conditions.

The steel industry, like most capital intensive commodity industries, is cyclical in nature. International steel production has fluctuated significantly in recent years depending upon demand and supply in the industry. Steel prices fluctuate based on a number of factors, such as the availability and cost of raw material inputs, steel demand, worldwide production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as the automotive, construction, packaging, appliance, machinery, equipment and transportation industries, which are among the biggest consumers of steel products. Moreover, the industries in which a large proportion of the Group's customers operate, such as the automotive, construction and oil and gas industries, are also cyclical in nature, and this too can result in adverse fluctuations in the demand for, and prices of, the Group's steel products.

The Group's operating margins are substantially affected by variations in the realized sales prices of the Group's products, which, in turn, are influenced by a variety of factors, including fluctuations in demand and supply of steel products domestically and internationally, general economic conditions, movements in the international price of steel products, capacity expansion by major producers, purchases made by traditional bulk steel end users or their customers and slowdowns in basic manufacturing industries. Further, demand for the raw materials necessary for the production of steel products, such as iron ore and coal, is generally correlated with the demand for steel products and the availability and price of key raw materials also affect the Group's operating margins.

The Company sells the majority of its products to the domestic market, with Indian customers accounting for approximately 80% and 82% of the Company's net sales of products for the year ended March 31, 2014 and the six months ended September 30, 2014, respectively. The Group may be affected by significant downturns and disruptions in the Indian market for a sustained period, which may be reflected in steep and sustained reductions in the price of steel in India. In 2013, while global steel consumption growth has increased by 3.6%, growth of consumption in India increased only by 2.8%. A period of lower growth or lower public spending on infrastructure in Europe or in the United States, or significantly slower growth or the spread of recessionary conditions to emerging economies that are substantial consumers of steel (such as China, Brazil, Russia and India, as well as emerging Asian markets, the Middle East and the Commonwealth of Independent States regions) would have a material adverse effect on the steel industry. Emerging countries, including India, remain vulnerable to the ongoing tapering of quantitative easing in the United States. There can be no assurance that the future global events will not have an adverse effect on the Indian economy and the Group's business, financial condition and results of operations.

The steel industry is characterized by heavy reliance on and volatility in the prices of raw materials including mismatches between trends in prices for raw materials as well as limitations on or disruptions in the supply of raw materials, which could adversely affect the Group's profitability.

The primary raw materials that the Group uses in the production of steel are iron ore and coal. In addition, the Group's operations require substantial amounts of other raw materials and utilities, including various types of limestone, alloys, refractories, oxygen, fuel and gas. The cost of raw materials consumed accounted for the single largest component of the Group's cost base and amounted to approximately 58.9% and 60.2% of consolidated total revenue for the year ended March 31, 2014 and the six months ended September 30, 2014, respectively. The price and availability of raw materials may be adversely affected by a number of factors that are beyond the Group's control, including interruptions in production by suppliers, demand for raw materials, supplier allocation to other purchasers, price fluctuations and transport costs, among others. In the event that the Group is unable to procure raw materials in sufficient quantities, at acceptable prices, in a timely manner, or at all, the Group's operations may be disrupted, resulting in a reduction of production volumes or complete cessation of production. Any such disruption may adversely impact the Group's business, financial condition and results of operations.

The Group may be at a comparative disadvantage to more integrated competitors who have secure or more diversified sources of key raw materials. Any shortage or termination in supply of raw materials may lead to partial or full closure of the Group's facilities, thereby adversely impacting its production schedules and output. Further, any disruption in the Group's suppliers' operations may result in unavailability of raw materials to the Group and a disruption to its operations.

Further, in July 2011, the Supreme Court of India ordered suspension of iron ore mining activity in Bellary, Chitradurga and Tumkur districts in Karnataka on grounds of certain environment related violations. In April 2013, the Supreme Court allowed resumption of mining operations at certain compliant mines. However, non-compliant mines had their mining licenses cancelled and a bidding process for allotment of these mines was ordered. This suspension on mining in certain areas and several procedural, logistics and pricing constraints in the auction method have resulted in poor availability and inconsistent quality of iron ore and have significantly impacted the availability of iron ore in Karnataka, where the Group's Vijayanagar Works is located, as well as in adjoining areas. The Supreme Court had also banned mining activities in Goa and Odisha in 2012 and 2014, respectively, which have been partially lifted by the Supreme Court recently. While the Group's technological competence to convert low grade iron-ore to higher grade has helped it in meeting the Group's raw material requirements to some extent and the resumption of mining has been allowed at certain compliant mines in Karnataka, there can be no assurance that the aforesaid suspension would not have a material adverse effect on the Group's business, financial condition and results of operations.

In recent years, many steel companies have been focused on acquiring raw materials around the world in an effort to limit their exposure to the volatility and instability of the markets for raw materials. To the extent such companies use these raw materials in their own steel production, these acquisitions will further limit the supply of these raw materials available for purchase in the global markets. Any prolonged interruption in the supply of raw materials or energy, or failure to obtain adequate supplies of raw materials or energy at reasonable prices or at all, or increases in costs which the Group cannot pass on to its customers, could have a material adverse effect on its business, financial condition, results of operations or prospects.

The Group is also susceptible to sustained upward movements in the cost of key raw materials and any significant increase in the prices of raw materials would increase the Group's manufacturing costs and adversely affect its business, financial condition and results of operations. For example, price of iron ore fluctuated between US$106.75/ton and US$143.75/ton during fiscal year 2014 while price of coking coal fluctuated between US$124.85/ton and US$172.75/ton during the same period. There can be no assurance that the Group will be able to pass on part or the whole of the increased cost to its customers.

Overcapacity and oversupply in the global steel industry may adversely affect the Group's profitability.

In recent years, driven in part by strong growth in steel consumption in emerging markets, particularly in China, the global steel industry has experienced an expansion of steel production capacity. According to the WSA, China is the largest steel producing country in the world, accounting for 49% of global production in 2013, with the balance between its domestic production and demand being an important factor in the determination of global steel prices. As a result, Chinese steel exports may have a significant impact on steel prices in markets outside of China, including in the markets where the Group operates. In addition, there have also been various capacity expansion plans announced in India, which is expected to substantially increase steel production capacity in India's private sector. This increased production capacity, combined with a decrease in demand, could result in production overcapacity in the global steel industry. Such production overcapacity in the global steel industry would intensify if the stagnation of the global economy is prolonged or demand from developing countries that have experienced significant growth in the past several years does not meet the growth in production capacity. Any production overcapacity and oversupply in the steel industry would likely cause increased competition in steel markets around the world which would likely lead to reduced profit margins for steel producers, and would also likely have a negative effect on the Group's ability to increase steel production in general. No assurance can be given that the Group will be able to continue to compete in such an economic environment or that a prolonged stagnation of the global economy or production overcapacity will not have a material adverse effect on the Group's business or prospects.

If industry-wide steel inventory levels are high, customers may draw from inventory rather than purchase new products, which would adversely affect the Group's revenue and profitability.

Above-normal industry inventory levels can cause a decrease in demand for the Group's products and thereby adversely impact its revenue. High industry-wide inventory levels of steel reduce the demand for production of steel because customers can draw from inventory rather than purchase new products. This reduction in demand could result in a corresponding reduction in prices and sales, both of which could contribute to a decrease in profitability. Industry-wide inventory levels of steel products can fluctuate significantly from period to period.

The Group may not be able to successfully implement, sustain or manage its growth strategy.

The Group's growth strategy includes completion of brownfield expansion projects, capacity enhancement through the establishment of new greenfield projects, increasing focus on forward and backward integration, diversifying its product profile, prudent management of its financial position and investing in technology to improve cost efficiency and reduce wastage. However, there can be no assurance that the Group will be able to implement, sustain or manage this strategy successfully or that it will be able to expand further successfully.

If the Group grows its business too rapidly or fails to make proper assessments of credit risks associated with acquisitions of its investments in other companies, it may become significantly exposed to debt incurred for the purpose of the acquisitions or investments, which would have a negative impact on the Group's financial condition.

While the Group has been expanding its steelmaking capacity at Vijayanagar Works and other facilities and it plans to undertake greenfield projects in West Bengal and Jharkhand, this increased production capacity, combined with weakening demand primarily due to the protracted slowdown of the global economy, may result in production over capacity in the global and domestic steel industry. Over capacity in the global steel industry may intensify if the slowdown of the global economy is prolonged or if demand from developing countries does not meet the recent growth in production capacity. If the Group is unable to achieve optimal capacity utilization with its new or expanded facilities, there could be a material adverse effect on its business, financial condition and results of operations.

The Group's expansion plans require significant expenditure and, if it is unable to obtain the necessary funds for expansion, the Group's business may be adversely affected.

The Group has already invested and proposes to continue to make significant investments towards improving and increasing its existing capacity at certain of its facilities. For further details of the Group's expansion plans, see "*Business — Facilities*". The Group will need significant additional capital to finance its expansion plans. To the extent that the Group's capital expenditure requirements exceed its available resources, the Group will be required to seek additional debt or equity financing. Additional debt financing could increase the Group's interest costs and require it to comply with additional restrictive covenants in its financing agreements.

The Group's ability to finance its capital expenditure plans is subject to a number of risks, contingencies and other factors, some of which are beyond its control, including tariff regulations, borrowing or lending restrictions, if any, imposed by the RBI or other regulatory or government organizations and general economic and capital markets conditions. Furthermore, adverse developments in the Indian and international credit markets may significantly increase the Group's debt service costs and its overall costs of funds. Even though a substantial portion of the required debt is already committed for the expansion projects, there can be no assurance that the Group will be able to raise additional financing on acceptable terms in a timely manner or at all. The Group's failure to renew existing funding or to obtain additional financing on acceptable terms in a timely manner could materially and adversely impact the Group's planned capital expenditure, business and profitability.

In the event of adverse market conditions, or if actual expenditure exceeds planned expenditure, the Group's external financing activities and internal sources of liquidity may not be sufficient to support current and future expansion plans, and the Group may be forced to, or may choose to, delay or terminate the expansion of the capacity of certain of its facilities, the construction of new facilities or the acquisition of new businesses. The Group's ability to arrange external financing and the cost of such financing, as well as the Group's ability to raise additional funds through the issuance of equity, equity-related or debt instruments in the future, is dependent on numerous factors. These factors include general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, the success of the Group, provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital, the political and economic conditions in the geographic locations in which the Group operates, the amount of capital that other entities may seek to raise in the capital markets, the liquidity of the capital markets and the Group's business, financial condition and results of operations.

Further, any debt the Group may raise may be required to be rated by credit rating agencies on an ongoing basis. Any fall in ratings for existing debt may impact the Group's ability to raise additional financing or may increase the cost of servicing debt due to renegotiation of lending terms by the Group's lenders. Further, the Group may not be able to receive adequate debt funding on commercially reasonable terms in India and may be required to seek funding internationally, which may result in exposure to higher interest rates and may have a material adverse impact on the Group's business, financial condition and results of operations.

There can also be no assurance that the actual costs incurred, the production capacity added or time taken for implementation of the Group's expansion plans will not vary from the estimated parameters. In the event of any significant cost overruns, the Group may need to incur additional indebtedness or may need to raise capital through other sources, which may have a material adverse impact on its business, financial condition and results of operations.

The Group has incurred significant indebtedness and may incur further debt. The Group's substantial indebtedness and the conditions and restrictions imposed by the Group's lenders and the terms of any future debt obligations may restrict the Group's ability to conduct its business and operations.

As at September 30, 2014, the Group had total outstanding debt of Rs.362,788 million (US$5,888.1 million), a total net debt gearing of 1.56x and a weighted average interest cost of debt of 8.10%. Any unfavorable change in these ratios may adversely impact the Group's results of operations and ability to raise further resources. In addition, the Group may incur additional indebtedness in the future.

The Group's substantial indebtedness could have several important consequences. For example, it could:

- make it more difficult for the Company to satisfy its obligations with respect to the Notes;
- increase the Group's vulnerability to general adverse economic and industry conditions;
- require the Group to dedicate a substantial portion of its cash flow from operations to payments on its indebtedness, thereby reducing the availability of its cash flows to fund working capital, capital expenditures, acquisitions, joint ventures and other general corporate purposes;
- limit the Group's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- place the Group at a competitive disadvantage compared to its competitors that have less debt; and
- limit the Group's ability to obtain financing in the future for working capital, capital expenditures, acquisitions or other purposes on acceptable terms, on a timely basis or at all.

Many of the existing agreements with the Group's lenders contain restrictive covenants that require it to obtain the prior consent of its lenders to take certain actions, including raising additional debt, making investments, declaration of dividends, alteration of capital structure, making changes to constitutional documents and merging, amalgamating or consolidating with any other company, issuing additional securities, issuing guarantees and selling significant assets, among others. In addition, certain of the Group's financing arrangements include covenants to maintain certain debt to EBITDA ratios, debt to equity ratios, debt coverage ratios and certain other liquidity ratios, and there can be no assurance that such financial covenants will not hinder business development and growth. Any breach of these covenants and in the absence of a waiver of all of such breaches by the concerned lender, such lender may call for immediate repayment of the entire outstanding amount of the loan or such breach may result in a cross default under other loan agreements, which may adversely affect the Group's business, financial condition and results of operations.

As at September 30, 2014, the Group had contingent liabilities of Rs.66,694 million. These included contingent liabilities on account of bills discounted, guarantees, disputed claims and levies and arrears of fixed cumulative dividend on preference shares. If these contingent liabilities fully, or substantially, materialize, the Group's business, financial condition and results of operations may be adversely affected.

The Group faces substantial competition, both from Indian and international steel producers, which may affect its prospects.

The Indian steel industry is highly competitive. As an integrated steel manufacturer in India, the Group competes to varying degrees with other Indian integrated steel manufacturers. The major integrated producers in India produce most of the flat steel products in India including hot rolled coils, cold rolled coils and galvanized steel and account for most of the steel production in India. In addition to these major integrated producers, the Group also competes with certain non-integrated steel producers, which manufacture value-added steel products.

Competing domestic steel producers have increased their manufacturing capacity and the Group expects domestic competition to further intensify with the ramping up of new facilities by these competitors. Some of the Group's domestic competitors may possess an advantage over the Group due to various reasons, such as captive raw material sources, greater economies of scale, integrated manufacturing facilities, specialization in production of value-added or niche products and greater penetration in certain markets. Maintaining or increasing the Group's market share will depend on effective marketing initiatives and the Group's ability to anticipate and respond to various competitive factors affecting the industry, including the Group's ability to improve its manufacturing process and techniques, introduce new products, respond to pricing strategies of its competitors, and adapt to changes in technology and changes in customer preferences. Failure by the Group to compete effectively could have a material adverse effect on its business, financial condition and results of operations.

The Group also expects increasing competition from international steel producers due to the increasing consolidation in the steel industry worldwide. A number of the Group's international competitors may have greater financial and other resources and some have announced plans to establish manufacturing operations in India. The Group may also face competition from new companies that are emerging which may attempt to obtain a share in the Group's existing markets, including steel producers from China. These factors, among others, have intensified the competition from global steel players and there can be no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors or that increased competition with respect to its activities may not have an adverse effect on the Group's business, financial condition and results of operations.

Further, in the last few years, the Group has witnessed rising imports of steel, especially from countries such as Japan and Korea with whom India has signed free trade agreements and steel manufacturers from these jurisdictions pose significant competition for the Group. Steel imports from Korea, Japan and ASEAN countries have the benefit of concessional duty rates prevailing under bilateral and multilateral trade agreements, which could make the Group's products relatively more expensive in those markets. There is a disparity between the concessional duty rates for finished steel products and higher import duties on raw materials like iron ore, coking coal, zinc and rolls.

The Group has undertaken, and may undertake in the future, strategic acquisitions, which may be difficult to integrate, and may end up being unsuccessful.

The Group has in the past pursued, and may from time to time pursue in the future, acquisitions. For example, in August 2014, the Group entered into an agreement to acquire a 99.85% equity stake in Welspun Maxsteel, subject to certain regulatory approvals and closing conditions. The acquisition was completed on October 31, 2014. The Group also completed the acquisition of a 50% equity interest in Vallabh Tinplate Private Limited in March 2014. In October 2013, the Group acquired Raigad unit of Heidelberg Cement India Limited. Further, in fiscal year 2011, the Group acquired a 49.3% equity interest in Ispat Industries Limited, which was renamed as JSW Ispat Steel Limited and has since been merged with the Company. The Group has also recently placed a binding bid for the takeover of rolling mills from Lucchini.

The Group's ability to achieve the benefits it anticipates from future acquisitions will depend in large part upon whether it is able to integrate the acquired businesses into the rest of the Group in an efficient and effective manner. The integration of acquired businesses and the achievement of synergies require, among other things, coordination of business development and procurement efforts, manufacturing improvements and employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, research and development activities and information and software systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected. Integration of certain operations also requires the dedication of significant management resources, and time and costs devoted to the integration process may divert management's attention from day to day business.

In addition, the Group may make further acquisitions which may require the Group to incur or assume substantial new debt, expose it to future funding obligations and expose it to integration risks, and the Group cannot assure prospective investors that such acquisitions will contribute to its profitability. The failure to successfully integrate an acquired business or the inability to realize the anticipated benefits of such acquisitions could materially and adversely affect the Group's business, financial condition and results of operations.

The Group operates a global business and its financial condition and results of operations are affected by the local conditions impacting countries where it operates.

The Group operates a global business and has facilities and/or interests in India, the United States, Chile and Mozambique, amongst others. As a result, the Group's financial condition and results of operations are affected by political and economic conditions impacting countries where it operates. The Group faces a number of risks associated with its operations, including: challenges caused by distance, local business customs, languages and cultural differences and adverse changes in laws and policies, including those affecting taxes and royalties on energy resources. Other risks may relate to labor, local competition law regimes, environmental compliance and investments, difficulty in obtaining licenses, permits or other regulatory approvals from local authorities; adverse effects from fluctuations in exchange rates; multiple and possibly overlapping and conflicting standards and practices of the regulatory, tax, judicial and administrative bodies of the relevant foreign jurisdiction; political strife, social turmoil or deteriorating economic conditions; military hostilities or acts of terrorism; and natural disasters, including earthquakes in India and flooding and tsunamis in Southeast Asia, and epidemics or outbreaks such as avian flu, swine flu or severe acute respiratory syndrome. In addition, the infrastructure of certain countries where the Group operates its business, in particular India but also in Chile and Mozambique, is less developed than that of many developed nations and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt the Group's normal business activities.

Any failure on the Group's part to recognize and respond to these risks may materially and adversely affect the success of its operations, which in turn could materially and adversely affect the Group's business, financial condition and results of operations.

Failure to secure power at competitive prices could increase the cost of production and any shortage of power supply or water may prevent the Group from operating its production facilities.

The Group's continuing production processes require, and the proposed expansions will require, a stable supply of electricity in large quantities. The entire production process may cease if there is insufficient power or a suspension in the power supply. Currently, substantially all of the Group's electricity requirements at Vijayanagar Works are met from its captive power plants, with any remainder being sourced from JSW Energy Limited, an affiliated company. The Group's electricity requirements at Vasind Works and Tarapur Works are met largely from the Group's captive sources, with the remainder being sourced from the Maharashtra State Electricity Board. At Salem Works, the power requirements are largely met from captive power plants and the balance from Tamil Nadu Electricity Board. At Dolvi Works, the power requirements are met from its captive power plant and a long-term power purchase agreement with JSW Energy Limited. The Group also has arrangements in place to source power from JSW Energy Limited, an affiliated company, and the power grid to help supply additional power, if required.

In the event that there is any disruption to the electricity supply due to events beyond the Group's control, such as natural calamities or sabotage, the Group's operations will be adversely affected. The Group also relies on water supplied from the Tungabhadra Dam and the Almatti Dam to operate the cooling systems at its facilities. If the sources supplying these facilities dry up or if a drought occurs, the Group may suffer from water supply shortages and the production facilities may be forced to cease operations.

Although there has not been any major shortage of electricity or water supply since commencing business, there can be no assurance that the level of supply required by the Group can be maintained at a low cost or at all. Any significant increase in utilities cost or any interruption in utility supply will not only increase the Group's cost of production, but will also prevent the Group from producing and delivering products to customers as scheduled or at all, which may adversely affect the Group's business, financial position and results of operations.

The Group's steelmaking operations are hazardous processes that can cause personal injury and loss of life, severe damage to and destruction of property and equipment and environmental damage, as a result of which the Group could suffer material liabilities, loss of revenues and increased expenses.

The Group's steelmaking operations are subject to various risks associated with the inherently hazardous production of steel. Hazards associated with the Group's steelmaking operations include accidents involving moving machinery, on-site transport, forklifts and overhead cranes; explosions, and resulting fires, in blast furnaces, coke ovens, steam generators and annealing ovens; fires in control rooms, electrical switch rooms, cable tunnels and vaults, transformers and lubricating oil rooms; fires caused by contact of molten metal in blast furnaces, open hearth furnaces; spills and spattering of molten materials; extreme temperatures, vibration and noise; and exposure to, through inhalation or contact with, hazardous chemicals including acids, ammonia, asbestos, carbon monoxide and various dusts such as coal dust and silica. These hazards may cause severe damage to and destruction of property and equipment, environmental damage and personal injury or even fatalities among the Group's personnel, which may result in temporary or lengthy interruptions of operations, damage to the Group's business reputation and corporate image and the imposition of civil and criminal liabilities.

The Group's employees, members of the public or government authorities may bring claims against the Group arising out of these hazardous production processes. If it is determined by the appropriate authorities that provisions and measures for safety within the Group's premises are inadequate, the licenses granted to the Group for operations at such premises may be revoked, thereby adversely affecting its business, financial condition and results of operations. Such events may also adversely affect public perception of the Group's business and the perception of its suppliers, customers and employees, leading to an adverse effect on the Group's business, financial condition and results of operations.

The Group may not be able to complete land acquisition and related formalities for its planned or any future expansion plans in a timely and cost efficient manner. Further, if the Group becomes involved in any land related disputes in the future, for any reason, the resolution of such disputes may take considerable time and expense.

Uncertainty of, or imperfection in, title to land may impede the processes of any future acquisition, verification and transfer of title to land by the Group. As registration of land title in India is not centralized and has not been fully computerized as yet, title to land may be defective as a result of a failure on the part of a present holder or on the part of a prior transferee to obtain necessary consents or to duly complete stamping and registration requirements. The Group may also be exposed to risks associated with the acquisition and ownership of land based on inaccurate, incomplete, dated or illegible information in local land records. However, any disputes in respect of land title that the Group may become party to in the future may take several years and considerable expense to resolve if they become the subject of court proceedings and may thereby adversely affect the Group's business, financial condition and results of operations.

Further, the Government has enacted the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (the "New Land Acquisition Act"), which has replaced the Land Acquisition Act, 1894. Some of the significant provisions of the New Land Acquisition Act include requirement of obtaining the consent of up to 80% of people whose land is acquired for private projects by the developers and consent of 70% of the landowners in the case of public private partnership projects. It also provides for compensation of up to four times more than the existing practice in rural areas and two times in urban areas. The New Land Acquisition Act may make it difficult for the Group to obtain land for its expansion and new projects in a timely manner or at an estimated cost, which may adversely affect the Group's business, financial condition and results of operations.

The Group's business is dependent on its manufacturing facilities and the loss, or shutdown, of operations at any of its manufacturing facilities or strikes, work stoppages or increased wage demands by its employees may have an adverse effect on the Group's business, financial condition and results of operations.

The Group's facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, production outages, labor disputes, natural disasters, industrial accidents and the need to comply with new directives of the relevant government authorities. The Group is required to carry out planned shutdowns of its various plants for routine maintenance, statutory inspections and testing. The Group also needs to shut down its various plants, from time to time, for capacity expansions and equipment upgrades. Any disruptions in the operations of the Group's manufacturing facilities may have a material adverse impact on its business, financial condition and results of operations.

While the Group takes precautions to minimize the risk of any significant operational problems at its manufacturing facilities, there can be no assurance that the Group's business, financial condition and results of operations will not be adversely affected by disruptions caused by operational problems at its manufacturing facilities.

As at September 30, 2014, the Company had 11,796 full-time employees and approximately 17,500 contract laborers at various locations. The number of employees may increase as the Group's proposed expansion plans are implemented. Currently, employees at most of the Group's locations are not represented by labor unions. While the Group considers its current labor relations to be good, there can be no assurance that it will not experience future disruptions in its operations due to disputes or other problems with its employees, which may adversely affect the Group's business and results of operations.

The Group's ability to meet future business challenges depends on its ability to attract and recruit talented, skilled and professionally qualified personnel, which may be affected by strong competition and increasing wage demands to recruit and retain such personnel. The loss of key personnel or any inability to manage the attrition levels in different employee categories may materially and adversely impact the Group's business, its ability to grow and its control over various business functions.

The Group relies on contractors for the implementation of various aspects of its regular as well as expansion activities, and are therefore exposed to execution risks, including in relation to the timing or quality of their services, equipment or supplies.

The Group relies on the availability of skilled and experienced contractors for certain portion of its regular semi-skilled and unskilled workforce at its steel processing facilities. The execution risks the Group faces include the following:

- contractors hired by the Group may not be able to complete construction and installation on time, and within budgeted costs or to the agreed specifications and standards;

- as the Group expands, it may have to use contractors with whom it is not familiar, which may increase the risk of cost overruns or lower or no return on capital, construction defects and failures to meet scheduled completion dates; and

- the Group's regular labor contractors may engage contract laborers and although the Group does not engage such laborers directly, it may be held responsible under applicable Indian laws for wage payments to such laborers should the Group's contractors default on wage payments.

Further, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, the Group may be required to retain such contract laborers as its employees. Any requirement to fund such payments and any such order from a court or any other regulatory authority may adversely affect the Group's business and results of operations.

Furthermore, as a result of increased industrial development in India in recent years, the demand for contractors and agencies with specialist design, engineering and project management skills and services has increased, resulting in a shortage of and increasing costs of services of such contractors and agencies. The Group cannot be certain that such skilled and experienced contractors and agencies will continue to be available to it at reasonable rates in the future. Any deterioration in the Group's relationships with its identified suppliers or its failure to negotiate acceptable terms may result in the Group incurring substantial additional costs, beyond its budgeted expenditure, in identifying and entering into alternative arrangements with other suppliers.

Further, third party contractor defaults that disrupt or otherwise affect the Group's operations and that are not adequately resolved or cured in a timely manner may render the Group liable to regulatory intervention, cause damage to its reputation, and adversely affect its business, financial condition and results of operations.

If the Group does not continue to invest in new technologies and equipment, its technologies and equipment may become obsolete and its cost of processing may increase relative to its competitors, which may have an adverse impact on the Group's business, results of operations and financial condition.

The Group's profitability and competitiveness depend in large part on its ability to maintain a low cost of operations, including its ability to process and supply sufficient quantities of its products as per the agreed specifications. While the Group believes that it has a strong focus on research and development and has achieved significant technological advancements, if it is unable to respond or adapt to changing trends and standards in technologies and equipment, or otherwise adapt its technologies and equipment to changes in market conditions or requirements, in a timely manner and at a reasonable cost, the Group may not be able to compete effectively and its business, financial condition and results of operations may be adversely affected.

The Group faces risks relating to its joint ventures.

The Group has also entered into, and may from time to time in the future enter into, joint venture agreements, including for raw material projects. The Group may have limited control of these projects and therefore may be unable to require that its joint ventures sell assets or return invested capital, make additional capital contributions or take any other action. If there is a disagreement between the Group and its partners in a joint venture regarding the business and operations of the project, there can be no assurance that it will be able to resolve such disagreement in a manner that will be in the Group's best interests. Certain major decisions, such as selling a stake in the joint project, may require the consent of all other partners. These limitations may adversely affect the Group's ability to obtain the economic and other benefits it seeks from participating in these projects. In addition, the Group's joint venture partners may have economic or business interests or goals that are inconsistent with the Group; take actions contrary to the Group's instructions, requests, policies or objectives; be unable or unwilling to fulfill their obligations; withdraw technology licenses provided to the Group; have financial difficulties; or have disputes as to their rights, responsibilities and obligations. Joint venture partners of the Group may also enter into business partnerships with competitors of the Group after the expiry of applicable non-compete periods, if any. Any of these and other factors may have a material adverse effect on the Group's joint venture projects, which may in turn materially and adversely affect the Group's business, financial condition and results of operations.

Some of the Group's overseas operations are currently operating at low production levels and have been making losses and there can be no assurance that these operations will provide desirable returns in the near future.

The Group has made significant investments in the U.S. in the plate and pipe mill and coal mining assets. During the year ended March 31, 2014 and the six months ended September 30, 2014, the performance of the U.S. plate and pipe mill business continued to be adversely impacted by the challenging economic environment in the U.S., resulting in lower capacity utilization. For the year ended March 31, 2014, 389,902 net tons of plates and 44,614 net tons of pipes were produced from the Group's U.S. units with capacity utilization of 39% and 8%, respectively. For the six months ended September 30, 2014, 205,442 net tons of plates and 19,882 net tons of pipes were produced from the U.S. units with capacity utilization of 41% and 7%, respectively.

The Company's auditors, in their limited review report on the results for the period ended September 30, 2014, have included an emphasis of matter indicating that as per the Company's assessment of losses from operations of JSW Steel USA Inc., a subsidiary of the Company, for the last few years. After considering the valuation of fixed assets carried out by an independent valuer, the Company has reassessed the recoverable value of its investment of Rs.7,665 million as at September 30, 2014 relating to JSW Steel

(USA) Inc. and recognized a provision of Rs.1,683 million as at September 30, 2014. The Company has also concluded that no provision is presently necessary against the loans in an aggregate amount of Rs.16,696 million as at September 30, 2014 and with respect to financials guarantees of Rs.31,300 million as at September 30, 2014 relating to JSW Steel (USA) Inc.

There can be no assurance that the Group's U.S. operations will reach full production or that they will become profitable in the near future. The inability of certain of the Group's overseas operations to return to profitability may adversely affect its business, financial condition and results of operations.

The Group is currently developing mining operations in various parts of India, Chile, the U.S. and Mozambique and there can be no assurance that these operations will result in meaningful reserves or the expected quality of the mined materials.

The Group is presently undertaking and plans to undertake mining activities in various parts of India and other countries. For example, the Group is undertaking pre-mining activities in West Bengal through a joint venture, Gourangdih Coal Limited. See "*Risk Factors — Risks relating to the Group — Cancellation of the allocation of coal mines to the Company (through joint ventures formed for the purpose) could adversely affect the Company's business, financial condition and results of operation.*" In the U.S., the Group has a 100% equity interest in coal mining concessions and integrated rail and barge load out facility in West Virginia, USA. While some of these mines are currently operational, statutory clearance and permits for other mines are in the process of being obtained. For example, the mining approval process for the West Virginia mine is ongoing and may be lengthy, which could delay the Group's anticipated date for commencing its mining operations in West Virginia. In Mozambique, JSW Natural Resources Mozambique Lda, a subsidiary of the Group, is planning to undertake an extensive exploration program in Mutarara, Tete in Mozambique by the fiscal year ending March 31, 2015 and the Group is presently in the process of obtaining confirmation on the coal resource estimate for this project. Further, the Group has also invested in iron ore mining concessions in Chile.

The Group's estimates of iron ore and coal resources are subject to probabilistic assumptions based on interpretations of geological data obtained from sampling techniques and projected rates of production in the future. Actual reserves and production levels may differ significantly from reserve estimates. Furthermore, it may take many years from the initial phase of exploration before production is possible during which time the economic feasibility of exploiting such reserves may change. There can be no assurance that commercial levels of raw materials will be discovered or that the mines will produce raw materials at the estimated amounts or at all.

Mining operations are subject to substantial risks, including those related to operational hazards and environmental issues.

The Group's mining operations are subject to hazards and risks normally associated with the exploration, development and production of natural resources including industrial accidents, such as explosions, fires, transportation interruptions and inclement weather. The occurrence of any of these events, or similar events, could delay production, increase production costs and result in death or injury to persons, damage to property and liability for the Group, some or all of which may not be covered by insurance, as well as substantially harm the Group's reputation.

These operations are also subject to hazards and risks relating to negative environmental consequences such as those resulting from tailings and sludge disposal, effluent management and disposal of mineralized waste water and rehabilitation of land disturbed during mining processes. In addition, environmental awareness throughout the world, including in India and other emerging markets, has grown significantly in recent years, and opposition to mining operations have also increased due to the perceived negative impact they have on the environment. Public protest over the Group's mining operations could cause operations to slow down, damage the Group's reputation and goodwill with the governments or public in the countries and communities in which it operates, or cause damage to its facilities.

Cancellation of the allocation of coal mines to the Company (through joint ventures formed for the purpose) could adversely affect the Company's business, financial condition and results of operation.

Captive Coal mines are integral to the Company's strategy of achieving resource base of critical raw material for the production of steel. The Government had allotted certain coal blocks to the Company in Jharkhand, Odisha and West Bengal.

The Supreme Court in August and September 2014 held that allocation of coal blocks ("Coal Blocks") by the Government based on the recommendations made in the 36 screening committee meetings between July 1993 and 2011 and through the Government dispensation route was illegal. The Coal Blocks were categorised into two categories, the first category being those Coal Blocks which have neither come into production nor are likely to come into production and the second category comprising of 40 Coal Blocks which have come into production and 6 Coal Bocks which are likely to come into production in 2014 to 2015. The September 2014 Supreme Court order, ordered cancellation of both categories of Coal Blocks on the grounds of being illegal and arbitrary with effect from March 31, 2015. The only exception made by the Supreme Court was for two allocations made to ultra mega power projects and two allocations made to the Government public sector undertakings not having any joint ventures. The Supreme Court held that only an undertaking which has a unit engaged in the production of iron and steel, generation of power, washing of coal obtained from the mines or production of cement is entitled to allocation, in addition to such entities as the Government, a Government company or a Government corporation. All Coal Blocks allocated to the Company fall in first category and have been cancelled. The Company has filed a review petition against the cancellation of Coal Blocks. However, there can be no assurance that the Supreme Court will allow the review petition and the order will be corrected in the Company's favour and the Coal Blocks of the Company will not be cancelled.

An adverse decision from the Supreme Court and the cancellation of the allocation of one or more of the Coal Blocks will adversely impact the availability of fuel for the production of steel by the Company and would adversely affect its business, financial condition and results of operations.

The Group faces foreign exchange risks, which may adversely affect its cash flows and results of operations.

There has been considerable volatility in foreign exchange rates in recent years, including rates between the Rupee, the U.S. Dollar, the Euro, the Japanese Yen and other major foreign currencies. To the extent that the Group incurs costs in one currency and generates sales in another, its profit margins may be affected by changes in the exchange rates between the two currencies.

For the year ended March 31, 2014, a major portion of the Company's imports relating to raw materials, stores and spares and capital expenditure (in total Rs.161,847 million), FOB value of exports (in total Rs.80,565 million) and foreign currency debt servicing (including interest and finance charges of Rs.3,429 million), were denominated in foreign currency. During the years ended March 31, 2014 and March 31, 2013, foreign exchange earned by the Company aggregated to Rs.82,830 million and Rs.71,673 million, respectively, and CIF value of imports and expenditure in foreign currency by the Company aggregated to Rs.173,041 million and Rs.132,797 million, respectively.

The Group is exposed to the risks arising from timing and quantum mismatches of inflows and outflows in foreign currency. For instance, during the year ended March 31, 2014, the Group considered a net foreign exchange loss of Rs.17,127.5 million, most of which occurred in the first six months, as being exceptional in nature due to the unexpected volatility of the exchange rate of the Indian Rupee against the U.S. Dollar due to the weakening domestic macro-economic environment and stimulus tapering in the U.S. However, the Group has since changed its hedging policy to address volatility in currency and there was no exceptional exchange loss in the year since September 30, 2013.

While the Group enters into derivative financial instruments to manage its exposure to interest rates and foreign exchange risks, changes in exchange rates may still have a material adverse effect on the Group's results of operations and financial condition and there can be no assurance that the use of derivative financial instruments would fully protect the Group from foreign exchange risks. Further, hedging contracts may, at times, restrict the Group from realizing the full potential of a favorable movement in the currency markets on receivables as well as payables. Additionally, risk hedging contracts are regulated by the RBI and any change in its policies with respect to such hedging contracts may impact the Group's ability to adequately hedge its foreign currency exposure. Changes in exchange rates could materially and adversely affect the Group's cash flow, business, financial condition and results of operations.

The Group has in the past entered into related party transactions and may continue to do so in the future.

The Group has entered into certain transactions with related parties, including the promoters, directors, subsidiaries, group companies, joint ventures and associates of the Group as well as members of the O.P. Jindal Organization. Although regulations in India do require disclosure of related party transactions in a listed company's financial statements, such regulations only require board of director approval in certain circumstances and do not require an independent assessment of connected or related party transactions. As a result, there is no requirement for independent verification with respect to the terms of such transactions. All related party transactions of the Group require approval from the Audit Committee, which is headed by an Independent Non-Executive Director, as well as approval from the Board of Directors. While the Group believes that all such transactions have been conducted on an arm's-length basis and contain commercially reasonable terms, there can be no assurance that the Group could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that the Group will enter into related party transactions in the future. For further details, see "*Related Party Transactions*".

Product liability claims could adversely affect the Group's operations.

The Group sells its products to major manufacturers who are engaged to sell a wide range of end products. Furthermore, the Group's products are also sold to, and used in, certain safety-critical applications. If the quality of the Group's steel does not meet the specifications of the order or the requirements of the application, there may be significant disruptions to the customer's production lines. There could be, as a result of such quality failure, significant consequential damages resulting from the use of such products. The Group has a limited amount of product liability insurance coverage, and a major claim for damages related to products sold could leave it uninsured against a portion or the entire award and, as a result, materially harm the Group's business, financial condition and results of operations.

Environmental matters, including compliance with laws and regulations and remediation of contamination, could result in substantially increased capital requirements and operating costs.

The Group's businesses are subject to numerous laws, regulations and contractual commitments relating to the environment in the countries in which it operates and the Group's operations generate large amounts of pollutants and waste, some of which are hazardous. These laws, regulations and contractual commitments concern air emissions, wastewater discharges, solid and hazardous waste material handling and disposal, and the investigation and remediation of contamination or other environmental restoration. The risk of costs and liabilities related to compliance with these laws and regulations is an inherent part of the Group's business. Facilities currently or formerly owned or operated by the Group, or where wastes have been disposed or materials extracted, are all subject to risk of environmental cost and liabilities, which includes the costs or liabilities relating to the investigation and remediation of past or present contamination or other environmental restoration. In addition, future conditions and contamination may develop, arise or be discovered that create substantial environmental compliance, remediation or restoration liabilities and costs despite the Group's efforts to comply with environmental laws and regulations, violations of such laws or regulations can result in civil and/or criminal penalties being imposed, the suspension of permits, requirements to curtail or suspend operations, lawsuits by third parties and negative reputational effects. There can be no assurance that costs and liabilities will not be incurred in the future.

An increase in the requirements of environmental laws and regulations, increasingly strict enforcement thereof by governmental authorities, or claims for damages to property or injury to persons resulting from the environmental impacts of the Group's operations or past contamination, could prevent or restrict some of the Group's operations, require the expenditure of significant funds to bring the Group into compliance, involve the imposition of cleanup requirements and reporting obligations, and give rise to civil and/or criminal liability.

There can be no assurance that any such legislation, regulation, enforcement or private claim will not have a material adverse effect on the Group's business, financial condition or results of operations. In the event that production at one of the Group's facilities is partially or wholly disrupted due to this type of sanction, the Group's business could suffer significantly and its financial condition and results of operations could be materially and adversely affected.

In addition, the Group's current and future operations may be located in areas where communities may regard its activities as having a detrimental effect on their natural environment and conditions of life. Any actions taken by such communities in response to such concerns could compromise the Group's profitability or, in extreme cases, the viability of an operation or the development of new activities in the relevant region or country.

The Group faces numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect its financial condition and results of operations.

Protectionist measures, including anti-dumping laws, countervailing duties and tariffs and government subsidization adopted or currently contemplated by governments in some of the Group's export markets could adversely affect the Group's sales. Anti-dumping duty proceedings or any resulting penalties or any other form of import restrictions may limit the Group's access to export markets for its products, and in the future additional markets could be closed to the Group as a result of similar proceedings, thereby adversely impacting its sales or limiting its opportunities for growth.

Tariffs are often driven by local political pressure in a particular country and therefore there can be no assurance that quotas or tariffs will not be imposed on the Group in the future. In the event that such protective trade restrictions are imposed on the Group or any of the Group companies, its exports could decline. Moreover, India is the Group's largest market and it does not currently impose such restrictions. Foreign steel manufacturers may, as a result of trade restrictions in other regions or other factors, attempt to increase their sales in India thereby causing increased competition in the Group's largest market. A decrease in exports from India or an increase in steel imports to India as a result of protective trade restrictions could have a negative impact on the Group's business, financial condition and results of operations.

A reduction in import duties on steel products in India may lead to increased competition from foreign companies, reduce the Group's market share and reduce margins on its steel products.

The basic import duty payable on prime hot rolled, cold rolled, galvanized and color coated steel products is currently 7.5%. The import duty, along with lower freight costs and, in some countries, higher labor costs, have allowed domestic manufacturers to enjoy a significant price advantage over imported steel products in the domestic Indian market. However, any policy change by the Government, resulting in a reduction in import duties may assert downward pressure on the Group's margins and prices. Reductions in import duties and lower priced imports from countries that benefit from bilateral or multilateral trade agreements with India may have an adverse effect on the Group's business, financial condition and results of operations.

The Company's business is dependent on its key customers and the loss of any major customer may adversely affect its business and financial condition.

The loss of a number of major customers would have a material adverse effect on the Group's business and financial condition. Demand for the Group's products is sensitive to general economic conditions in India and globally, which are driven by factors beyond its control. There can be no assurance that the Group will be able to maintain historical levels of business from these major customers or that it will be able to replace these major customers in the event that they cease to purchase products from the Group.

New materials, products or technologies could reduce the demand for the Group's steel products.

In many applications, steel as a product competes with other materials that may be used as substitutes, such as aluminum (particularly in the automobile industry), cement, composites, glass, plastic and wood. Government regulatory initiatives mandating or incentivising the use of such materials in lieu of steel, whether for environmental or other reasons, as well as the development of other new substitutes for steel products, could significantly reduce market prices and demand for steel products and thereby reduce the Group's business, financial condition and results of operations.

In addition, the steel market is characterized by evolving technology standards that require improved quality and changing customer specifications. The products or manufacturing processes of the customers that use the Group's steel products may change from time to time due to improved technologies or product enhancements. These changes may require the Group to develop new products and enhancements for its existing products to keep pace with evolving industry standards and changing customer requirements. In addition, some of the Group's machinery may become outdated and, if it is not able to upgrade them or keep up with industry standards, then the Group's operations may suffer. If the Group cannot keep pace with market changes and produce steel products that meet market preferences, customers' specifications and quality standards in a timely and cost-effective manner, there is a risk that the demand for the Group's products would decrease and thereby have a material adverse effect on the Group's business, financial condition and results of operations.

The steel industry involves fixed costs and is subject to long gestation periods, which exposes the Group's production of steel to substantial price volatility.

The production of steel is capital intensive, with a high proportion of investment in fixed assets such as land, plant and machinery. Further, setting up of new capacities or expansion of existing capacities requires long lead times. Significant capacity additions in the steel industry, if not matched by a corresponding growth in demand, may result in downward pressure on operating margins. Conversely, if demand grows strongly, prices increase rapidly, as additional capacity to meet the higher demand cannot be brought on line as quickly due to long gestation periods which may result in substantial price volatility. While the Group has taken steps to reduce operating costs, it may be negatively affected by significant price volatility, particularly in the event of excess production capacity in the global steel market, and incur operating losses as a result.

The Group may not have sufficient insurance coverage for all possible economic losses.

The Group's operations are subject to inherent risks such as fire, strikes, loss-in-transit of the Group's products, cash-in transit, accidents and natural disasters. In addition, many of these operating and other risks may cause personal injury, damage to or destruction of the Group's properties and may result in suspension of operations and the imposition of civil or criminal penalties.

As part of its risk management, the Group maintains insurance policies that may provide some insurance cover for mechanical failures, power interruptions, natural calamities or other problems at the Group's facilities. Notwithstanding the insurance coverage that the Group carries, the occurrence of any event that causes losses in excess of limits specified under the policy, or losses arising from events not covered by insurance policies, could have a material adverse effect on the Group's business, financial condition and results of operations.

While the Group believes that it maintains adequate insurance coverage amounts for its business and operations, the Group's insurance policies do not cover all risks and are subject to exclusions and deductibles. If any or all of the Group's facilities are damaged in whole or in part, the Group's operations, totally or partially, may be interrupted for a temporary period.

Further, the Group does not maintain key-man insurance for any of its key personnel and the loss of services of such key personnel may have an adverse effect on its business, financial condition and results of operations.

If the Government implements the Mines and Minerals (Development and Regulation) Bill, 2011 (the "MMDR Bill"), the Group's financial condition and results of operations may be adversely affected.

The Group may be adversely affected by the proposed implementation of the MMDR Bill which, according to the last publically available draft, would subject the Group to new mining regulations, including paying compensation to certain affected persons. The MMDR Bill seeks to amend and consolidate the law relating to scientific development and regulation of mines and minerals. Amongst other provisions, the MMDR Bill requires a mining company which holds a non-exclusive reconnaissance license, high technology reconnaissance cum exploration license or a prospecting license to pay reasonable annual compensation to every person or family holding occupation, usufruct or traditional rights of the surface of the land in respect of which the license has been granted. Such compensation may be mutually agreed to between the license holder and such affected person, and in the absence of consensus regarding the same, it shall be set by the relevant state government. Further, in the case of a company holding a mining lease, the MMDR Bill requires the company to pay an annual amount to the District Mineral Foundation.

The foregoing is based on the last publicly available version of the 2011 MMDR Bill and the MMDR Bill is yet to be finalized by the Government. The Group is, therefore, not in a position to determine the final form and substance of the proposed law, or the time period within which it will be enacted, and, therefore, it is currently unable to predict the potential impact of the MMDR Bill on its business, financial condition, results of operations and prospects. However, if the MMDR Bill were enacted as proposed, the resulting law may adversely affect the Group's business, financial condition and results of operations.

Members of the Jindal family are the Group's principal shareholders and may have conflicting interests.

As at September 30, 2014, Mrs. Savitri Devi Jindal and the sons of the late Mr. O.P. Jindal namely, Mr. P.R. Jindal, Mr. Sajjan Jindal, Mr. Ratan Jindal and Mr. Naveen Jindal, and their wives and children (together, the "Jindal Family"), through personal ownership, associates, investment companies and holding companies, owned 39% of the Group's equity shares. The Jindal Family has significant ability to control the Group's business including matters relating to any sale of all or substantially all of its assets, the timing and distribution of dividends and the election or termination of appointment of its officers and directors. This control could delay, defer or prevent a change in control of the Group, impede a merger, consolidation, takeover or other business combination involving the Group, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Group. In addition, for so long as the Jindal Family continues to exercise significant control over the Group, it may influence the material policies of the Group in a manner that may conflict with the interests of other securityholders. The Jindal Family has interests that may be conflicting with the interests of other securityholders, and may take positions with which the Group or other securityholders may not agree.

The Group is involved in litigation, investigations and other proceedings and cannot assure Noteholders that it will prevail in these actions.

There are several outstanding litigations and other proceedings against the Group. In the ordinary course of business, there have been various criminal proceedings filed against the Group, its directors or its employees, which are pending before various authorities, tribunals and courts and are at various stages of adjudication. Legal and regulatory authorities have initiated and may initiate in the future, investigations and proceedings against the Group, its senior management or its employees in relation to non-compliance of statutes which are incidental to its business and operations which are pending at different levels of adjudication before various courts, agencies and tribunals in different jurisdictions. There is no assurance that similar legal and regulatory investigations and proceedings will not be initiated against the Group in the future. No assurance can be given that these legal and regulatory proceedings will be decided in favor of the Group, its senior management or its employees.

Should any of these proceedings be decided adversely against the Group, its senior management or its employees or any new developments, such as a change in Indian law or rulings against the Group by appellate courts or tribunals, arise, the Group, among other things, may be required to make provisions in its financial statements, become subject to penalties, lose regulatory approvals or licenses, and such member of senior management or employee may become subject to imprisonment, any of which could have a material adverse effect on the Group's business, financial condition and results of operations and which could increase the Group's expenses and liabilities. See "*Business — Legal Proceedings*".

The Group's success depends in large part upon its senior management and key personnel and its ability to attract and retain them.

The Group is highly dependent on its senior management and other key personnel. Their extensive experience in the steel industry and in-depth knowledge of various aspects of the Group's business operations are critical to the continued success of the Group and the future performance of the Group will depend upon the continued services of these persons. Competition for senior management in the steel industry is intense, and the Group may not be able to retain its senior management personnel or attract and retain new senior management personnel in future. The loss of any of these key personnel may adversely affect the Group's business and results of operations.

Risks Relating to India

A prolonged slowdown in the economic growth in India or financial instability in other countries could cause the Group's business to suffer.

The growth rate of India's GDP, which, according to the RBI, was 9.3% in the year ended March 31, 2008, moderated to 8.6% in the year ended March 31, 2010 and was 9.3%, 6.2%, 5.0% and 4.8% in the years ended March 31, 2011, 2012, 2013 and 2014, respectively. Notwithstanding the RBI's policy initiatives, the course of market interest rates continues to be uncertain due to the high inflation, the increase in the fiscal deficit and the Government borrowing program. Any increase in inflation in the future, because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy. The uncertainty regarding liquidity and interest rates and any increase in interest rates or reduction in liquidity could materially and adversely impact the Group's business.

In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Investors' reactions to developments in one country may have adverse effects on the economies of other countries, including the Indian economy. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could influence the Indian economy and could have a material adverse effect on the Group's business, financial condition and results of operations.

Changes in the policies of, or changes in, the Government, could adversely affect economic conditions in India, and thereby adversely impact the Group's business, financial condition and results of operations.

India remains the Company's largest market, representing 80% and 82% of the Company's net sales of products in the year ended March 31, 2014 and the six months ended September 30, 2014, respectively. In addition, a significant portion of the Group's facilities are located in India. Consequently, the Group may be affected by changes to Government policies, changes in the Government itself, or any other political instability in India. For example, the imposition of foreign exchange controls, rising interest rates, increases in taxation or the creation of new regulations could have a detrimental effect on the Indian economy generally and the Group in particular.

The Government has sought to implement a number of economic reforms in recent years, including a review of the national steel policy and the preparation of a five-year strategy paper for the promotion of the steel sector in India, and has also continued the economic liberalization policies pursued by previous Governments. However, the roles of the Government and the state governments in the Indian economy as producers, consumers and regulators have remained significant. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India generally which may have an adverse effect on the Group's business, financial condition and results of operations.

If terrorist attacks or social unrest in India increase, the Group's business could be adversely affected.

India has from time to time experienced instances of civil unrest and terrorist attacks. These events could lead to political or economic instability in India and may adversely affect the Indian economy, the Group's business, financial condition and results of operations. India has also experienced social unrest, naxalite violence and communal disturbances in some parts of the country. If such tensions occur in places where the Group operates or in other parts of the country, leading to overall political and economic instability, it could adversely affect the Group's business, financial condition and results of operations.

Volatility in India's financial markets could materially and adversely affect the Group's financial condition.

Stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Uncertainties relating to the Eurozone sovereign debt crisis and a decrease in the rate of economic growth in emerging markets have led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. As the Group has significant operations in India and accesses the Indian markets for debt financing, this uncertainty and volatility in the Indian financial markets could have a material and adverse effect on the Group's financial condition.

If natural disasters occur in India, the Group's business, financial condition and results of operations could be adversely affected.

India has experienced floods, earthquakes, tsunamis, cyclones and droughts in recent years. Such natural catastrophes could disrupt the Group's operations, production capabilities or distribution chains or damage its facilities located in India, including its production facilities and mines. While the Group's facilities were not damaged in the past, a significant portion of its facilities and employees are located in India where they are exposed to such natural disasters.

Additionally, in the event of a drought, the state governments in which the Group's facilities are located could cut or limit the supply of water to the Group's facilities, thus adversely affecting the Group's production capabilities by reducing the volume of products the Group can manufacture and consequently reducing its revenues. In the event of any of the foregoing natural disasters, the ability of the Group to produce and distribute steel may be adversely affected. There can be no assurance that such events will not occur in the future, or that its business, financial condition and results of operations will not be adversely affected.

The Group's ability to raise foreign capital may be constrained by Indian law.

As an Indian company, the Group is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit the Group's financing sources and hence could constrain its ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, there can be no assurance that the required approvals will be granted to it on favorable terms or at all. Limitations on raising foreign debt may have an adverse effect on the Group's business, financial condition and results of operations.

Any downgrading of India's debt rating by an international rating agency could have a negative impact on the Group's business.

Any adverse revisions to India's sovereign rating or credit ratings for domestic and international debt by international rating agencies may adversely impact the Group's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on the Group's business and future financial performance, the Group's ability to obtain financing for capital expenditures, and the trading price of the Notes.

The Group's transition to the use of the IFRS converged Indian Accounting Standards may result in changes in the presentation of its financial statements and could result in operational delays and resulting penalties.

On February 25, 2011, the Ministry of Corporate Affairs, Government of India ("MCA"), notified that the IFRS converged Indian Accounting Standards ("IND AS") will be implemented in a phased manner and stated that the date of implementation of IND AS will be notified by the MCA at a later date. The Budget 2014-15 presented in the Lok Sabha has indicated that the converged accounting standards will become mandatory from Financial Year 2016. However, it can be voluntarily adopted by companies from fiscal year 2016. The formal notification of the date from which the new standards will be effective has not yet been approved by the Parliament.

Because there is a significant lack of clarity on the implementation of IND AS and there is no significant body of established practice on which to draw from in forming judgments regarding the implementation and application of IND AS. Additionally, IND AS has fundamental differences with IFRS and as a result, financial statements prepared under IND AS may be substantially different from financial statements prepared under IFRS. As the Group adopts IND AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as Indian companies begin to prepare IND AS financial statements. The adoption of IND AS by the Group and any failure to successfully adopt IND AS in accordance with the prescribed timelines could result in operational delays and resulting penalties.

The Companies Act, 2013 has effected significant changes to the existing Indian company law framework and SEBI has introduced changes to the listing agreement, which are effective from October 1, 2014, which may subject the Group to higher compliance requirements and increase the Group's compliance costs.

A majority of the provisions and rules under the Companies Act, 2013 have been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offer document, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors, insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. The Group may also need to spend, in each financial year, at least 2.0% of its average net profits during the three immediately preceding financial years towards corporate social responsibility activities. Further, the Companies Act, 2013 imposes greater monetary and other liability on the Group and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, the Group may need to allocate additional resources, which may increase the Group's regulatory compliance costs and divert management attention.

Any increase in the Group's compliance requirements or in its compliance costs may have an adverse effect on the Group's business, financial condition and results of operations.

The Group may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect its business.

The Competition Act, 2002, as amended (the "Competition Act"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. The Competition Commission of India (the "CCI"), has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the Group cannot predict the impact of the provisions of the Competition Act on the agreements entered into by it at this stage. The Group is not currently party to any outstanding proceedings, however, if the Group is affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect the Group's business, financial condition and results of operations.

Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of the Company's financial condition.

The financial statements included in this Offering Memorandum are prepared and presented in conformity with Indian GAAP consistently applied during the periods stated in those reports, except as otherwise provided therein, and no attempt has been made to reconcile any of the information given in this Offering Memorandum to any other principles or to base the information on any other standards. Indian GAAP differs from accounting principles with which prospective investors may be familiar in other countries, such as IFRS and U.S. GAAP. Accordingly, the degree to which the financial statements included in this Offering Memorandum will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Offering Memorandum should accordingly be limited. See "*Description of Certain Differences Between Indian GAAP and IFRS*".

Increased volatility or inflation of commodity prices in India could adversely affect the Group's business.

In recent months, consumer and wholesale prices in India have stabilized; however, such prices have exhibited inflationary trends in the past and may continue to do so in the future. The Government's Wholesale Price Index stood at approximately 6.0% (provisional) for the month of May 2014 and the Consumer Price Index stood at approximately 8.3% (provisional) for the month of May 2014. Any increase in the volatility or rate of inflation of global commodity prices, in particular oil and steel prices, could adversely affect the Group's customers and contractual counterparties. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Any slowdown in India's growth could increase the cost to the Group of servicing its non-Rupee-denominated debt, including the Notes, and adversely impact the Group's business, financial condition and results of operations.

Trade deficits could have a negative effect on the Group's business and the trading price of the Notes.

India's trade relationships with other countries can influence Indian economic conditions. In the year ended March 31, 2014, the merchandise trade deficit was approximately US$138 billion compared to approximately US$190 billion in the year ended March 31, 2013. This large merchandise trade deficit neutralizes the surpluses in India's invisibles in the current account, resulting in a current account deficit. If India's trade deficits increase or become unmanageable, the Indian economy, and therefore the Group's business, financial condition, results of operations and the trading price of the Notes could be adversely affected.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could have an adverse impact on the Group. A rapid decrease in reserves would also create a risk of higher interest rates and a consequent slowdown in growth.

India's foreign exchange reserves significantly increased between 2003 and 2008 and stood at US$309.7 billion at the end of 2008. However, during 2009, foreign exchange reserves decreased sharply by US$57.8 billion, as a direct consequence of the global financial crisis on India, although they increased by US$25.0 billion during the year ended March 31, 2010 and by US$26.9 billion during the year ended March 31, 2011 and declined moderately by US$9.4 billion (3.2%) in the year ended March 31, 2012 to US$249.4 billion. India's foreign exchange reserves were US$292.6 billion as at March 29, 2013 and US$317.0 billion as at July 11, 2014. A decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy. On the other hand, increased foreign capital inflows could add excess liquidity into the system, leading to policy interventions by the RBI and a consequential slowdown in economic growth. Either way, an increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect the Group's business, financial condition, results of operations and the trading price of the Notes.

Investors may have difficulty enforcing judgments against the Company or its respective management in the Indian courts.

The enforcement by investors of civil liabilities, including the ability to affect service of process and to enforce judgments obtained in courts outside of India may be affected adversely by the fact that the Company is incorporated under the laws of India. A majority of the Company's directors and executive officers currently reside in India, and a substantial portion of the assets of the Company and its directors and executive officers are located in India. As a result, it may be difficult to affect service of process upon the Company or to enforce judgments obtained against the Company and these persons. The recognition and enforcement of foreign judgments in India is governed by Sections 13 and 44A of the Civil Procedure Code, which provide that a suit must be brought in India within three years from the date of the judgment sought to be enforced. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under the Foreign Exchange Management Act, 1999 ("FEMA") to repatriate any amount recovered. See "*Enforceability of Civil Liabilities*".

There may be less company information available in the Indian securities market than in securities markets in other more developed countries.

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants, and that of markets and market participants in the United States and other more developed economies. The SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed economies.

As a result, investors may have access to less information about the business, results of operations and financial condition of the Group and its competitors that are listed on stock exchanges in India than companies subject to reporting requirements of other more developed countries.

The proposed new taxation system could adversely affect the Group's business.

The Government has proposed three major reforms in Indian tax laws, namely the goods and services tax, the direct taxes code and provisions relating to general anti-avoidance rules ("GAAR").

With regard to the implementation of the goods and service tax and the direct tax code, the Government has not specified any timeline for their implementation. The goods and services tax would replace the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, surcharge and excise currently being collected by the central and state governments. The direct taxes code aims to reduce distortions in tax structure, introduce moderate levels of taxation, expand the tax base and facilitate voluntary compliance. It also aims to provide greater tax clarity and stability to investors who invest in Indian projects and companies, as well as clarify the taxation provisions for international transactions. It aims to consolidate and amend laws relating to all direct taxes such as income tax, dividend distribution tax, fringe benefit tax and wealth tax in order to facilitate voluntary compliance.

With regard to GAAR, the provisions have been introduced by the Finance Act, 2012, and were scheduled to come into effect from April 1, 2013. However, in the Union Budget 2013 on February 28, 2013, it was announced that modified provisions of GAAR will come into effect from the beginning of the 2015 financial year, rather than the beginning of the 2014 financial year.

The GAAR provisions are intended to catch arrangements declared as "impermissible avoidance arrangements", which is defined in the Income Tax Act, 1961 as any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's-length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is not an "impermissible avoidance agreement" is on the assessee i.e. an arrangement shall be presumed, unless it is proved to the contrary by the assessee, to have been entered into, or carried out, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

If GAAR provisions are invoked, then the tax authorities will have wide powers, including the denial of tax benefit or the denial of a benefit under a tax treaty. As the taxation system is intended to undergo a significant overhaul, the consequential effects on the Group cannot be determined as at the date of this Offering Memorandum and there can be no assurance that such effects would not adversely affect the Group's business, financial condition, results of operations and the trading price of the Notes.

Risks Relating to the Notes

The Company may be able to redeem the Notes in whole at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest in the event the Company is required to pay additional amounts.

As described in "*Terms and Conditions of the Notes — Redemption and Purchase — Redemption for Taxation Reasons*", in the event the Company is required to pay additional amounts as a result of certain changes in tax law, including changes in existing official position or the stating of an official position, the Company may redeem the Notes in whole at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest. Payments on the Notes should not be subject to Indian taxes if the proceeds of the offering of the Notes are utilized outside India. Payments in respect of the Notes are subject to Indian withholding taxes with the applicable withholding rate being 5% (plus applicable surcharge, education cess and secondary and higher education cess) annually. If the Indian withholding rate were to exceed 5% (plus applicable surcharge, education cess and secondary and higher education cess) as a result of a change in law or interpretation described above, the Company may redeem the Notes at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest.

The Company's obligations under the Notes will be structurally subordinated to all existing and future obligations of the Company's subsidiaries and effectively subordinated to the Company's secured debt to the extent of the value of the collateral securing such indebtedness, and the Noteholders' right to receive payments is junior to certain tax and other liabilities of the Company preferred by law.

The Company's obligations under the Notes will be structurally subordinated to all existing and future obligations of its direct and indirect subsidiaries, whether or not secured. The Notes will not be guaranteed by any of the Company's subsidiaries and the Company may not have direct access to the assets of such subsidiaries unless these assets are transferred by dividend or otherwise to the Company. In the event of insolvency, liquidation or other reorganization of any of these subsidiaries, the Company's creditors (including the holders of the Notes) will not have any right to proceed against the assets of such subsidiary or to cause the liquidation or bankruptcy of such subsidiary under applicable bankruptcy laws.

The Notes are unsecured obligations of the Company and will be effectively subordinated to all of the Company's present and future secured indebtedness to the extent of the value of the collateral securing such obligations. In addition, the Notes will rank subordinated to certain liabilities preferred by law, such as claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of the Company's business. In particular, in the event of bankruptcy, liquidation or winding-up, the Company's assets will be available to pay obligations on the Notes only after all of the above liabilities that rank senior to these Notes have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

The Notes will be effectively subordinated to the Company's secured debt to the extent of the value of the collateral securing such indebtedness and Noteholders' right to receive payments is junior to certain tax and other liabilities of the Company preferred by law.

The Notes are unsecured obligations of the Company and will be effectively subordinated to all of the Company's present and future secured indebtedness to the extent of the value of the collateral securing such obligations. In addition, the Notes will rank subordinate to certain liabilities preferred by law, such as claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of the Company's business. In particular, in the event of bankruptcy, liquidation or winding-up, the Company's assets will be available to pay obligations on the Notes only after all of the above liabilities that rank senior to these Notes have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

An active trading market may not develop for the Notes, in which case the ability to transfer the Notes will be more limited.

The Notes are new securities for which there is currently no existing trading market. Prior to this offering there has been no trading market in the Notes. The liquidity of any market for the Notes will depend on a number of factors, including general economic conditions and the Company's own financial condition, performance and prospects, as well as recommendations of securities analysts. The Company has been informed by the Joint Lead Managers that they may make a market in the Notes after the Company has completed this offering. However, they are not obligated to do so and may discontinue such market-making activity at any time without notice. In addition, market-making activity by the Joint Lead Managers' affiliates may be subject to limits imposed by applicable law. As a result, the Company cannot make any assurance that any market in the Notes will develop or, if it does develop, it will be maintained. If an active market in the Notes fails to develop or be sustained, Noteholders may not be able to sell the Notes or may have to sell them at a lower price.

Developments in other markets may adversely affect the market price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for Indian securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including India. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. The global financial crisis, including the sovereign debt crisis in Europe, concerns over recession, inflation or deflation, energy costs, geopolitical issues, commodity prices and the availability and cost of credit, have contributed to unprecedented levels of market volatility and diminished expectations for the global economy and the capital and credit markets. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

The Notes are subject to restrictions on resales and transfers.

The Notes have not been registered under the Securities Act or any U.S. state securities laws or under the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration provided by such laws. No Notes may be sold or transferred unless such sale or transfer is exempt from the registration requirements of the Securities Act (for example, in reliance on the exemption provided by Regulation S under the Securities Act) and applicable state securities laws. For certain restrictions on resales and transfers, see "*Transfer Restrictions*".

Early redemption of Notes prior to its stated average maturity may require the prior approval of the RBI or the AD Bank in accordance with the ECB Guidelines.

An early redemption of the Notes (whether due to certain tax events described in Condition 6.2 *(Redemption for taxation reasons)*, redemption upon change of control described in Condition 6.3 *(Redemption for Change of Control Triggering Event)* or due to an Event of Default as specified in Condition 9 *(Events of Default)* or otherwise) will be subject to limitations on the ability of the Company to redeem the Notes prior to the Maturity Date, including obtaining the prior written approval of the RBI or the AD Bank, and compliance with any conditions that the RBI or the AD Bank may impose in accordance with ECB Guidelines at the time of such approval. There can be no assurance that RBI or the AD Bank will provide such approval in a timely manner or at all.

Remittances of funds outside India pursuant to indemnification by the Company in relation to the Notes requires prior RBI approval.

Remittance of funds outside India by the Company pursuant to indemnity clauses under the terms and conditions of the Notes, Trust Deed or any other agreements in relation to the Notes requires prior RBI approval under the FEMA Guarantees Regulations. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and the Company can give no assurance that it will be able to obtain such approval.

The Company may not be able to repurchase the Notes upon the occurrence of a Change of Control Triggering Event.

The Company may be forced to purchase the Notes upon the occurrence of a Change of Control Triggering Event, at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest. See "*Terms and Conditions of the Notes*".

The source of funds for any such purchase would be available cash or third-party financing. However, the Company may not have or be able to obtain sufficient available funds at the time of the occurrence of any Change of Control Triggering Event to make purchases of outstanding Notes. The Company's failure to make the offer to purchase or to purchase the outstanding Notes would constitute an Event of Default under the Notes. The Event of Default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If the Company's other debt were to be accelerated, it may not have sufficient funds to purchase the Notes and repay the debt.

An investment in the Notes may subject investors to foreign exchange risks.

The Notes are denominated and payable in U.S. Dollars. If investors measure their investment returns by reference to a currency other than U.S. Dollars, an investment in the Notes entails foreign exchange-related risks, including possible significant changes in the value of the U.S. Dollars relative to the currency by reference to which investors measure their investment returns, due to, among other things, economic, political and other factors over which the Group has no control. Depreciation of the U.S. Dollar against the currency by reference to which investors measure their investment returns could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into the currency by reference to which they measure their investment returns. In addition, there may be tax consequences for investors as a result of any foreign exchange gains resulting from any investment in the Notes.

The ratings assigned to the Notes may be lowered or withdrawn entirely in the future.

The ratings assigned to the Notes may be lowered or withdrawn entirely in the future. The Notes are expected to be rated "BB+" by Fitch and "Ba1" by Moody's. The ratings address the Company's ability to perform their respective obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. No assurances can be given that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if, in its judgment, circumstances in the future so warrant. The Company has no obligation to inform the Noteholders of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Notes may adversely affect the market price of the Notes.

The Notes may not be a suitable investment for all investors.

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes may be subject to withholding taxes under the EU Savings Directive in circumstances where the Company is not obliged to make gross up payments and this would result in Noteholders receiving less interest than expected and could significantly adversely affect their return on the Notes.

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On March 24, 2014 the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from January 1, 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg government announced its intention to abolish the withholding system with effect from January 1, 2015 in favor of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Company nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Company is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

In the event any withholding under FATCA is imposed with respect to any payments on the Notes, no additional amounts will be paid to compensate for the withheld amount.

Pursuant to Sections 1471 to 1474 of the Code and Treasury Regulations thereunder (provisions commonly referred to as "FATCA"), a "foreign financial institution" may be required to withhold U.S. tax on certain pass-thru payments made on or after January 1, 2017 to the extent such payments are treated as attributable to certain U.S. source payments. Obligations issued on or prior to the date that is six months after the date on which applicable final regulations defining "foreign pass through payments" are filed generally will be "grandfathered" and exempt from withholding unless the obligations are materially modified after that date. Accordingly, FATCA would apply to payments on the Notes only if there was a significant modification of the Notes for U.S. federal income tax purposes after the expiration of this grandfathering period. Many non U.S. governments have entered into agreements with the United States to implement FATCA in a manner that alters the rules described above. Holders should therefore consult their own tax advisors on how these rules may apply to their investment in the Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, no additional amounts will be paid to compensate for the withheld amount.

USE OF PROCEEDS

The Company intends to use all of the proceeds to fund the prepayment, repayment and refinancing of certain of its outstanding Rupee-denominated term loans availed for capital expenditure purposes in accordance with the approval dated October 21, 2014 received from RBI and other purposes in accordance with the ECB Guidelines. See "*Description of Material Indebtedness*".

CAPITALIZATION

The following table sets forth the Group's short-term and long-term debt and shareholders' equity at September 30, 2014 on a consolidated basis and as adjusted to give effect to the issuance of the Notes offered, as if such issuance had occurred as at such date. The "as adjusted" data set forth below gives effect to the issuance of the Notes. The "as adjusted" data set forth below does not give effect to (a) repayments of short-term bank loans and long-term bank loans between September 30, 2014 and the date of this Offering Memorandum and (b) the repayment of existing Indebtedness as described under "*Use of Proceeds*".

You should read the following table together with "*Summary Financial and Operating Data*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Terms and Conditions of the Notes*", the Annual Financial Statements and the Interim Financial Statements set forth in this Offering Memorandum.

	As at September 30, 2014			
	Actual	**Actual**	**As Adjusted**	**As Adjusted**
	Rs. million	**US$ million[(1)]**	**Rs. million**	**US$ million[(1)]**
Indebtedness:				
Short-term debt	86,768	1,408.3	86,768[(3)]	1,408.3
Long-term debt[(2)]	276,020	4,479.9	276,020[(3)]	4,479.9
The Notes	—	—	30,807	500.0
Total Indebtedness[(4)]	**362,788**	**5,888.1**	**393,595**	**6,388.2**
Shareholders' funds:				
Share capital	10,672	173.2	10,672	173.2
Reserves and Surplus	217,633	3,532.2	217,633	3,532.2
Minority Interest	1,487	24.1	1,487	24.1
Total shareholders' funds	**229,792**	**3,729.6**	**229,792**	**3,729.6**
Total indebtedness and shareholders' funds	**592,580**	**9,617.7**	**623,387**	**10,117.8**

(1) For the reader's convenience, U.S. Dollar translation of Indian Rupee amounts as at September 30, 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on September 30, 2014.

(2) Long-term debt includes (i) non-current borrowings and (ii) non-current finance lease obligations.

(3) We intend to use the proceeds of the offering to fund the prepayment, repayment and refinancing of certain of the Company's currently outstanding Rupee-denominated long-term term loans (including current portion). The amounts in the "as adjusted" columns have not been adjusted to give effect to (a) repayments of short-term bank loans and long-term bank loans between September 30, 2014 and the date of this Offering Memorandum and (b) the repayment of existing Indebtedness as described under "*Use of Proceeds*".

(4) Upon application of the proceeds of the issuance of the Notes as described under "*Use of Proceeds*", the Group's Total Indebtedness will be Rs.362,788 million (US$5,888.1 million), assuming the Indian Rupee amount has been translated into U.S. Dollars at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on September 30, 2014.

Except as otherwise disclosed in this Offering Memorandum, there have been no material changes in the Group's capitalization since September 30, 2014.

The selected consolidated financial data for the Group as at and for each of the years ended March 31, 2012, 2013 and 2014 and the six months ended September 30, 2013 and 2014 set forth below have been derived or calculated from the Annual Financial Statements and the Interim Financial Statements included elsewhere in this Offering Memorandum unless stated otherwise. The Annual Financial Statements and the Interim Financial Statements have been prepared in accordance with Indian GAAP. This financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Capitalization", the Annual Financial Statements and the Interim Financial Statements set forth in this Offering Memorandum.

The Annual Financial Statements have been audited, and the Interim Financial Statements have been reviewed, by Deloitte Haskins & Sells LLP, Chartered Accountants, as set forth in their audit reports included herein.

Consolidated Statement of Profit and Loss of the Group

	Year ended March 31,				Six months ended September 30,		
	2012	2013	2014	2014	2013	2014	2014
	(Rs. million)			(US$ million)[(1)]	(Rs. million)		(US$ million)[(1)]
REVENUE							
Revenue from operations	369,642	415,778	554,315	8,996.6	253,381	294,018	4,772.0
Less: Excise duty	(25,962)	(33,682)	(42,119)	(683.6)	(20,836)	(22,530)	(365.7)
	343,681	382,097	512,196	8,313.0	232,544	271,489	4,406.3
Other income	769	697	858	14.0	703	802	13.0
TOTAL REVENUE	**344,449**	**382,794**	**513,054**	**8,327.0**	**233,247**	**272,290**	**4,419.3**
EXPENSES							
Cost of materials consumed	222,452	242,983	302,218	4,905.1	139,960	163,899	2,660.1
Purchase of stock-in-trade	775	118	2,156	35.0	1,114	1,474	23.9
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,437)	(1,524)	(1,922)	(31.3)	(4,667)	(14,580)	(236.6)
Cost of construction	489	109	888	14.4	327	156	2.5
Employee benefits expense	8,464	9,803	12,982	210.6	6,489	7,614	123.6
Finance costs	14,273	19,675	30,479	494.7	14,743	16,985	275.7
Depreciation and amortization	19,332	22,375	31,826	516.5	15,529	16,463	267.2
Other expenses	54,918	65,570	104,219	1,691.3	47,048	58,896	955.9
TOTAL EXPENSES	**316,266**	**359,107**	**482,846**	**7,836.3**	**220,542**	**250,908**	**4,072.3**
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	28,183	23,687	30,208	490.7	12,705	21,382	347.0
EXCEPTIONAL ITEMS							
Exchange loss (net)	(8,249)	(3,694)	(17,128)	(278.0)	(17,128)	—	—
PROFIT BEFORE TAX	**19,934**	**19,993**	**13,081**	**212.7**	**(4,423)**	**21,382**	**347.0**

	Year ended March 31,				Six months ended September 30,		
	2012	**2013**	**2014**	**2014**	**2013**	**2014**	**2014**
		(Rs. million)		**(US$ million)[1]**	**(Rs. million)**		**(US$ million)[1]**
TAX EXPENSES							
Current tax	4,113	5,151	4,441	72.1	129	5,051	82.0
Deferred tax	7,732	6,243	9,043	146.8	777	7,292	118.3
Less: MAT credit entitlement	(6,844)	(2,941)	(4,284)	(69.5)	(37)	(4,779)	(77.6)
	5,002	8,453	9,201	149.4	869	7,564	122.7
PROFIT AFTER TAX BUT BEFORE MINORITY INTERESTS AND SHARE OF PROFITS/LOSS OF ASSOCIATE	14,932	11,541	3,880	63.3	(5,291)	13,818	224.3
SHARE OF (LOSSES)/PROFIT OF MINORITY	189	(343)	(504)	(8.2)	(240)	(219)	(3.6)
SHARE OF (LOSSES)/PROFIT FROM ASSOCIATE (NET)							
Before exceptional items	(2,262)	(1,645)	135	2.2	77	16	0.3
Exceptional items	(7,104)	(608)	—	—	—	—	—
PROFIT FOR THE PERIOD	**5,377**	**9,631**	**4,520**	**73.7**	**(4,974)**	**14,053**	**228.2**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2014 and the six months ended September 30, 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on September 30, 2014.

Consolidated Balance Sheet of the Group

	As at March 31,				As at September 30,	
	2012	2013	2014	2014	2014	2014
		(Rs. million)		(US$ million)(1)	(Rs. million)	(US$ million)(1)
ASSETS						
NON-CURRENT ASSETS						
Fixed assets:						
Tangible assets	325,293	333,478	453,865	7,366.3	490,312	7,957.9
Intangible assets	388	547	976	15.8	923	15.0
Capital work-in-progress	28,018	58,544	93,290	1,514.1	68,637	1,114.0
Intangible assets under development	299	434	708	11.5	2,002	32.5
	353,998	393,004	548,838	8,907.7	561,874	9,119.4
Goodwill on consolidation	12,440	13,143	15,619	253.5	15,929	258.5
Non-current investments	18,856	16,064	5,947	96.5	5,557	90.2
Deferred tax assets (net)	3,162	2,152	—	—	26	0.4
Long-term loans and advances	28,180	33,420	51,317	832.9	52,440	851.1
Other non-current assets	144	160	175	2.8	180	2.9
	416,779	**457,943**	**621,896**	**10,093.4**	**636,007**	**10,322.5**
CURRENT ASSETS						
Current investments	2,040	1,435	680	11.0	—	—
Inventories	57,893	54,952	81,551	1,323.6	103,472	1,679.4
Trade receivables	14,620	21,063	22,924	372.0	27,372	444.3
Cash and cash equivalents	30,470	16,534	6,630	107.7	5,051	82.0
Short-term loans and advances	20,583	25,352	42,717	693.4	39,590	642.5
	125,605	119,336	154,503	2,507.7	175,484	2,848.1
	542,384	**577,280**	**776,399**	**12,601.1**	**811,490**	**13,170.7**
EQUITY AND LIABILITIES						
SHAREHOLDERS' FUNDS						
Share capital	5,632	5,632	10,672	173.2	10,672	173.2
Reserves and surplus	161,864	167,806	208,712	3,387.5	217,633	3,532.2
	167,496	173,437	219,383	3,560.7	228,305	3,705.4
MINORITY INTERESTS	2,177	1,972	1,670	27.1	1,487	24.1
NON-CURRENT LIABILITIES						
Long-term borrowings	128,891	173,932	267,026	4,334.1	276,020	4,479.9
Deferred tax liabilities (net)	30,412	34,872	21,234	344.5	28,318	459.6
Other long-term liabilities	4,722	6,004	9,100	147.6	7,955	129.1
Long-term provisions	350	412	596	9.7	658	10.7
	164,376	215,220	297,956	4,835.9	312,950	5,079.2
CURRENT LIABILITIES						
Short-term borrowings	13,758	16,530	48,871	793.2	53,797	873.1
Trade payables	97,141	102,513	116,993	1,898.9	124,602	2022.3
Other current liabilities	95,129	64,533	87,900	1,426.5	90,262	1465.0
Short-term provisions	2,308	3,075	3,625	58.8	87	1.4
	208,336	186,651	257,389	4,177.4	268,748	4361.8
	542,384	**577,280**	**776,399**	**12,601.1**	**811,490**	**13,170.6**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2014 and the six months ended September 30, 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on September 30, 2014.

Summary Consolidated Cash Flow Statement of the Group

	Year ended March 31,				Six months ended September 30,	
	2012	2013	2014	2014	2014	2014
	(Rs. million)			(US$ million)[(1)]	(Rs. million)	(US$ million)[(1)]
Statement of Cash Flow Data:						
Net cash generated from/(used in) operating activities	35,124	58,442	25,935	420.8	31,409	509.8
Net cash generated from/(used in) investing activities	(41,006)	(54,334)	(56,713)	(920.4)	(30,778)	(499.5)
Net cash generated from/(used in) financing activities	6,978	(7,909)	33,005	535.7	(2,412)	(39.2)
Net increase/(decrease) in cash and cash equivalents	1,096	(3,801)	2,227	36.1	(1,781)	(28.9)
Cash and cash equivalents considered for cash flow	6,825	3,024	5,756	93.4	3,975	64.5

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2014 and the six months ended September 30, 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on September 30, 2014.

Consolidated Results of Operations of the Group by Segment for the Years Ended March 31, 2012, 2013 and 2014 and the Six Months Ended September 30, 2013 and 2014

The following table sets forth segment revenue and segment results for the periods indicated.

	Segment revenue					Segment results				
	Year ended March 31,			Six months ended September 30,		Year ended March 31,			Six months ended September 30,	
	2012	2013	2014	2013	2014	2012	2013	2014	2013	2014
	(Rs. million)					(Rs. million)				
Steel	347,510	380,224	515,320	234,278	270,900	26,389	29,755	46,288	20,086	30,836
Power	27,109	41,295	40,783	20,393	19,247	5,356	10,819	14,394	6,993	7,913
Other	5,570	7,736	7,636	3,229	5,241	601	214	(143)	58	(445)
Eliminations	(36,508)	(47,158)	(51,543)	(25,356)	(23,900)	—	—	—	—	—
Total	**343,681**	**382,097**	**512,196**	**232,544**	**271,489**	**32,346**	**40,788**	**60,539**	**27,137**	**38,305**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on the financial condition and results of operations of the Group as at the end of and for the years ended March 31, 2012, 2013 and 2014 and the six months ended September 30, 2013 and 2014 as measured in accordance with Indian GAAP. The following discussion of the Group's financial condition and results of operations should be read in conjunction with the Group's financial statements, the schedules and notes thereto and the other information included elsewhere in this Offering Memorandum. The Group's financial statements are prepared in accordance with Indian GAAP. Indian GAAP and Indian auditing standards differ in certain respects from IFRS and other accounting principles and audit and review standards accepted in the countries with which prospective investors may be familiar. For a discussion of certain significant differences between Indian GAAP and IFRS, see "Description of Certain Differences Between Indian GAAP and IFRS".

This section contains forward-looking statements that involve risks and uncertainties. The Group's actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those described under the sections "Forward-Looking Statements and Associated Risks" and "Risk Factors" of this Offering Memorandum.

Overview

JSW Steel Limited, a member of the JSW Group and part of the O.P. Jindal Organization, is an integrated manufacturer of a diverse range of steel products with an export presence in more than 100 countries. The JSW Group has diversified interests in mining, carbon steel, power, industrial gases, port facilities and cement. The Group offers an extensive portfolio of flat and long products, including hot rolled coils, sheets and plates, cold rolled coils and sheets, galvanized and galvalume products, pre-painted galvanized and galvalume products, TMT bars, wire rods and special steel bars, rounds and blooms, plates and pipes of various sizes. The Group is also one of the largest producers and exporters of coated flat steel products in India. The Group believes that it has one of the lowest conversion costs in the industry, primarily due to its efficient operations, high manpower productivity, the strategic location of its facilities and its state-of-the-art manufacturing facilities. The Group's Indian operations have a current installed crude steel capacity of approximately 14.3 mtpa, which comprises of 11.8 mtpa (approximately 83% of the capacity) of flat products and 2.5 mtpa (approximately 17% of the capacity) of long products. Since the Group's incorporation in 1994, it has grown its gross revenues to Rs.554,315.1 million (US$8,996.7 million) in the year ended March 31, 2014.

The Company is ranked seventh amongst the top world class steelmakers, according to World Steel Dynamics, based on a variety of factors. In particular, the Company achieved the highest rating on the following factors: conversion costs, yields, expanding capacity, location in high-growth markets and labor costs. This ranking puts the Group ahead of all other Indian steelmakers.

The Group has significantly expanded its steelmaking capacity at its Indian operations, which have increased from 1.6 mtpa in 2002 to 14.3 mtpa in 2013, both through organic and inorganic growth. The Group's Indian manufacturing facilities consist of: Vijayanagar Works in Karnataka (10 mtpa), Dolvi Works in Maharashtra (3.3 mtpa) and Salem Works in Tamil Nadu (1 mtpa), in addition to downstream facilities for its coated products division at Vasind, Tarapur and Kalmeshwar Works in Maharashtra. The Group's Indian facilities are strategically located near raw material sources and are well connected via ports and railways, thus helping the Group to maintain a low cost structure. The Group's overseas manufacturing facilities, located in Baytown, Texas, U.S., consist of a 1.2 mntpa plate mill, a 0.55 mntpa pipe mill and a 0.55 mntpa double jointing mill, along with a 0.35 mntpa coating line. The Baytown facility is also located near port facilities as well as key customers in the oil and gas industry. The Group intends to expand its Indian production capacity from the current 14.3 mtpa to 18 mtpa by 2016, through brownfield expansion at Vijayanagar Works and Dolvi Works.

For the year ended March 31, 2014, approximately 80% of the Company's net sales from sale of products were derived within India through a widespread sales and distribution network that sells its products directly to customers, wholesale traders and stock points. The Group's sales presence is especially strong in South and West India, where a large number of automotive manufacturers are located. The Group is particularly focused on retail sales through its JSW Shoppes. As at March 31, 2014, the Group had 450 JSW Shoppe outlets located throughout India. For the year ended March 31, 2014, approximately 20% of the Company's net sales from sale of products were derived from overseas markets. The Group has an export presence in more than 100 countries across five continents. The Group uses a combination of direct sales to customers and sales to international trading houses for its international sales. The Group intends to strengthen its international sales presence through inorganic opportunities and to that end, the Group has recently placed a binding bid for the takeover of rolling mills from Lucchini in Italy. The Group believes that this acquisition will help the Group make further inroads into the European market by leveraging Lucchini's existing customer relationships to increase its international sales.

The Group has entered into strategic joint ventures as well as acquired stakes in various entities which have enabled it to add more value-added products, enhance its global footprint, secure raw materials and increase its technological know-how. To strengthen its presence in structural steel, the Group entered into a 50:50 joint venture with UK-based Severfield-Reeve Structures Limited for the construction of a 35,000 tpa structural steel plant at Vijayanagar Works. The Group has further widened its product diversity into cutting edge flooring technology with composite metal decking through a joint venture with Structural Metal Decks Limited, UK. The Group also has a 49% stake in Georgia Steel LLC, which has a steel rolling facility with 175,000 tpa capacity designed to produce rebars through the hot rolling mill process by using steel billets. The Group also entered into a joint venture with Marubeni-Itochu Steel to set up steel service centers in North and West India for just-in-time solutions to the automotive, white goods and construction sectors which are expected to be operational by the end of 2014. In April 2014, the Group acquired a 50% equity stake in Vallabh Tinplate Private Limited, which has a capacity of 60,000 tpa, marking the Group's entry into the growing tinplate business in India. In August 2014, the Group entered into an agreement to acquire a 99.85% equity stake in Welspun Maxsteel, subject to certain regulatory approvals and closing conditions. The acquisition was completed on October 31, 2014. The acquisition is expected to provide DRI to Dolvi Works while the Group's subsidiary, Amba Coke River Limited, will supply surplus pellets to it, thereby reducing the Group's cost of production.

In order to effectively enhance its operational capabilities, expertise and technology, the Company entered into a strategic collaboration with JFE of Japan to acquire energy reduction and environmental-friendly technologies, enabling it to produce high-end value-added steel products for the automotive and construction industries as well as optimize cost. JFE has also taken a 15% stake in the Company. The collaboration between JSW and JFE includes a general technology assistance agreement, which encompasses all facets of steelmaking and processing from raw material handling to rolling mills including energy control and savings; a technical assistance agreement encompassing the Group's new cold rolling mill; and a foreign collaboration agreement focusing on the manufacture of high-end auto-grade steel that was being imported into India.

The Group continues to focus on backward integration by investing in its resource base to secure critical raw materials. The Group has acquired coking coal mines in West Virginia, U.S. and has also acquired coal mining concessions in Mozambique and iron ore mining concessions in Chile. The Group believes that securing critical raw materials, either for sale in the global market or for direct use in its production, will help protect the Group from variations in raw material prices.

For the year ended March 31, 2014, the Group recorded net revenue from operations of Rs.512,196 million (US$8,313.0 million) and profit after taxes, minority interests and share of profit of associates of Rs.4,520 million (US$73.4 million). For the six months ended September 30, 2014, the Group recorded net revenue from operations of Rs.271,489 million (US$4,406.3 million) and profit after taxes, minority interests and share of profit of associates of Rs.14,053 million (US$228.1 million). The Group had net fixed assets of Rs.561,874 million (US$9,119.3 million) and a net debt to equity ratio of 1.56x as at September 30, 2014.

Key Factors Affecting the Results of Operations

The primary factors affecting the Group's results of operations are:

- sales volume and prices;
- production costs;
- product mix; and
- currency exchange rates.

See "— *Results of Operations*" for a discussion of the extent to which these factors have affected the Group's results of operations in the periods stated.

Sales Volume and Prices

The primary factors affecting the Group's results of operations are its sales volume and the price of steel. The Group derives its revenue primarily from the sale of finished steel products. The market for steel is substantially driven by changes in supply and demand in the global steel market, which are significantly affected by the state of the global economy and competition and consolidation within the steel industry. The Group's sales revenue also depends on the price of steel in the international markets. The global price of steel, in turn, depends upon a combination of factors, including steel demand, the availability and cost of raw material inputs, worldwide production and capacity, fluctuations in the volume of steel imports, transportation costs, protective trade measures and various social and political factors.

The Group relies on key consumers of steel products in the construction, automotive, packaging, appliance, engineering and transportation industries. These industries are in turn affected by the state of the markets in which they operate. While the global economy showed signs of recovery in 2010, subsequent years have been volatile primarily due to the sovereign debt crisis in certain European countries, such as Greece, Portugal and Cyprus. Presently, the macroeconomic environment has shown signs of improvement.

In the year ended March 31, 2014, the Company's domestic sales accounted for approximately 80% of the Company's total net sales of products, compared to approximately 79% in the previous year. According to EIU, India's economy has grown significantly in recent years, with an average annual growth rate of 7.9% over fiscal years 2005 to 2013. According to the WSA, steel consumption in India grew 1.8% in 2013. According to the WSA, India's per capita steel consumption of finished steel in 2013 was relatively low at 58 kg, as compared to China at 515 kg, Japan at 516 kg, the U.S. at 300 kg, South Korea at 1,057 kg, the UK at 128 kg and a world average at 225 kg.

China has become the largest steel producing country in the world by a significant margin, with the balance between its domestic production and demand being an important factor in the determination of global steel prices. According to the WSA, China produced 779 mtpa of crude steel in 2013, which represents 49.2% of global steel production in 2013. See "*Industry Overview — The Global Steel Industry* ". While China's production growth slowed for a period after the global financial crisis in 2009, its production in 2013 represents an 8.6% growth over its production in 2012. In addition, China has been affected by reduced levels of growth in GDP, index of industrial production, services and other factors, which have all resulted in lower growth in China's apparent steel usage in certain recent years, which the Group believes has had an adverse impact on steel prices. Chinese steel production and exports have had, and can be expected to continue to have, a significant impact on steel prices in Europe, India and other markets outside of China, even more so if the growth of China's steel production accelerates and/or China's apparent steel usage falls. See "*Industry Overview — The Global Steel Industry — Global Steel Outlook*".

Production Costs

After revenue, production costs are the most significant factor affecting the Group's results of operations. The Group's principal production costs are raw material costs (primarily coal and iron ore), purchases of semi-finished steel, labor related expenses (primarily salaries), and other production-related costs such as repairs to machinery, energy costs, and freight relating to sales.

For the years ended March 31, 2013 and March 31, 2014, total cost of materials consumed by the Group's operations was Rs.242,983 million and Rs.302,218 million, respectively. Total crude steel production from the Group's Indian operations were 8.52 mt and 12.17 mt for the years ended March 31, 2013 and March 31, 2014, respectively. For the years ended March 31, 2013 and March 31, 2014, total raw materials consumed by the Company was Rs.225,904 million and Rs.267,058 million, respectively. Iron ore and coal/coke costs accounted for 33% and 48% of the Company's total consumption of raw materials for the year ended March 31, 2014, respectively.

The following table sets forth the Group's cost of materials for the periods indicated:

	Year ended March 31,		
	2012	2013	2014
		Rs. million	
Cost of materials consumed	222,453	242,983	302,218
Purchase of finished, semi-finished steel and other products	775	118	2,156
Total cost of materials	223,227	243,101	304,374

Labor related expenses and other production-related costs (i.e., consumption of stores and spares and repairs to machinery) and freight and handling charges relating to sales also constitute a large portion of the Group's total expenditure. Although these costs are not subject to the same level of volatility as raw material costs, which fluctuate significantly depending on market conditions, the relatively fixed nature of such costs can have a material adverse impact on profitability during times of low production, as such costs cannot be reduced in accordance with the Group's lower production volume.

Product Mix

The Group's product mix also affects its revenue and profitability. In general, selling a greater proportion of high value-added products should increase revenue and profitability. For example, within the flat product category, cold rolled, galvanized and tinplate products command higher prices and margins, while in the long products category, wires are considered to be high value-added products. The Group's coated products division and Vijayanagar Works, with a capacity of 3.3 mtpa, both produce value-added flat products, while Salem Works produces special steel long products. The Group has recently made significant investments in value-added production capabilities and intends to continue to focus on value-addition through new investments and product development.

Currency Exchange Rates

A significant portion of the Group's raw material costs, particularly coking coal, are paid in U.S. Dollars. A majority of the Group's revenues are denominated in Rupees. Accordingly, a depreciation in the Rupee against the U.S. Dollar effectively increases the Group's costs by making raw material inputs more expensive in Rupee terms. In fiscal year 2014, the Group instituted a hedging policy to help reduce the impact of foreign currency exchange fluctuations on its results of operations.

Significant Accounting Policies

In order to prepare the financial statements of the Group, estimates and judgments are used based on, among other things, industry trends, the Group's experience and the terms of existing contracts, all of which are subject to an inherent degree of uncertainty. For information on the Group's significant accounting policies, see note 1 to the Annual Financial Statements and note A to the Interim Financial Statements set forth in this Offering Memorandum.

While the Group believes its estimates and judgments to be reasonable under the circumstances, there can be no assurance that the Group's judgments will prove correct or that actual results reported in future periods will not differ from expectations reflected in the Group's accounting treatment of certain items. In addition, other companies may utilize different accounting policies, which may impact the comparability of the Group's results of operations to those of companies in similar businesses. For a discussion of certain significant differences between Indian GAAP and IFRS, see "*Description of Certain Differences Between Indian GAAP and IFRS*".

Recent Changes in Accounting Policies

Pursuant to the Companies Act, 2013, which became effective from April 1, 2014, the Group has reworked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Companies Act, 2013 or useful life of fixed assets as per technical evaluation. As a result, the charge for depreciation decreased by Rs.1,035.2 million (US$16.8 million) for the six months ended September 30, 2014. Further, based on the transitional provision in Note 7(b) of Schedule II, an amount of Rs.475.5 million (US$7.7 million) (net of deferred tax) has been adjusted against the retained earnings.

Description of Income Statement Items

"Net revenue from operations" comprises revenue from operations less excise duty and inter segment sales. Revenue from operations includes revenue from the sale of products, sale of power and other operating income. Inter segment sales includes revenue generated from the sale of product and/or power between segments of the Group.

"Cost of materials consumed" comprises expenses associated with raw materials used in production, primarily including iron ore, coal, coke, limestone and other major inputs.

"Purchase of stock-in-trade" comprises expenses associated with raw materials that were later resold.

"Changes in inventories of finished goods, work-in-progress and stock-in-trade" reflects the net change in these balance sheet items during the period.

"Cost of construction" reflects costs associated with construction contracts.

"Employee benefits expense" comprises salaries and wages (including bonuses), contributions to provident and other funds and staff welfare expenses.

"Finance costs" comprises interest on loans, bonds, debentures and other forms of indebtedness, finance charges on finance leases and other borrowing costs less capitalized interest.

"Depreciation and amortization" comprises depreciation of fixed assets and amortization of intangible assets.

"Other expenses" comprises expenses associated with stores and spares, power and fuel, repairs and maintenance, jobwork and processing charges and carriage and freight, etc.

"Exceptional items" comprises exchange losses.

"Tax expense" comprises current tax and deferred tax.

Results of Operations

The following tables sets forth the Group's income statement data for the years ended March 31, 2012, 2013 and 2014 and the six months ended September 30, 2013 and 2014, which have been extracted without material adjustment from the Annual Financial Statements and the Interim Financial Statements presented elsewhere in this Offering Memorandum and also includes the percentage change between the periods presented:

	Year ended March 31,				
	2012	**2013**	**% change**	**2014**	**% change**
	(Rs. million, except percentages)				
REVENUE					
Revenue from operations	369,642	415,778	12.5	554,315	33.3
Less: Excise duty	25,962	33,682	29.7	42,119	25.0
	343,681	382,097	11.2	512,196	34.0
Other income	769	697	(9.4)	858	23.1
TOTAL REVENUE	**344,449**	**382,794**	**11.1**	**513,054**	**34.0**
EXPENSES					
Cost of materials consumed	222,452	242,983	9.2	302,218	24.4
Purchase of stock-in-trade	775	118	(84.8)	2,156	1,727.1
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,437)	(1,524)	65.7	(1,922)	(26.1)
Cost of construction	489	109	(77.7)	888	714.7
Employee benefits expense	8,464	9,803	15.8	12,982	32.4
Finance costs	14,273	19,675	37.8	30,479	54.9
Depreciation and amortization	19,332	22,375	15.7	31,826	42.2
Other expenses	54,918	65,570	19.4	104,219	58.9
TOTAL EXPENSES	**316,266**	**359,107**	**13.5**	**482,846**	**34.5**
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	28,183	23,687	(16.0)	30,208	27.5
EXCEPTIONAL ITEMS					
Exchange loss (net)	(8,249)	(3,694)	55.2	(17,128)	(363.7)
PROFIT BEFORE TAX	**19,934**	**19,993**	**0.3**	**13,081**	**(34.6)**
TAX EXPENSES					
Current tax	4,113	5,151	25.2	4,441	(13.8)
Deferred tax	7,732	6,243	(19.3)	9,043	44.9
Less: MAT credit entitlement	(6,844)	(2,941)	57.0	(4,284)	(45.7)
	5,002	8,453	69.0	9,201	8.8
PROFIT AFTER TAX BUT BEFORE MINORITY INTERESTS AND SHARE OF PROFITS/LOSS OF ASSOCIATE	14,932	11,541	(22.7)	3,880	(66.4)
SHARE OF (LOSSES)/PROFIT OF MINORITY	189	(343)	(281.5)	(504)	(46.9)
SHARE OF (LOSSES)/PROFIT FROM ASSOCIATE (NET)					
Before exceptional items	(2,262)	(1,645)	27.3	135	108.2
Exceptional items	(7,104)	(608)	91.4	—	100.0
PROFIT FOR THE PERIOD	**5,377**	**9,631**	**79.1**	**4,520**	**(53.1)**

	Six months ended September 30,		
	2013	2014	% change
	(Rs. million, except percentages)		
REVENUE			
Revenue from operations	253,381	294,018	16.0
Less: Excise duty	(20,836)	(22,530)	(8.1)
	232,544	271,489	16.8
Other income	703	802	14.1
TOTAL REVENUE	**233,247**	**272,290**	**16.7**
EXPENSES			
Cost of materials consumed	139,960	163,899	17.1
Purchase of stock-in-trade	1,114	1,474	32.3
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,667)	(14,580)	(212.4)
Cost of construction	327	156	(52.2)
Employee benefits expense	6,489	7,614	17.3
Finance costs	14,743	16,985	15.2
Depreciation and amortization	15,529	16,463	6.0
Other expenses	47,048	58,896	25.2
TOTAL EXPENSES	**220,542**	**250,908**	**13.8**
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	12,705	21,382	68.3
EXCEPTIONAL ITEMS			
Exchange loss (net)	(17,128)	—	100
PROFIT BEFORE TAX	**(4,423)**	**21,382**	**583.5**
TAX EXPENSES			
Current tax	129	5,051	3803.5
Deferred tax	777	7,292	839.0
Less: MAT credit entitlement	(37)	(4,779)	(12,780.3)
	869	7,564	770.6
PROFIT AFTER TAX BUT BEFORE MINORITY INTERESTS AND SHARE OF PROFITS/LOSS OF ASSOCIATE	(5,291)	13,818	361.1
SHARE OF (LOSSES)/PROFIT OF MINORITY	(240)	(219)	9.0
SHARE OF (LOSSES)/PROFIT FROM ASSOCIATE (NET)			
Before exceptional items	77	16	(79.4)
Exceptional items	—	—	—
PROFIT FOR THE PERIOD	**(4,947)**	**14,053**	**382.5**

Results of Operations for the Six Months Ended September 30, 2013 compared with the Six Months Ended September 30, 2014

Net Revenue from Operations

The Group's net revenue from operations in the six months ended September 30, 2014 increased by 16.7% to Rs.271,489 million from Rs.232,544 million in the six months ended September 30, 2013. The following table presents the Group's net revenue from operations (including inter segment sales which are not included in net revenue from operations) by business segment for the periods indicated:

	Six months ended September 30,	
	2013	2014
	(Rs. million)	(Rs. million)
Steel	234,278	270,900
Power	20,393	19,247
Other	3,229	5,241
Total	**257,900**	**295,388**
Less: Inter segment sales	(25,356)	(23,900)
Net revenue from operations	**232,544**	**271,489**

Steel Segment

Sales from the steel segment increased by 15.6% to Rs.270,900 million in the six months ended September 30, 2014 from Rs.234,278 million in the six months ended September 30, 2013. This increase was primarily due to higher sales volumes and an increase in average selling prices from the Group's value-added products as a result of higher capacity utilization in 2014.

Power Segment

Sales from the power segment decreased by 5.6% to Rs.19,247 million in the six months ended September 30, 2014 from Rs.20,393 million in the six months ended September 30, 2013.

Other Operations

Revenue from other operations increased by 62.3% to Rs.5,241 million in the six months ended September 30, 2014 from Rs.3,229 million in the six months ended September 30, 2013. This increase was primarily due to the acquisition of cement grinding facilities in fiscal year 2014.

Cost of Materials Consumed

Cost of materials consumed increased by 17.1% to Rs.163,899 million in the six months ended September 30, 2014 from Rs.139,960 million in the six months ended September 30, 2013. The increase in cost of materials consumed was mainly due to higher production volumes from higher capacity utilization in 2014, as well as increased prices for iron ore, partially offset by lower coal prices.

Purchase of Stock-in-Trade

Purchase of stock-in-trade increased by 32.3% to Rs.1,474 million in the six months ended September 30, 2014 from Rs.1,114 million in the six months ended September 30, 2013. This increase was primarily due to higher sales volumes.

Cost of Construction

Cost of construction decreased by 52.3% to Rs.156 million in the six months ended September 30, 2014 from Rs.327 million in the six months ended September 30, 2013. The decrease was primarily due to a decrease in the number of construction contracts at JSW Severfield Structures Limited ("JSSL").

Employee Benefits Expense

Employee benefits expense increased by 17.3% to Rs.7,614 million in the six months ended September 30, 2014 from Rs.6,489 million in the six months ended September 30, 2013. The increase was primarily due to annual salary increases for existing employees and increased payroll for additional manufacturing facilities.

Finance Costs

Finance costs increased by 15.2% to Rs.16,985 million in the six months ended September 30, 2014 from Rs.14,743 million in the six months ended September 30, 2013. The increase was primarily due to interest cost pertaining to a new cold rolling mill at Vijayanagar Works that was charged to the profit and loss account following its cost capitalization and increases in working capital requirements due to increases in volume.

Depreciation and Amortization

Depreciation and amortization increased by 6.0% to Rs.16,463 million in the six months ended September 30, 2014 from Rs.15,529 million in the six months ended September 30, 2013. This increase was primarily due to the capitalization of the new cold rolling mill at Vijayanagar Works.

Pursuant to the Companies Act, becoming effective from April 1, 2014, the Group has recalculated depreciation with reference to the estimated useful lives of fixed assets or useful life of fixed assets as per a technical evaluation. As a result, the charge for depreciation is lower by Rs.1,035 million for the six months ended September 30, 2014. Further, an amount of Rs.476 million (net of deferred tax) has been adjusted against the retained earnings as prescribed by the Companies Act.

Other Expenses

Other expenses increased by 25.2% to Rs.58,896 million in the six months ended September 30, 2014 from Rs.47,048 million in the six months ended September 30, 2013. The increase was primarily a result of an increase in sales volumes as well as an increase in carriage and freight expenses due to higher export sales volumes and freight charges in 2014.

Exceptional Items

The Rupee has continued its weakness against the U.S. Dollar, causing unexpected volatility in the exchange rate in the six months ended September 30, 2013. This was caused by a weakening domestic macroeconomic environment as well as the tapering of the quantitative easing in the U.S. This led to a net foreign exchange loss of Rs.17,128 million during the six months ended September 30, 2013 and is considered by the Group as being exceptional in nature. The Group has since changed its hedging policy to address currency volatility. As a result, there was no exceptional exchange loss debited to profit and loss during the six months ended September 30, 2014.

Tax Expense

Tax expenses increased by 770.4% to Rs.7,564 million in the six months ended September 30, 2014 from Rs.869 million in the six months ended September 30, 2013 as a result of increased profits in 2014.

Profit/(Loss) for the Period

As a result of the foregoing, the Group recorded a profit of Rs.14,053 million in the six months ended September 30, 2014 compared to a loss of Rs.4,974 million in the six months ended September 30, 2013.

Results of Operations for the Year Ended March 31, 2013 compared with the Year Ended March 31, 2014

On June 1, 2013, the Scheme of Amalgamation and Arrangement between the Company, JSW Ispat Steel Limited and others took effect and, as a result, JSW Ispat Steel Limited was merged with the Company. Therefore, the numbers of fiscal year 2014 are not directly comparable with those of fiscal year 2013 given the effects of the merger.

Net Revenue from Operations

The Group's net revenue from operations in the year ended March 31, 2014 increased by 34.0% to Rs.512,196 million from Rs.382,097 million in the year ended March 31, 2013. The following table presents the Group's net revenue from operations (including inter segment sales which are not included in net revenue from operations) by business segment for the periods indicated:

	Year ended March 31,	
	2013	**2014**
	(Rs. million)	**(Rs. million)**
Steel	380,224	515,320
Power	41,295	40,783
Other	7,736	7,636
Total	**429,255**	**563,739**
Less: Inter segment sales	47,158	51,543
Net revenue from operations	**382,097**	**512,196**

Steel Segment

Sales from the steel segment increased by 35.5% to Rs.515,320 million in the year ended March 31, 2014 from Rs.380,224 million in the year ended March 31, 2013. This increase was primarily due to the Group focusing its product mix on higher value-added products, including supplying products to the infrastructure and construction sectors. The Group also increased its sales to existing customers and developed new grades of steel to expand its customer base in 2014.

Power Segment

Sales from the power segment decreased marginally by 1.2% to Rs.40,783 million in the year ended March 31, 2014 from Rs.41,295 million in the year ended March 31, 2013. This decrease was primarily due to a marginal reduction in the power selling rate.

Other Operations

Revenue from other operations decreased marginally by 1.3% to Rs.7,636 million in the year ended March 31, 2014 from Rs.7,736 million in the year ended March 31, 2013. This decrease was primarily due to a reduction in sales from mining operations in Chile.

Cost of Materials Consumed

Cost of materials consumed increased by 24.4% to Rs.302,218 million in the year ended March 31, 2014 from Rs.242,983 million in the year ended March 31, 2013. The increase in cost of materials consumed was primarily due to higher crude steel production and iron ore prices, partially offset by lower coal and coke prices.

Purchase of Stock-in-Trade

Purchase of stock-in-trade increased by 1,727.1% to Rs.2,156 million in the year ended March 31, 2014 from Rs.118 million in the year ended March 31, 2013. This increase was primarily a result of the sale of pellet and coke to JSW Ispat Steel Limited prior to its merger with the Company.

Cost of Construction

Cost of construction increased by 714.7% to Rs.888 million in the year ended March 31, 2014 from Rs.109 million in the year ended March 31, 2013. The increase was primarily a result of an increase in the number of construction contracts at JSSL.

Employee Benefits Expense

Employee benefits expense increased by 32.4% to Rs.12,982 million in the year ended March 31, 2014 from Rs.9,803 million in the year ended March 31, 2013. The increase was primarily due to an increase in the number of employees due to the merger of JSW Ispat Steel Limited as well as incremental increases in annual salaries for existing employees and increased payroll for additional manufacturing facilities.

Finance Costs

Finance costs increased by 54.9% to Rs.30,479 million in the year ended March 31, 2014 from Rs.19,675 million in the year ended March 31, 2013. The increase was primarily due to costs incurred in relation to the merger of JSW Ispat Steel Limited with the Company.

Depreciation and Amortization

Depreciation and amortization increased by 42.2% to Rs.31,826 million in the year ended March 31, 2014 from Rs.22,375 million in the year ended March 31, 2013. This increase was primarily due to additional assets taken over in relation to the merger of JSW Ispat Steel Limited, as well as the partial capitalization of a cold rolling mill at Vijayanagar Works and a new power plant and lime calcination plant at Dolvi Works during fiscal year 2014.

Other Expenses

Other expenses increased by 58.9% to Rs.104,219 million in the year ended March 31, 2014 from Rs.65,570 million in the year ended March 31, 2013. The increase was primarily as a result of higher production volume and an increase in carriage and freight expenses due to the increase in export sales volumes in fiscal year 2014.

Exceptional Items

As previously discussed above, the Rupee was weak against the U.S. Dollar in 2013, thus causing volatility in the exchange rate during the first half of fiscal year 2013. As a result, the Group recognized exceptional items in the year ended March 31, 2014 of a net foreign exchange loss of Rs.17,128 million during the first half of fiscal year 2013. The Group has since changed its hedging policy to address volatility in currencies. As a result, there was no exceptional exchange loss debited to the profit and loss account during the second half of fiscal year 2014.

Tax Expense

Tax expenses increased by 8.8% to Rs.9,201 million in the year ended March 31, 2014 from Rs.8,453 million in the year ended March 31, 2013 as a result of an increase in deferred taxes recognized in 2014.

Profit/(Loss) for the Year

As a result of the foregoing, the Group recorded a profit of Rs.4,520 million in the year ended March 31, 2014 compared to a profit of Rs.9,631 million in the year ended March 31, 2013.

Results of Operations for the Year Ended March 31, 2012 compared with the Year Ended March 31, 2013

Net Revenue from Operations

The Group's net revenue from operations in the year ended March 31, 2013 increased by 11.2% to Rs.382,097 million from Rs.343,681 million in the year ended March 31, 2012. The following table presents the Group's net revenue from operations (including inter segment sales which are not included in net revenue from operations) by business segment for the periods indicated:

	Year ended March 31,	
	2012	2013
	(Rs. million)	(Rs. million)
Steel	347,510	380,224
Power	27,189	41,295
Other	5,570	7,736
Total	**380,189**	**429,255**
Less: Inter segment sales	36,508	47,158
Net revenue from operations	**343,681**	**382,097**

Steel Segment

Sales from the steel segment increased by 9.4% to Rs.380,224 million in the year ended March 31, 2013 from Rs.347,510 million in the year ended March 31, 2012. This increase was primarily due to increasing sales volumes, establishing regular customers who provide continuous offtake and an increasing focus on the retail market.

Power Segment

Sales from the power segment increased by 51.9% to Rs.41,295 million in the year ended March 31, 2013 from Rs.27,189 million in the year ended March 31, 2012. This increase was primarily due to increases in power generation due to the commissioning of a 300 MW captive power plant in March 2012.

Other Operations

Revenue from other operations increased by 38.9% to Rs.7,736 million in the year ended March 31, 2013 from Rs.5,570 million in the year ended March 31, 2012. This increase was primarily due to an increase in revenue from the Group's mining operations in Chile.

Cost of Materials Consumed

Cost of materials consumed increased by 9.2% to Rs.242,983 million in the year ended March 31, 2013 from Rs.222,452 million in the year ended March 31, 2012. The increase was primarily due to a 15% growth in crude steel production, which led to a rise in raw material consumption. However, coal prices reduced in comparison to the previous year, partially offsetting the increase in cost of materials consumed.

Purchase of Stock-in-Trade

Purchase of stock-in-trade decreased by 84.8% to Rs.118 million in the year ended March 31, 2013 from Rs.775 million in the year ended March 31, 2012. This decrease was primarily as a result of higher sales of coking coal to JSW Ispat Steel in the year ended March 31, 2012.

Cost of Construction

Cost of construction decreased by 77.7% to Rs.109 million in the year ended March 31, 2013 from Rs.489 million in the year ended March 31, 2013. The decrease was primarily as a result of a decrease in the number of construction contracts at JSSL.

Employee Benefits Expense

Employee benefits expense increased by 15.8% to Rs.9,803 million in the year ended March 31, 2013 from Rs.8,464 million in the year ended March 31, 2012. The increase was primarily due to incremental increases in annual salaries for existing employees.

Finance Costs

Finance costs increased by 37.8% to Rs.19,675 million in the year ended March 31, 2013 from Rs.14,273 million in the year ended March 31, 2012. The increase was primarily due to the interest cost pertaining to the construction of phase two of a hot strip mill, construction of phase two of a beneficiation plant and a 3.2 mtpa capacity expansion project at Vijayanagar Works, all of which were charged to revenue account following their capitalization.

Depreciation and Amortization

Depreciation and amortization increased by 15.7% to Rs.22,375 million in the year ended March 31, 2013 from Rs.19,332 million in the year ended March 31, 2012. This increase was primarily due to the capitalization of construction of phase two of a hot strip mill, construction of phase two of a beneficiation plant and a 3.2 mtpa capacity expansion project at Vijayanagar Works.

Other Expenses

Other expenses increased by 19.4% to Rs.65,570 million in the year ended March 31, 2013 from Rs.54,918 million in the year ended March 31, 2012. The increase was primarily as a result of a 15% increase in crude steel production during fiscal year 2013. The increase in sales volume, along with the change in destination mix of the Group's steel products that included more domestic retail sales, led to an increase in carriage and freight cost.

Exceptional Items

Exceptional items in the year ended March 31, 2013 primarily relates to the net foreign exchange loss of Rs.3,694 million. Due to the significant movement and volatility in the value of the Rupee against the U.S. Dollar, the Group considers the net foreign exchange loss to be exceptional in nature.

Tax Expense

Tax expenses increased by 69.0% to Rs.8,453 million in the year ended March 31, 2013 from Rs.5,002 million in the year ended March 31, 2012 due to an increase in deferred taxes resulting from losses at the Group's U.S. operations.

Profit/(Loss) for the Year

As a result of the foregoing, the Group recorded a profit of Rs.9,631 million in the year ended March 31, 2013 compared to a profit of Rs.5,377 million in the year ended March 31, 2012.

Liquidity and Capital Resources

Capital Requirements

The Group's principal capital requirements are for capital expenditure, payment of principal and interest on its borrowings and, in some years, acquisitions of subsidiaries and joint ventures. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations, supplemented by funding from bank borrowings and the capital markets. For the three years and six months ended September 30, 2014, the Group had met its funding requirements, including capital expenditure, satisfaction of debt obligations, investments, taxes, other working capital requirements, dividends and other cash outlays, principally with funds generated from operations with the balance principally met using external borrowings.

In addition to the offering of the Notes, the Company is considering other financing and refinancing transactions intended to diversify its obligations, reduce interest cost and lengthen the maturity profile of its indebtedness. In order to implement this strategy, the Company or its subsidiaries may enter into new credit facilities or issue other foreign or local currency securities, on negotiated terms which are customary for such arrangements.

Cash Management Policy

The Company follows a prudent policy of monitoring the budgeted cash flow on a monthly basis. Timing of inflows and outflows are matched so as to ensure smooth and efficient operations in a cost effective manner. Further, cash outflows are processed based on priority. As at September 30, 2014, the Company has overdraft facilities of Rs.14,000 million in place to balance out any mismatches in cash flow. The Company believes it is able to arrange other short-term funding at competitive rates to avail interest rate arbitrage.

Cash Flow Data

The Group seeks, in normal circumstances, to maintain a substantial cash and cash equivalents balances to provide it with financial liquidity and operational flexibility. The Group's cash is placed in bank fixed deposit and bank balances. As at September 30, 2014, the Group had cash and cash equivalents of Rs.3,975 million.

The following table sets forth selected items from the Group's consolidated cash flow statement for the periods indicated:

	Year ended March 31,			Six months ended September 30,
	2012	2013	2014	2014
	(Rs. million)			
Net cash generated from operating activities	35,124	58,442	25,935	31,409
Net cash used in investing activities	(41,006)	(54,334)	(56,713)	(30,778)
Net cash generated from (used in) financing activities	6,978	(7,909)	33,005	(2,412)
Net increase (decrease) in cash and cash equivalents	1,096	(3,801)	2,227	(1,781)
Closing balance of cash and cash equivalents	6,825	3,024	5,756	3,975

Cash Flows Generated from Operating Activities

The Group generated Rs.31,409 million from operations during the six months ended September 30, 2014. The cash generated from operations prior to the changes in working capital during the six months ended September 30, 2014 was Rs.50,991 million, reflecting higher profits. Direct taxes paid during the six months ended September 30, 2014 was Rs.4,989 million.

The Group generated Rs.25,935 million from operations during the year ended March 31, 2014 as compared to Rs.58,442 million in the year ended March 31, 2013. The cash generated from operations prior to the changes in working capital in the year ended March 31, 2014 was Rs.65,168 million against Rs.57,660 million during the year ended March 31, 2013, reflecting higher profits. Cash from operations was lower than the previous year due to movement in working capital which was primarily comprised of a Rs.28,539 million reduction in liability. Direct taxes paid during the year ended March 31, 2014 was Rs.4,038 million as compared to Rs.5,105 million in during the year ended March 31, 2013.

The Group generated Rs.58,442 million from operations during the during the year ended March 31, 2013 as compared to Rs.35,124 million in the during the year ended March 31, 2012. The cash generated from operations prior to the changes in working capital during the year ended March 31, 2013 was Rs.57,660 million against Rs.49,817 million in the year ended March 31, 2012. Cash from operations was higher than the previous year, reflecting higher profits.

Cash Flows Used in Investing Activities

Cash used in investing activities was Rs.30,778 million in the six months ended September 30, 2014, primarily for purchase of fixed assets including capital advances, which totaled Rs.32,685 million in the period, and the refund of share application money, which was partly offset by sale of current investments and interest received.

Cash used in investing activities was Rs.56,713 million in the year ended March 31, 2014, primarily for purchase of fixed assets including capital advances, which totaled Rs.57,629 million in the period and which was partly offset by sale of current investments and interest received.

Cash used in investing activities was Rs.54,334 million in the year ended March 31, 2013, primarily for purchase of fixed assets including capital advances, which totaled Rs.56,301 million in the period and which was partly offset by sale of current investments and interest received.

Cash Flows Generated from/(Used in) Financing Activities

Cash from financing activities in the six months ended September 30, 2014 (which consists of loan receipts net of loan repayments, interest payments and dividend payments) amounted to Rs.2,412 million.

Cash from financing activities in the year ended March 31, 2014 (which consists of loan receipts net of loan repayments, interest payments and dividend payments) amounted to Rs.33,005 million, compared to cash used in financing activities of Rs.7,909 million in the year ended March 31, 2013.

Cash used in financing activities (which consists of loan receipts net of loan repayments and interest payments) in the year ended March 31, 2013 was Rs.7,909 million, compared to cash from financing activities of Rs.6,978 million during the year ended March 31, 2012.

The net decrease in cash and cash equivalents was Rs.1,781 million with a balance of Rs.3,975 million as at September 30, 2014 against a balance of Rs.5,756 million as on March 31, 2014.

The net increase in cash and cash equivalents was Rs.2,227 million, excluding Rs.505 million effect of on account of composite scheme of amalgamation and arrangement, with a balance of Rs.5,756 million as on March 31, 2014 against a balance of Rs.3,024 million as on March 31, 2013.

The net decrease in cash and cash equivalents was Rs.3,801 million in the year ended March 31, 2013, resulting in a cash and cash equivalent balance of Rs.3,024 million as on March 31, 2013.

Indebtedness

The Group's principal sources of external financing include both short-term and long-term facilities (in both Rupees and other currencies). The Group is required to secure certain of its borrowings, in line with established market practices. As at September 30, 2014, the Group had total outstanding indebtedness of Rs.362,788 million. 36% of the total outstanding indebtedness as at September 30, 2014 was denominated in foreign currency, principally in United States dollars, with the remainder denominated in Rupees.

The following table sets forth the Group's consolidated debt position and a summary of the maturity profile for its debt obligations as at September 30, 2014:

	Short term	Less than or equal to one year	One to two years	Two to five years	More than five years	Total
			(Rs. million)			
Bonds/Debentures	—	2,599	6,381	38,146	30,219	77,345
Term Loans	15,525	30,014	37,834	115,211	46,901	245,485
Repayable on Demand	14,091	—	—	—	—	14,091
Finance Lease Obligations	—	245	107	—	—	352
Other Borrowings	24,181	113	141	576	504	25,515
Total loans	**53,797**	**32,971**	**44,463**	**153,933**	**77,624**	**362,788**

Some of the Group's financing agreements and debt arrangements contain financial covenants that require the satisfaction and/or maintenance financial tests and ratios, including requirements to maintain debt to equity ratios, debt coverage ratios and certain other liquidity ratios. In addition, such agreements and arrangements also require the Group to obtain prior lender consents for certain specified actions, including issuing new securities, changing business of the Group, merging, consolidating, selling significant assets or making certain acquisitions or investments. See "*Risk Factors — Risks Related to the Group — The*

Group has incurred significant indebtedness and may incur further debt. The Group's substantial indebtedness and the conditions and restrictions imposed by the Group's lenders and the terms of any future debt obligations may restrict the Group's ability to conduct its business and operations" and "*Description of Material Indebtedness*".

Finance leases

The Group's finance leases consist of leases associated with its operations in Chile and the U.S. The amount of depreciation charged in the statement of profit and loss was Rs.200 million, Rs.468 million, Rs.744 million until March 31, 2012, 2013 and 2014, respectively.

The following table sets forth the total minimum lease payments for Group's operating leases in each period:

	Year ended March 31,		
	2012	**2013**	**2014**
		(Rs. million)	
Period			
Not later than one year	224	230	254
Later than one year but not later than five years	630	440	233
Later than five years	—	—	—
Total	**855**	**670**	**487**

Commitments

In addition to the operating leases noted above, the Group has entered into contracts, on capital account, that are not provided for in the Group's financial statements (net of advances) of Rs.44,095 million, Rs.45,669 million, Rs.37,793 million and Rs.44,338 million for the years ended March 31, 2012, 2013 and 2014 and the six months ended September 30, 2014, respectively.

Capital expenditure

The Group's expansion plans, including acquisitions of other businesses and joint ventures, require significant capital expenditure. The Group's capital expenditure totaled Rs.51,021 million, Rs.57,913 million and Rs.79,798 million in years ended March 31, 2012, 2013 and 2014, respectively. These expenditures related primarily to purchase of fixed assets and capital advances. The Group periodically reassesses its capital expenditure plans, and the planned amounts of such expenditures may change materially after such assessment.

The Group's planned and budgeted capital investments in India are focused on capacity expansion and addition of downstream facilities for value-added products.

The Group's expansion plans, including acquisitions of other businesses and joint ventures, require significant capital expenditure. There are a number of factors that could affect the feasibility of the Group's expansion plans and its ability to timely complete them, including receiving financing on reasonable terms or at all, obtaining required regulatory permits and licenses, the expiration of any agreements with local governments related to such projects, demand for the Group's products and general economic conditions. See "*Risk Factors — Risks Related to the Group — The Group may not be able to successfully implement, sustain or manage its growth strategy*" and "*Risk Factors — Risks Related to the Group — The Group's expansion plans require significant expenditure and, if it is unable to obtain the necessary funds for expansion, the Group's business may be adversely affected*".

Contingent Liabilities

The following table sets forth the Group's consolidated contingent liabilities on account of guarantees and claims not acknowledged by the Group as at September 30, 2014:

	(Rs. million)
Bills Discounted	34,641
Guarantees	1,481
Excise	6,058
Customs	4,574
Sales tax and VAT	2,573
State levies	30
Suppliers and service contract	12,218
Income tax	3,194
Others — Service Tax/Preference Dividend/Miscellaneous	1,927

For a discussion of the Group's material indebtedness, please see "*Description of Material Indebtedness*".

Off-Balance Sheet Arrangements

As at September 30, 2014, the Group did not have any material off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risk

The Group is exposed in the ordinary course of its business to risks related to changes in exchange rates, interest rates, commodity prices and energy and transportation tariffs.

Exchange Rate Risk

The Group's reporting currency is Rupees. The Group has significant operations in U.S. Dollars. Respective units face fluctuations in cash flows to the extent their operating cash flows are transacted in foreign currencies. Volatility in exchange rates affects the Group's results from operations in a number of ways. It impacts the Group's revenue from export markets and the costs of imports, primarily in relation to raw materials.

The Group is exposed to exchange rate risk under its trade and debt portfolio. In order to hedge exchange rate risk under its trade portfolio and capital account transactions, the Group has a policy to hedge cash flows up to a specific tenure using forward cover contracts. Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt. As at September 30, 2014, 64% of the Group's total outstanding indebtedness, which totaled Rs.362,788 million, was denominated in Rupees, and the remaining 36% was denominated in various foreign currencies, including U.S. Dollars and Japanese Yen. As a result, the Group's results of operations may be materially affected by the significant fluctuations in the exchange rates of relevant foreign currencies. See "*Risk Factors — Risks Related to the Group — The Group faces foreign exchange risks, which may adversely affect its cash flows and results of operations*".

Hedging Activities

The Group uses derivative financial instruments to hedge the foreign currency risk arising on account of its revenue and debt portfolio. All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Group operates. The Group's risk management policies attempt to protect business planning from adverse currency and interest rate movements. The Group does not use derivative contracts for speculative purposes.

Hedging activities in India are governed by the RBI, whose policies must be complied with at all times. The policies under which the RBI regulates hedging activities can change from time to time, and these policies may affect the effectiveness with which the Group manages its exchange rate risk. The Group generally keeps a hedge of up to six months on its revenue account.

Foreign exchange inflows and outflows in the revenue account are hedged on a gross basis for up to six months. The hedge ratio target is between 75-100% in the revenue account.

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement. The hedged item is recorded at fair value and any gain or loss is recorded in the income statement and is offset by the gain or loss from the change in the fair value of the derivative. Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in equity. This includes certain non-derivative liabilities that are designated as instruments used to hedge the foreign currency risk on future, highly probable, forecast sales. Amounts deferred to equity are recycled in the income statement in the periods when the hedged item is recognized in the income statement.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognized in the income statement immediately.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognized in equity is kept in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is transferred to net profit or loss for the year.

Interest Rate Risk

The Group is exposed to the interest rate risk on short-term and long-term floating rate instruments and also on the refinancing of fixed rate debt. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings. As at September 30, 2014, 72% of the Group's total long-term outstanding indebtedness, which totaled Rs.308,991 million, was subject to floating rates.

The Group's floating rate debt is mostly linked to the Dollar London Interbank Offering Rate ("LIBOR") and also to the base rates of various Indian banks. The costs of floating rate borrowings may be affected by the fluctuations in the interest rates. The Group's exposure to interest rate movements are reviewed by appropriate levels of management on a regular basis. The Group does not enter into hedging instruments for speculative purposes.

Borrowing and interest rate hedging activities in India are governed by the RBI and the Group has to comply with its regulations. The policies under which the RBI regulates these borrowing and interest rate hedging activities can change from time to time and can impact the effectiveness with which the Group manages its interest rate risk. Any increase in interest rates could therefore materially and adversely affect the Group's cash flow, business, results of operations and financial condition. See "*Risk Factors — Risks Related to the Group — The Group faces foreign exchange risks, which may adversely affect its cash flows and results of operations*".

Commodity Price Risk

The Group's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Group. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Group earns from the sale of its steel products.

The Group primarily purchases its raw materials on the open market from third parties. The Group is therefore subject to fluctuations in prices for the purchase of coking coal, ferro alloys, zinc, scrap and other raw material inputs. The Group purchased substantially all of its iron ore and coal requirements from third parties on the open market in the year ended March 31, 2014.

Market data and certain industry forecasts used in "Industry Overview" were obtained from internal surveys, market research, publicly available information and industry publications published by the World Steel Association ("WSA"), the Indian Ministry of Steel, the Central Intelligence Agency ("CIA"), RBI, World Bank, the International Monetary Fund ("IMF") and the India Brand Equity Foundation ("IBEF"). Such information has been accurately reproduced herein and, as far as the Group is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither the Group nor any of the Joint Lead Managers makes any representation as to the accuracy or completeness of this information.

Overview

Steel is one of the most important, multi-functional and adaptable materials in use today and is generally considered to be critical to industrial development. Steel is an alloy of iron and carbon which is produced from melting and refining pig iron and/or scrap iron, steel and direct reduced iron ("DRI"). Steel contains less than 2% carbon and 1% manganese and small amounts of silicon, phosphorus, sulfur and oxygen. Steel is highly versatile, as it is hot and cold formable, weldable, hard, recyclable and resistant to corrosion, water and heat. Steel continues to be the production material of choice in the automotive, construction, machinery and other industries. Notwithstanding potential threats from substitute materials such as plastics, aluminum, glass and ceramics, steel continues to demonstrate its economic advantage.

Production Process

Steel production involves several processing stages including iron making, primary and secondary steelmaking, casting and hot rolling. These are followed by fabrication processes such as cold rolling, forming, forging, joining, machining, coating and/or heat treatment. Steel can be made either from raw materials (e.g. iron ore, coal and limestone) or by recycling steel scrap. Iron making is the reduction of iron ore from the natural oxide state to a metal known as either pig iron or DRI, depending on the iron making process used. There are primarily three iron making process routes in commercial use: blast furnace iron making; direct reduction (Midrex and HYL process) and direct smelting (i.e. Corex, FINEX, HIsmelt and several others). Steelmaking involves the removal of carbon and other impurities to convert the pig iron or DRI to steel and the addition of other metals to add desired properties in relation to strength, hardness and corrosion-resistance. There are essentially three methods employed for the production of steel: the blast furnace and basic oxygen furnace ("BOF") process; the electric arc furnace method ("EAF") and the induction furnace method.

In the BOF method, the basic oxygen furnace converts iron from the blast furnace into steel. In the EAF method, recycled steel scrap is melted and converted into high quality steel by using high-power electric arcs.

According to the WSA, approximately 71% of crude steel produced globally in 2013 used BOFs, and EAFs were used for the production of 28% of crude steel produced globally. The general determining factor in choice of production process depends on the local availability of iron ore. The oxygen converter process is generally considered to be the most efficient steelmaking route for producing large volumes of high quality steel.

Types of Steel

Steel is not a single product. There are currently more than 3,500 different grades of steel with many different properties - physical, chemical, environmental, 75% of which have been developed in the last 20 years. Steel products are usually subdivided into two main categories:

- Long steel products include blooms, slabs, billets, wire, rebars, beams and rails. Long products are mostly used in the construction, machine building, engineering and infrastructure industries such as railways, road construction; and

- Flat products include hot and cold rolled steel, plates, galvanized steel, pre-painted steel, transformer steel and dynamo steel. Flat products are largely used in various industries, including construction, electrical engineering, machine building, automotive, energy, shipbuilding, and tube and pipe production.

The Global Steel Industry

The global steel industry is affected by a combination of factors, including periods of economic growth or recession, worldwide production capacity and the existence of, and fluctuations in, steel imports and protective trade measures. Steel prices respond to supply and demand and fluctuate in response to general and industry specific economic conditions. The global steel industry is cyclical and fragmented and the growth or decline of the steel industry is linked to the economic cycle of a country and in particular, to industrial production and infrastructure development.

According to the WSA, global crude steel production in 2013 was approximately 1,582 mt, while global apparent steel consumption in 2013 was 1,481 mt.

World Crude Steel Production

The steel industry operates predominantly on a regional basis as a result of the high cost of transporting steel and the restrictive effects of protective tariffs, duties and quotas. Historically, steel production has been concentrated in the developed markets such as European Union, North America, Japan and the former Soviet Union. However, steel production in Asia, particularly in China and India, has grown significantly over the past decade. The recent production shift to Asia has largely been the result of proximity to the major growth markets for steel consumption and the greater availability of key raw materials. The levels of global imports and exports have generally increased as production has shifted towards low-cost production regions. The recent shift to Asia is also evident in the number of Asia based steel producers who are ranked amongst the top ten in crude steel production.

According to the WSA, world crude steel output in 2013 was 1,582 mt, representing an increase of 2.4%, as compared to 2012. In 2013, China remained the largest single producer of steel in the world, producing approximately 779 mt of crude steel. China's steel production in 2013 increased by 8.7% from 2012, and accounted for approximately 49% of global steel production.

The following table sets forth crude steel production data by country or region from 2007 to 2013:

World Crude Steel Production	2007	2008	2009	2010	2011	2012	2013
				(in mt)			
Europe	241	230	168	207	217	209	202
CIS	124	114	98	108	113	111	109
NAFTA (excluding the U.S.)	35	33	24	31	32	33	32
U.S.	98	91	58	80	86	89	87
South America	48	47	38	44	48	46	46
Middle East/Africa	35	34	33	37	39	40	42
Asia (excluding China, India and Japan)	95	95	83	100	112	110	88
China	490	512	577	639	702	717	779
India	53	58	64	69	73	78	81
Japan	120	119	88	110	108	107	111
Oceania	9	8	6	8	7	6	6
World total	**1,348**	**1,343**	**1,237**	**1,433**	**1,537**	**1,545**	**1,582**
Annual change (%)	—	*(0.4)*	*(7.9)*	*(15.8)*	*7.3*	*0.5*	*2.4*

Source: WSA

For the eight months ended August 31, 2014, the WSA estimated that total crude steel production in 65 countries (which accounted for more than 99% of total global crude steel production in 2013) was 1,096.1 mt — a growth of approximately 4.0% over the same period in 2013. China recorded a 5.6% increase in production for the eight months ended August 31, 2014, as compared to the same period in 2013. Production in the United States increased by 1.7% and Europe increased by 3.4% over the same period.

World Crude Steel Production (for first eight months of each year)	2012	2013	2014	2013	2014
		(in mt)		(% change)	(% change)
Europe	141	133	138	(5.5)	3.4
CIS	75	73	72	(3.1)	(1.1)
NAFTA (excluding the U.S.)	22	21	22	(3.0)	3.6
U.S.	61	58	59	(5.1)	1.7
South America	31	31	30	(2.1)	(1.0)
Middle East/Africa	23	27	29	18.3	7.3
Asia (excluding China, India and Japan)	61	59	62	(3.5)	6.3
China	477	521	550	9.3	5.6
India	51	54	56	6.8	2.4
Japan	73	73	74	0.9	1.0
Oceania	4	4	4	(2.4)	(4.3)
Total for 65 countries	**1,018**	**1,054**	**1,096**	**3.5**	**4.0**

Source: WSA

World Crude Steel Consumption

Similar to steel production, demand for steel has shifted from developed economies to emerging economies, largely due to increased infrastructure and construction activity, especially in Asia.

According to the WSA, world apparent steel consumption was 1,481 mt in 2013, representing an increase of 3.6% compared to consumption in 2012. All major steel consuming regions demonstrated moderate growth rates in apparent steel consumption in 2013 as compared to 2012, with the U.S. experiencing a negative growth of 0.6% and Europe experiencing a moderate growth of 1.6%. China is the world leader in steel consumption. According to the WSA, China consumed 700 mt of steel in 2013, which is approximately 47% of all global consumption.

The following table sets forth finished steel consumption data by country or region from 2007 to 2013:

World Finished Steel Consumption	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
				(in mt)			
Europe	231	211	144	174	188	173	176
CIS	56	50	36	48	55	58	59
NAFTA (excluding the U.S.)	33	32	24	31	33	36	33
U.S.	108	98	59	80	89	96	96
South America	41	44	34	45	46	47	49
Middle East/Africa	64	70	70	72	75	75	77
Asia (excluding China, India and Japan)	126	128	108	127	137	141	146
China	418	447	551	588	641	660	700
India	52	51	58	65	70	72	74
Japan	81	78	53	64	64	64	65
Oceania	8	8	6	8	7	7	7
World total	**1,220**	**1,219**	**1,142**	**1,301**	**1,404**	**1,430**	**1,481**
Annual change (%)	—	*(0.1)*	*(6.3)*	*13.9*	*7.9*	*1.9*	*3.6*

Source: WSA — World Steel in Figures 2014

Recent Trends in Steel Prices

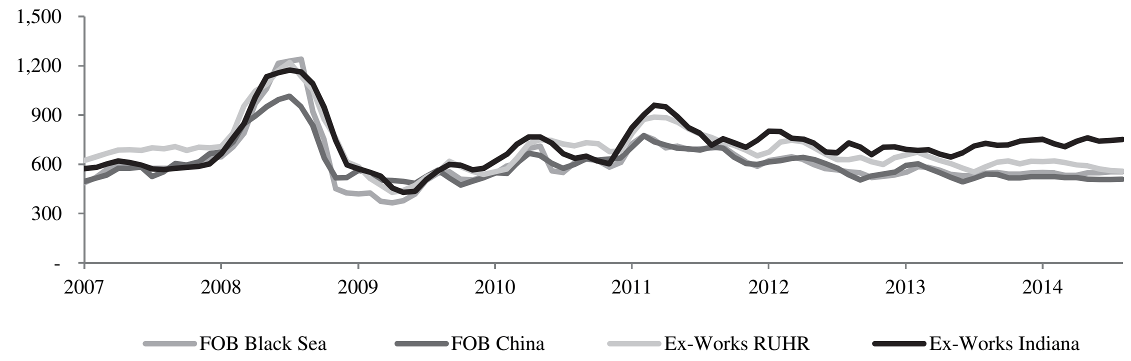
Prices of steel products are generally sensitive to changes in worldwide and local demand, which in turn are affected by worldwide and country-specific economic conditions, available production capacity, and fluctuations in steel imports and exports and tariffs. With diverse product types and applications, steel is not completely fungible, due to the wide varieties in shape, chemical composition, quality and specifications, all of which is expected to impact sales prices. In addition, as there is a time lag between upticks in demand and increasing capacities to meet thes e needs and the high fixed costs involved, steel prices are cyclical and volatile in nature.

The steel industry witnessed a period of continuous growth between 2000 and 2008. Steel prices were on a steady upward trajectory with high apparent demand and tight supply, enabling stronger prices and enhancing steel producers' ability to pass on higher raw material costs. Steel prices decreased significantly during the global financial crisis, as a result of a contraction in end demand in developed countries and slower growth in emerging countries.

The price of hot rolled coils is typically used as the proxy for steel pricing as it is the largest category of steel consumed. In recent years, oversupply of steel due to imports from China, economic slowdown in Europe and tempered growth in Asia, impacted steel prices. The lower steel prices have affected margins of major steelmakers in developed markets.

The graph below reflects monthly variation in global steel prices:

Global Hot Rolled Steel Price Trends (US$/ton)



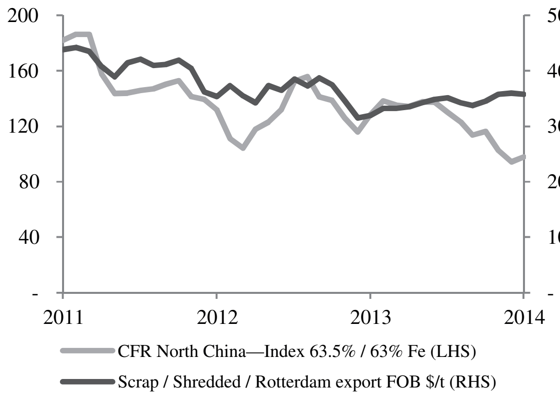
Source: Platts

Raw Materials and Pricing

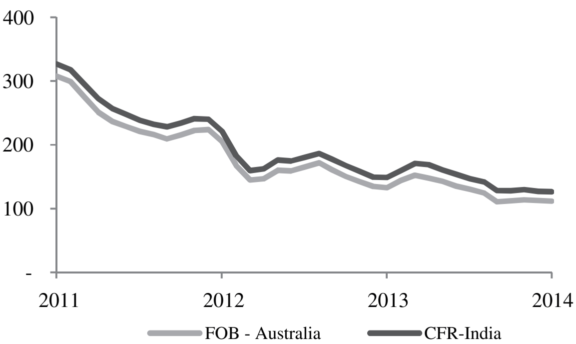
The primary inputs for the steel industry are iron ore and coking coal, as well as coke, scrap, alloys and base metal. The steelmaking process also requires natural gas, electricity and oxygen. Iron ore and coal costs constitute the largest share of input costs. The demand for raw materials correlates closely with the steel market, with prices fluctuating according to steel supply and demand dynamics. The iron ore market was severely affected by the global downturn in steel production during the third quarter of 2008. Over the last few quarters, iron ore and coal prices have remained range bound compared to the volatility seen last year.

The graph below reflects monthly variation in iron ore and coking coal prices:

Iron Ore Price Trends (US$/ton)



Coking Coal Price Trends (US$/ton)



Source: Platts

Global Steel Outlook

According to the WSA, world apparent steel demand is expected to grow to 1,562 mt in 2014. The apparent steel consumption in the NAFTA countries is estimated to increase by 2.2% in 2015 to reach 141 mt. The apparent steel consumption in European Union (28 countries) is expected to reach 146 mt in 2014 and grow by 2.9% to reach 150 mt in 2015.

India apparent steel consumption is estimated to grow to 76 mt in 2014 and grow by 6.0% to reach 81 mt in 2015. China apparent steel consumption is estimated to reach 748 mt in 2014 and grow by 0.8% to reach 754 mt in 2015. The last time that China's apparent steel use recorded negative growth was in 1995 when apparent steel consumption fell by 17.2% following the real estate bubble burst. Apparent steel consumption for the world excluding China is estimated to increase by 3.2% in 2015.

The following table sets forth the WSA's forecasts for 2014 and 2015 for global steel consumption based on apparent steel use by country or region:

World Finished Steel Consumption Outlook[1]	2014 (F)	2015 (F)	2015 (F)
	(in mt)		(% change)
Europe Union (28)	146	150	2.9
Other Europe	38	39	3.8
CIS	57	58	1.9
NAFTA (including U.S.)	138	141	2.2
U.S.	102	104	1.9
South America	48	50	3.4
Africa	35	37	8.0
Middle East	52	55	6.0
Asia and Oceania	1,050	1,064	1.4
China	748	754	0.8
India	76	81	6.0
Japan	67	66	(1.5)
World total	**1,562**	**1,594**	**2.0**

(1) Based on revised "Short Range Outlook" by World Steel Association released on October 6, 2014. Revised steel consumption numbers for historical years (2012, 2013 etc.) are not publically available yet.

Source: WSA

India's Steel Industry

India's Economic Growth

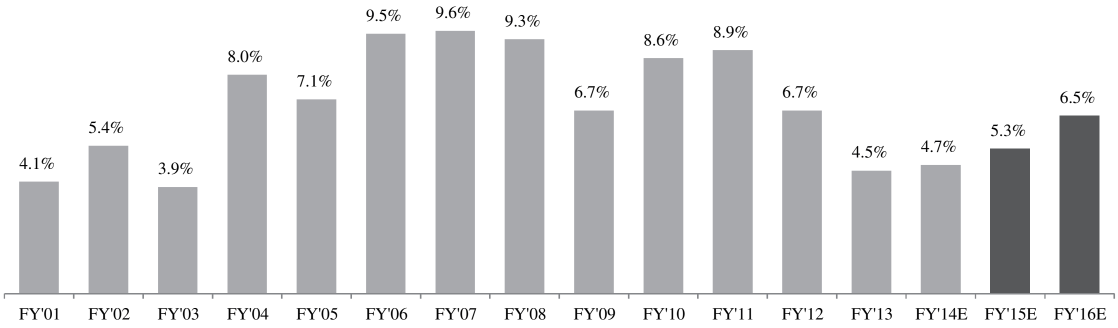
India, the world's second largest country in terms of population, had an estimated GDP on a purchasing power parity basis of approximately US$4,990 billion in 2013 according to the CIA World Factbook. This makes it the third largest economy by GDP in the world after the U.S. and China.

In the early 1990's, economic liberalization measures including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, resulted in accelerated GDP growth. India's economic growth slowed in 2011 because of a decline in investment, caused by high interest rates, rising inflation, and global financial crisis situation. In late 2012, the Government announced additional reforms and deficit reduction measures, including allowing higher levels of foreign participation in direct investment in the economy. Growth in 2013 fell to a decade low, as India's fiscal and current account deficits widened. Rising macroeconomic imbalances in India and improving economic conditions in Western countries, led investors to shift capital away from India, prompting a sharp depreciation of the Rupee. However, investors' perceptions of India improved in early 2014, due to a reduction of the current account deficit and expectations of post-election economic reform, resulting in a surge of inbound capital flows and stabilization of the Rupee.

According to RBI, India's economy grew at 4.7% between 2013 and 2014, driven by growth in financial services and agriculture segments. The recent general elections in India have bolstered investor confidence and raised expectations of fast-paced decision-making and economic reforms. GDP growth in the short term is expected to be driven by clearances of stalled projects and improved global growth prospects. The RBI expects the Indian GDP to grow by 5.3% from 2014 to 2015 and by 6.5% from 2015 to 2016.

The graph below shows yearly GDP growth from India for fiscal years ending March 31:

India GDP Growth Trends



Source: RBI. Data for fiscal year ending March 31.

India's Steel Production Capacity

India is the 4th largest producer of crude steel in the world and the Indian steel sector contributes nearly 2% of the country's GDP and employs over 600,000 people. The liberalization of the industrial policy and other initiatives taken by the Government spurred the growth of the private sector in the steel industry. While the existing units are being modernized or expanded, a large number of new steel plants have also come up in different parts of the country based on cost-effective and state of-the-art technologies. In the last few years, the rapid and stable growth of demand has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of India.

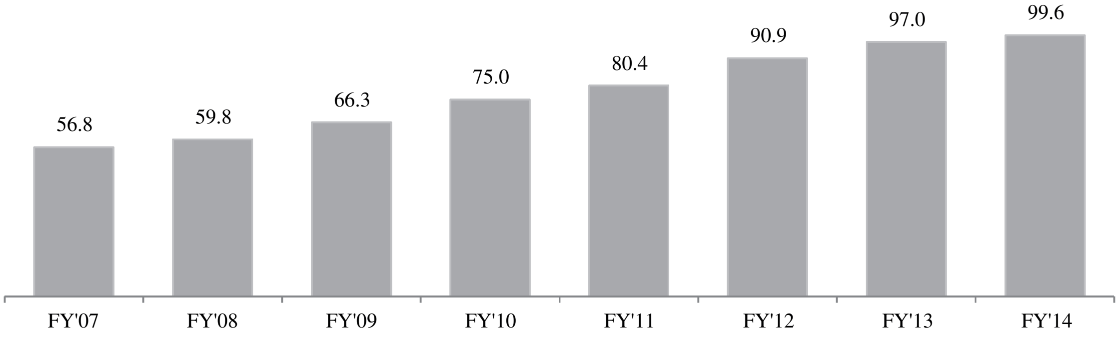
The following table set forth the top ten steel producing countries in the world in 2013, according to the WSA:

Top Ten Steel Producing Countries in 2013	**Production**	**% Share of World Total**
	(in mt)	**(%)**
China	779	49.2
Japan	111	7.0
U.S.	87	5.5
India	81	5.1
Russia	69	4.4
South Korea	66	4.2
Germany	43	2.7
Turkey	35	2.2
Brazil	34	2.2
Ukraine	33	2.1
Top Ten Countries Total	**1,337**	**85**
World total	**1,582**	**100**

Source: WSA

According to the WSA, India steel production was 81 mt in 2013, representing an increase of 4.7% compared to production in 2013. Crude steel capacity in the country stood at 99.6 mtpa in fiscal year 2014 (provisional) as compared to 97.0 mtpa in fiscal year 2013.

India Steel Production Capacity (million tons per annum)



Source: Ministry of Steel Annual Report for 2013-2014. Data for 2013-2014 is provisional. Data for fiscal year ending March 31.

The above crude steel performance has been contributed to largely by the strong trends in growth of the electric route of steelmaking, particularly the induction furnace route, which accounted for 34% of total crude steel production in the country during 2013-14 and has emerged as a key driver of crude steel production. The shares of the different process routes in total production of crude steel in the country during the terminal years of the last five year span, i.e. 2009-10 and 2013-14 (provisional), are shown in the table below and indicate the emergence of the electric route of production compared to the oxygen route:

India Crude Steel Production by Process	**2009-2010**	**2013-2014**
	(route percentage share (%))	
Basic Oxygen Furnace	45	43
Electric Arc Furnace	25	23
Induction Furnace	30	34
Total	**100**	**100**

Source: Ministry of Steel Annual Report for 2013-2014. Data for 2013-2014 is provisional

According to Ministry of Steel's Annual Report 2013-2014, India, a net importer of total finished steel since 2007-2008, turned into a net exporter in 2013-2014, indicating the growing global competitiveness of the Indian steel industry.

Raw Materials Supply

Iron ore is the basic raw material used in steelmaking. Though iron ore is abundantly available in India, large scale exports of iron ore have raised serious concerns about the future availability of iron ore resources to meet fast rising domestic steel demand. At present, export of iron ore is being discouraged through higher tariff levels. For the steel industry, the critical area of concern continues to be the restrictions on mining in major iron ore producing states including Karnataka, Goa and Odisha, resulting in poor availability and inconsistent quality of iron ore.

The domestic availability of coking coal, a critical raw material required by the steel industry, is limited and therefore the Indian steel industry is heavily dependent on imported coking coal. Currently, domestic steelmakers meet 70% of their coking coal requirement through imports. The quantum of imports is likely to go up significantly in the 12th plan as steel production in a large number of new projects is likely to be through the BOF route.

India's Steel Consumption

India's demand for steel has been primarily driven by rapid urbanization and industrialization, its manufacturing industries and many large-scale infrastructure projects as the nation experienced strong economic growth. The increase in consumer affluence associated with its rapid industrialization has also contributed to a structural increase in demand for consumer durable goods, particularly electrical appliances and automobiles. This shift in consumer preference for these goods, driven by material increases in disposable income, has further boosted the demand for steel. According to the WSA, India's steel consumption was 74 mt in 2013, representing an increase of 1.8% compared to consumption in 2012.

In spite of being one of the largest producers of steel in the world, India has been lagging behind other major steel producing countries in terms of intensity of steel usage in overall economic activities (i.e., per unit of GDP) or per capita consumption of steel. In 2013, India's per capita apparent consumption of finished steel products was 58 kilograms, which is relatively low when compared to an average per capita finished steel consumption of 515 kilograms and 1,057 kilograms for China and Korea, respectively. There is significant potential for improvement in the domestic steel consumption given the economy's large untapped markets especially in rural areas. According to the WSA, developing countries such as China and India are expected to remain the key driver of global steel demand in the medium term.

The table below compares between the per capita apparent consumption of finished steel of India and economically developed peers in Asia and the world.

Apparent Finished Steel Consumption per Capita in 2013	**2013 Finished Steel Consumption per Capita**	**2013 GDP Per Capita (PPP)**
	(kilograms)	**(US$)**
India	58	5,410
China	515	11,904
Japan	516	36,315
South Korea	1,057	33,140
U.S.	300	53,143
UK	128	36,209
World	225	14,301

Source: WSA and World Bank

Key Growth Drivers

According to the WSA, Indian steel demand is expected to grow by 3.3% to 76 mt in 2014, following 1.8% growth in 2013, due to an improved outlook for the construction and manufacturing sectors. According to the 12th Five Year Plan from 2012-2017, India's steel demand is likely to grow at an average of 10.30% in the next five fiscal years on the back of infrastructure development and higher per capita consumption.

Higher rates of urbanization is expected to lead to an increase in the intensity of steel consumption as per capita consumption of steel of urban India is much higher than in rural India. It is estimated that India's urban population will increase to 600 million by 2030 from the current level of 400 million. The rising middle class population of India is expected to generate additional demand for automobiles, white goods and other consumer non-durables leading to higher per capita steel consumption.

Investment in infrastructure is expected to be the key driver of steel demand. India's Planning Commission has projected an investment of US$1 trillion for the infrastructure sector during 2012-2017, with 40% of the funds coming from the country's private sector.

The contribution of the automobile sector to domestic steel demand would be predominant in 2012-2017 in view of increasing per capita income level and the rising aspirations of the Indian population to enjoy a better quality of life in the new development scenario of the country. The demand for auto grade steel, particularly those belonging to dual phase steel, trip steel, AHSS grade, ultra-fine grain steel, Nano steel, etc., would be required in increasing volume by all the auto majors who have set up their facilities in the country or are in the process of setting up fresh units. The Indian automobile industry accounts for 22% of the country's manufacturing gross domestic product and is currently the seventh-largest in the world with an average annual production of 17.5 million vehicles, of which 2.3 million are exported. According to IHS Automotive, India is expected to become the third largest automotive market in the world by 2016, ahead of Japan, Germany and Brazil, riding on its domestic automotive sales.

Overview

JSW Steel Limited, a member of the JSW Group and part of the O.P. Jindal Organization, is an integrated manufacturer of a diverse range of steel products with an export presence in more than 100 countries. The JSW Group has diversified interests in mining, carbon steel, power, industrial gases, port facilities and cement. The Group offers an extensive portfolio of flat and long products, including hot rolled coils, sheets and plates, cold rolled coils and sheets, galvanized and galvalume products, pre-painted galvanized and galvalume products, TMT bars, wire rods and special steel bars, rounds and blooms, plates and pipes of various sizes. The Group is also one of the largest producers and exporters of coated flat steel products in India. The Group believes that it has one of the lowest conversion costs in the industry, primarily due to its efficient operations, high manpower productivity, the strategic location of its facilities and its state-of-the-art manufacturing facilities. The Group's Indian operations have a current installed crude steel capacity of approximately 14.3 mtpa, which comprises of 11.8 mtpa (approximately 83% of the capacity) of flat products and 2.5 mtpa (approximately 17% of the capacity) of long products. Since the Group's incorporation in 1994, it has grown its gross revenues to Rs.554,315.1 million (US$8,996.7 million) in the year ended March 31, 2014.

The Company is ranked seventh amongst the top world class steelmakers, according to World Steel Dynamics, based on a variety of factors. In particular, the Company achieved the highest rating on the following factors: conversion costs, yields, expanding capacity, location in high-growth markets and labor costs. This ranking puts the Group ahead of all other Indian steelmakers.

The Group has significantly expanded its steelmaking capacity at its Indian operations, which have increased from 1.6 mtpa in 2002 to 14.3 mtpa in 2013, both through organic and inorganic growth. The Group's Indian manufacturing facilities consist of: Vijayanagar Works in Karnataka (10 mtpa), Dolvi Works in Maharashtra (3.3 mtpa) and Salem Works in Tamil Nadu (1 mtpa), in addition to downstream facilities for its coated products division at Vasind, Tarapur and Kalmeshwar Works in Maharashtra. The Group's Indian facilities are strategically located near raw material sources and are well connected via ports and railways, thus helping the Group to maintain a low cost structure. The Group's overseas manufacturing facilities, located in Baytown, Texas, U.S., consist of a 1.2 mntpa plate mill, a 0.55 mntpa pipe mill and a 0.55 mntpa double jointing mill, along with a 0.35 mntpa coating line. The Baytown facility is also located near port facilities as well as key customers in the oil and gas industry. The Group intends to expand its Indian production capacity from the current 14.3 mtpa to 18 mtpa by 2016, through brownfield expansion at Vijayanagar Works and Dolvi Works.

For the year ended March 31, 2014, approximately 80% of the Company's net sales from sale of products were derived within India through a widespread sales and distribution network that sells its products directly to customers, wholesale traders and stock points. The Group's sales presence is especially strong in South and West India, where a large number of automotive manufacturers are located. The Group is particularly focused on retail sales through its JSW Shoppes. As at March 31, 2014, the Group had 450 JSW Shoppe outlets located throughout India. For the year ended March 31, 2014, approximately 20% of the Company's net sales from sale of products were derived from overseas markets. The Group has an export presence in more than 100 countries across five continents. The Group uses a combination of direct sales to customers and sales to international trading houses for its international sales. The Group intends to strengthen its international sales presence through inorganic opportunities and to that end, the Group has recently placed a binding bid for the takeover of rolling mills from Lucchini in Italy. The Group believes that this acquisition will help the Group make further inroads into the European market by leveraging Lucchini's existing customer relationships to increase its international sales.

The Group has entered into strategic joint ventures as well as acquired stakes in various entities which have enabled it to add more value-added products, enhance its global footprint, secure raw materials and increase its technological know-how. To strengthen its presence in structural steel, the Group entered into a 50:50 joint venture with UK-based Severfield-Reeve Structures Limited for the construction of a 35,000 tpa structural steel plant at Vijayanagar Works. The Group has further widened its product diversity into cutting edge flooring technology with composite metal decking through a joint venture with Structural Metal Decks Limited, UK. The Group also has a 49% stake in Georgia Steel LLC, which has a steel rolling facility with 175,000 tpa capacity designed to produce rebars through the hot rolling mill process by using steel billets. The Group also entered into a joint venture with Marubeni-Itochu Steel to set up steel service centers in North and West India for just-in-time solutions to the automotive, white goods and construction sectors which are expected to be operational by the end of 2014. In April 2014, the Group acquired a 50% equity stake in Vallabh Tinplate Private Limited, which has a capacity of 60,000 tpa, marking the Group's entry into the growing tinplate business in India. In August 2014, the Group entered into an agreement to acquire a 99.85% equity stake in Welspun Maxsteel, subject to certain regulatory approvals and closing conditions. The acquisition was completed on October 31, 2014. The acquisition is expected to provide DRI to Dolvi Works while the Group's subsidiary, Amba Coke River Limited, will supply surplus pellets to it, thereby reducing the Group's cost of production.

In order to effectively enhance its operational capabilities, expertise and technology, the Company entered into a strategic collaboration with JFE of Japan to acquire energy reduction and environmental-friendly technologies, enabling it to produce high-end value-added steel products for the automotive and construction industries as well as optimize cost. JFE has also taken a 15% stake in the Company. The collaboration between JSW and JFE includes a general technology assistance agreement, which encompasses all facets of steelmaking and processing from raw material handling to rolling mills including energy control and savings; a technical assistance agreement encompassing the Group's new cold rolling mill; and a foreign collaboration agreement focusing on the manufacture of high-end auto-grade steel that was being imported into India.

The Group continues to focus on backward integration by investing in its resource base to secure critical raw materials. The Group has acquired coking coal mines in West Virginia, U.S. and has also acquired coal mining concessions in Mozambique and iron ore mining concessions in Chile. The Group believes that securing critical raw materials, either for sale in the global market or for direct use in its production, will help protect the Group from variations in raw material prices.

For the year ended March 31, 2014, the Group recorded net revenue from operations of Rs.512,196 million (US$8,313.0 million) and profit after taxes, minority interests and share of profit of associates of Rs.4,520 million (US$73.4 million). For the six months ended September 30, 2014, the Group recorded net revenue from operations of Rs.271,489 million (US$4,406.3 million) and profit after taxes, minority interests and share of profit of associates of Rs.14,053 million (US$228.1 million). The Group had net fixed assets of Rs.561,874 million (US$9,119.3 million) and a net debt to equity ratio of 1.56x as at September 30, 2014.

Competitive Strengths

The Group believes that the following competitive strengths can be leveraged to allow it to further enhance its position as a leading global steel producer.

Strategically located manufacturing facilities

The Group's strategically located facilities in South and West India provide the Group access to key automotive manufacturers in these regions as well as easy access to ports on both eastern and western coasts of India. All of the Group's facilities are well connected to rail and road networks. As a result of the facilities' strategic locations, the Group has enjoyed an approximate 60% market share in South and West India. Vijayanagar Works, India's first single location 10 mtpa steel plant, is located close to the rich iron ore belt of the Bellary-Hospet region in Karnataka and is well connected to the Group's dedicated port facilities at South West Port Limited in Goa and other port locations. Dolvi Works, with its strategic presence in Western India near Mumbai, has a captive jetty along with rail, road and seaport connections. Salem Works, India's leading producer of long special steel products, is located near the automotive manufacturing hub in Southern India. The Group's strategically located facilities enable a reliable and cost efficient supply of raw materials and efficient delivery of finished steel products to the market. In addition, the Group believes its approximate 60% market share in South and West India is a result of its cost advantage in delivering finished steel products to customers in that region.

Leading technology

The Group believes it is a pioneer in introducing leading technologies in India. In order to maintain quality while lowering the cost of production, the Group has adopted a combination of industry leading technologies, including non-recovery coke ovens, blast furnace, DRI, twin shell Conarc, Corex and galvalume technology, in addition to other well established steelmaking methods.

The Corex process is used in combination with blast furnace technology at Vijayanagar Works. Dolvi Works is the first facility in India to adopt a combination of Conarc technology for steelmaking and Compact Strip Production for producing hot rolled coils. In addition, the Group's beneficiation plant at Vijayanagar is able to convert low grade iron ore to higher grade variants, thus allowing the Group to utilize lower grade iron ore and achieve significant cost savings. The adoption of various advanced technologies gives the Group the flexibility to blend coking coal of different quality for the manufacture of coke, produce pellets and sinter in the iron ore agglomeration process, make use of coal fines, utilize waste heat for power generation and produce galvalume products, each of which generates cost efficiencies for the Group. These advanced technologies also provide the Group with flexibility in the choice of raw materials and enable the Group to take advantage of market variances in the availability and price of raw materials.

At Vijayanagar Works, the Group has introduced an innovative new technology of mill scale briquetting, which reduces iron ore and lime consumption and helps to reduce waste. The Group has also developed methods to recover finer iron ore value from slime dumps, which has further helped in reducing consumption of iron ore while creating wealth from waste. The Group has also commissioned a micro pelletization plant at Vijayanagar Works for utilization of sludge and fine dust from de-dusting systems.

In addition, the Group's collaboration with JFE involves a general technology assistance agreement which encompasses all facets of steelmaking and processing from raw material handling to rolling mills, including energy control and savings. It also encapsulates a technical assistance agreement to set up a cold rolling mill and a foreign collaboration agreement focusing on the manufacture of high-end auto-grade steel and electrical steel.

Integrated and efficient operations

The Group is an integrated manufacturer of a diverse range of products, utilizing various industry leading technologies. The Group believes that it has one of the lowest conversion costs in the industry, primarily due to its efficient operations, high manpower productivity, the strategic location of its facilities and its state-of-the-art manufacturing facilities. The Group's integrated operations span from raw material processing units, such as beneficiation plants, pelletization and sinter plants, to downstream value addition capabilities, such as production of cold rolled and galvanized products. The facilities are well connected to rail, road and port for logistics support, which provides natural competitive advantages in terms of reliable and cost efficient supply of raw materials and delivery of finished steel products to the market. Most of the Group's domestic production facilities are serviced by captive power plants: Vijayanagar Works by captive power generation of 854 MW; Dolvi Works by a 55 MW power plant and long-term power purchase arrangement with JSW Energy Limited; Vasind Works and Tarapur Works by a 30 MW power plant; and Salem Works by a 60 MW power plant. Moreover, of the aggregate electricity of 999 MW generated by the Group's captive power plants, 284 MW is generated through waste gases and heat generated from operations, an environmentally friendly and cost efficient source. The Group also has tie-ups for utilities and industrial gases with its associate company Jindal Praxair Oxygen Company Private Limited and long-term tie-ups with British Oxygen Co, Praxair India Pvt. Ltd and INOX.

Backward integration and raw material security continue to be strategic priorities for the Group. Development activities for coal and iron ore mines are currently planned for Chile, U.S. and Mozambique. The Group believes that securing critical raw materials, either for sale on the global market or for direct use at its facilities, will help protect the Group from variations in raw material prices.

The high level of integration has reduced product development costs and production time, which in turn has enabled the Group to offer a shorter and more reliable delivery cycle to its customers.

Diversified product portfolio

The Group has a wide range of product offerings that cater to diversified end markets across geographies. The Group has significantly expanded its product portfolio through a mix of acquisitions, downstream capacity expansions and joint ventures with other leading steel companies. The Group offers an extensive portfolio of flat and long products, including hot rolled coils, sheets and plates, cold rolled coils and sheets, galvanized and galvalume products, pre-painted galvanized and galvalume products, TMT bars, wire rods and special steel bars, rounds and blooms, plates and pipes of various sizes. The Group believes that the breadth of the Group's product range gives it the flexibility to adapt its product mix to market demands and enables it to sustain through adverse economic conditions.

The Group is focused on value-added steel products. The strategic collaboration with JFE allows the Group to produce high-end value-added steel products for the automotive and construction industries. Moreover, the Group manufactures a wide range of value-added flat steel products, such as medium to high carbon steel, high tensile and high strength low-alloy steel grades for the automotive sector, API grade steel for the oil and gas sector, cold rolled close annealed coils, galvanized products and color coated products in the flat product segment and rebars, wire rods and structural steel in the long product segment. The Group currently has one of the largest galvanizing and galvalume and color coating production capacity in India and it is also one of the largest Indian exporters of coated flat steel products, with an export presence in more than 100 countries across five continents.

The Group believes that its recent venture into the highly value-added product of vinyl coated metal, which until recently has only been imported into India, will localize its sourcing and make it more affordable in the domestic market. To further enhance its product offerings, the Group is setting up an electrical steel facility at Vijayanagar Works.

The Group has entered into strategic joint ventures as well as acquired stakes in various entities which have enabled it to add more value-added products, enhance its global footprint, secure raw materials and increase its technological know-how. To strengthen its presence in structural steel, the Group entered into a 50:50 joint venture with UK-based Severfield-Reeve Structures Limited for the construction of a 35,000 tpa structural steel plant at Vijayanagar Works. The Group has further widened its product diversity into cutting edge flooring technology with composite metal decking through a joint venture with Structural Metal Decks Limited, UK. The Group also has a 49% stake in Georgia Steel LLC, which has a steel rolling facility with 175,000 tpa capacity designed to produce rebars through the hot rolling mill process by using steel billets. The Group also entered into a joint venture with Marubeni-Itochu Steel to set up steel service centers in North and West India for just-in-time solutions to the automotive, white goods and construction sectors which are expected to be operational by the end of 2014. In April 2014, the Group acquired a 50% equity stake in Vallabh Tinplate Private Limited, which has a capacity of 60,000 tpa, marking the Group's entry into the growing tinplate business in India. In August 2014, the Group entered into an agreement to acquire a 99.85% equity stake in Welspun Maxsteel, subject to certain regulatory approvals and closing conditions. The acquisition was completed on October 31, 2014. The acquisition is expected to provide DRI to Dolvi Works while the Group's subsidiary, Amba Coke River Limited, will supply surplus pellets to it, thereby reducing the Group's cost of production.

Strong project execution capabilities

The Group has a track record of successful project implementation by its in-house team instead of awarding turnkey contracts, resulting in cost savings, faster implementation and better quality control. The Group has a highly experienced project management team supported by a cross functional team with demonstrated experience of several expansion projects completed within the planned timelines and cost. The Group leverages its long-term relationships with key domestic and international suppliers, which enables it to achieve timely delivery at a competitive cost, thus ensuring smooth project implementation. The Group's strong project execution capabilities have been recognized by several significant awards, including the Prime Ministry's Trophy for Excellence in Performance in 2012-2013 for Vijayanagar Works, which was also adjudged the Best Integrated Steel Plant in India. The Group also won the Golden Peacock Eco-Innovation Award 2013 and the 'Industry Leadership Award' at Platts Global Metals Awards for its achievements in Steel, Metals and Mining.

Skilled workforce led by an experienced management team

The Group's senior management team comprises members with diverse skills in manufacturing, sales and marketing, finance and supply chain management in the steel industry. Their extensive experience and understanding of the Group have been instrumental in building a sustainable global operation. In order to create an environment conducive to retaining talent, a clear goal setting agenda is in place to create a leadership pipeline. To encourage employees to think beyond their individual targets, the Group has institutionalized innovation projects, creating an innovation portal to allow employees to generate and apply ideas that enable the Group to operate effectively. The Group continuously invests in building and enhancing its competencies and encourages employees to participate in sponsored learning programs. The Group believes that the mix of experience and diversity of its management team gives it the ability to successfully execute its business strategy.

Strategy

The Group aims to enhance its position as a leading global steel producer through the following strategies.

Selective growth through brownfield expansion and greenfield projects as well as inorganic growth

The Group intends to leverage its proximity to iron ore reserves and its existing logistics infrastructure to expand its production capacity at a low investment cost per ton. The Group's strategy is to maintain its share of steel production in India, while locating the production of its finished products close to the markets in which they will be sold, in particular the Group's value-added products. The Group intends to maintain its domestic market share of approximately 13% to 14% through selective and inorganic growth. The Group will continue to undertake brownfield expansions, which can be accomplished at a low specific investment cost per ton, as well as consider inorganic growth opportunities that are value accretive.

The Group is currently undertaking brownfield expansions at Vijayanagar Works from its existing 10 mtpa to 12 mtpa and at Dolvi Works from its existing 3.3 mtpa to 5 mtpa, thereby increasing the Group's overall capacity to 18 mtpa by 2016.

On October 31, 2014, the Group acquired Welspun Maxsteel Limited, which has a gas based DRI plant located near Dolvi Works with an installed capacity of 0.9 mtpa. The facility has a captive jetty and a captive railway siding and has approximately 480 acres of surplus land available for future brownfield expansion. The Group believes that this acquisition has significant synergies as the Group shall supply its surplus pellets to the unit, resulting in a low cost of production of DRI which shall be used for steelmaking at Dolvi Works.

The Group is also proposing to set up an integrated steel complex at Salboni in West Bengal for which the environmental clearance for a 3 mtpa integrated steel plant and a 300 MW captive power plant was granted by the MoEF. This is part of a 10 mtpa steel plant which the Group proposes to set up as a part of its overall expansion plan.

Further diversification of the Group's product profile and customer base

Rising consumer aspirations and the inevitable growth in infrastructure spending are significant macro trends in India. The Group believes that these trends will lead to an increase in demand for steel. The Group has moved quickly to create a portfolio of relevant value-added products in anticipation of this change. The Group further intends to increase its proportion of high margin value-added products in its product mix so as to better withstand steel price volatility, to offer a broad-based suite of products to meet the growing requirements of customers and facilitate import substitution.

The Group intends to increase its focus on the production of medium and high carbon steel, high tensile and high strength low alloy steel for the automotive sector, and API grade steel for the oil and gas sector. Aligned with this strategy are the Group's expansion plans to set up a new 2.3 mtpa cold rolling mill at Vijayanagar Works. The first phase of this project has already been completed and the second phase is expected to be completed by the end of fiscal year 2015. In addition, the Group is also targeting to commission a 0.2 mtpa non-grain oriented electrical steel facility at Vijayanagar Works by the end of fiscal year 2015. The Group believes this project will allow it to address domestic requirements for high-grade electrical steel, which is primarily imported at present. The Group is further strengthening its position in the long product segment and is in the process of setting up new rebar mills at Vijayanagar Works and Dolvi Works to address the growth in the infrastructure and construction sectors. The Group believes that its entry into the highly value-added product of vinyl coated metal, which until recently has only been imported into India, will localize its sourcing and make it more affordable in the domestic market. The Group has further diversified into the tinplate business in India with its acquisition of a 50% stake in Vallabh Tinplate Private Limited.

The Group intends to further diversify its customer base, both within India and abroad. In India, the Group will continue to focus on developing the rural market, which the Group believes is less susceptible to economic cycles. To support this rural focus, the Group intends to further expand its rural distribution network by opening additional JSW Shoppe Connect outlets in rural parts of India. The Group also intends to expand its international sales outreach through inorganic growth opportunities. The Group has recently placed a binding bid for the takeover of rolling mills from Lucchini. The Group intends to leverage Lucchini's existing customer relationships to increase its export sales to the European market.

Focus on resource optimization

The Group is a leader in using sustainable and eco-friendly technologies to drive growth, as well as reducing cost and increasing energy efficiency. The Group will continue to invest in new technologies to enhance its operational productivity and efficiency and shall continuously review and assess new technologies, such as improvements to the Corex process, replacing natural gas with coke oven gas for its DRI plant at Dolvi Works and the use of galvalume technology. Advanced technologies will continue to be adopted across the Group's operations, ranging from power generation from waste gases and heat generated from its operations, non-recovery based coke making, using the beneficiation process to convert low grade iron ore and blending different varieties of coking coal for coke making, each of which improve operational efficiencies and reduce costs. The Group also attempts to minimize fresh water consumption by maximizing reutilization of treated waste water. The Group will continue its focus on reducing raw materials consumed per unit of steel produced by replacing virgin raw materials and recycling of waste.

Strengthening backward and forward integration

Backward integration and raw material security are key components of the Group's future strategy. The Group believes that securing critical raw materials, either for sale on the global market or for direct use at its facilities, will help protect the Group from variations in raw material prices. To this end, development activities for coal and iron ore mines are currently being planned in Chile, the U.S. and Mozambique. The Group will continue to evaluate additional raw material assets that fit within its strategic criteria and intends to look for further opportunities in India and abroad to secure key raw material supplies and to reduce its cost of production by targeting strategic tie-ups and investments in new technologies to achieve further backward integration.

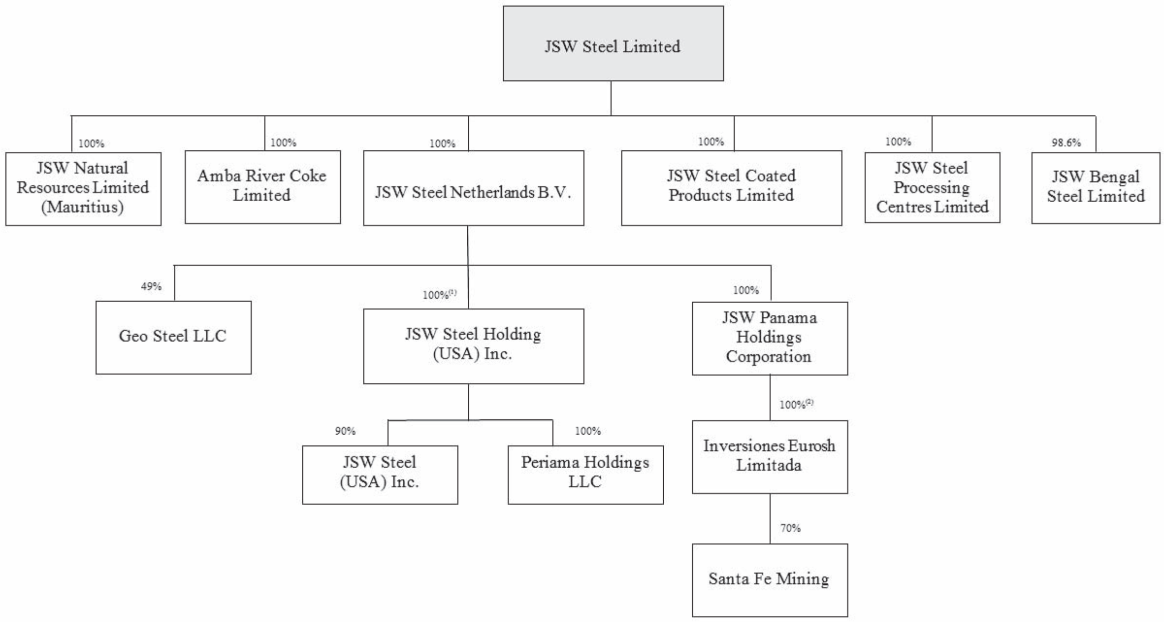
The Group intends to strengthen its forward integration by expanding its retail outlets to sell higher value-added products, both within India and abroad. For example, the Group's recent bid for Lucchini is expected to allow the Group to leverage Lucchini's existing customer relationships to increase the Group's sales in Europe.

Prudent balance sheet management

The Group operates in a capital intensive industry with a history of volatile prices. The Group therefore continuously seeks to improve its financial profile as it believes a strong financial position will be critical to support its future growth. The Group maintains a strong focus on cost management and prudent investment in new projects. The Group has developed robust financial principles and business criteria to assess potential acquisitions and expansions. The Group intends to manage its capacity expansion and debt profile so as to capture market opportunities without taking on excessive risk. The Group seeks to maintain a debt to equity ratio of less than or equal to 1.50x.

Corporate Structure

The chart below shows a summary of the Group's corporate structure. This is a summary chart only and does not show all of the Group's subsidiaries. For further details of the subsidiaries of the Group, see note 1 to the Group's Annual Financial Statements.



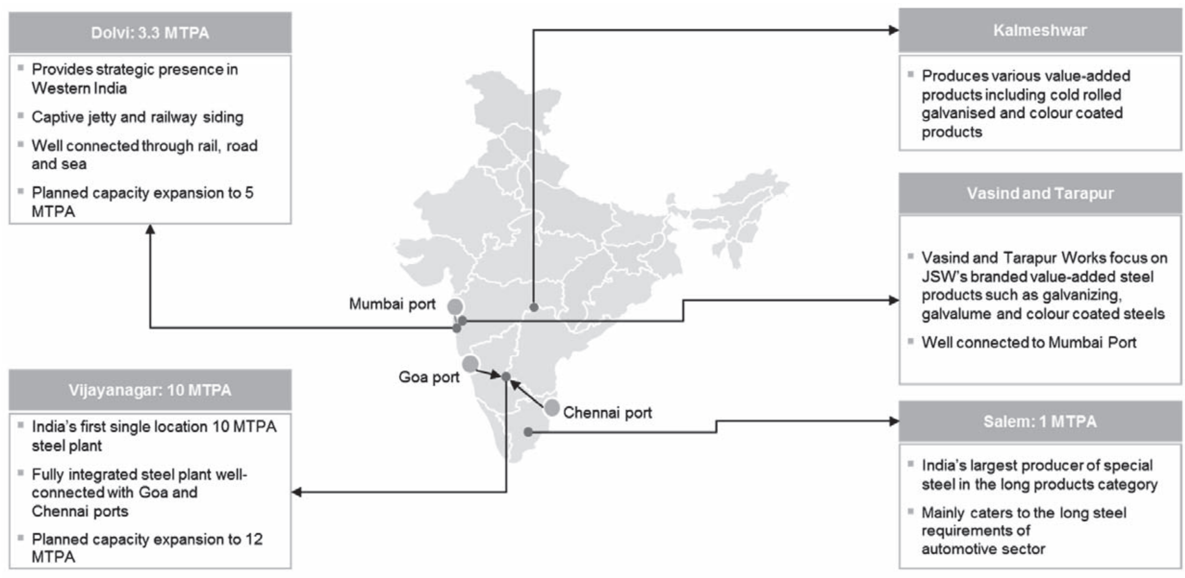
Note:

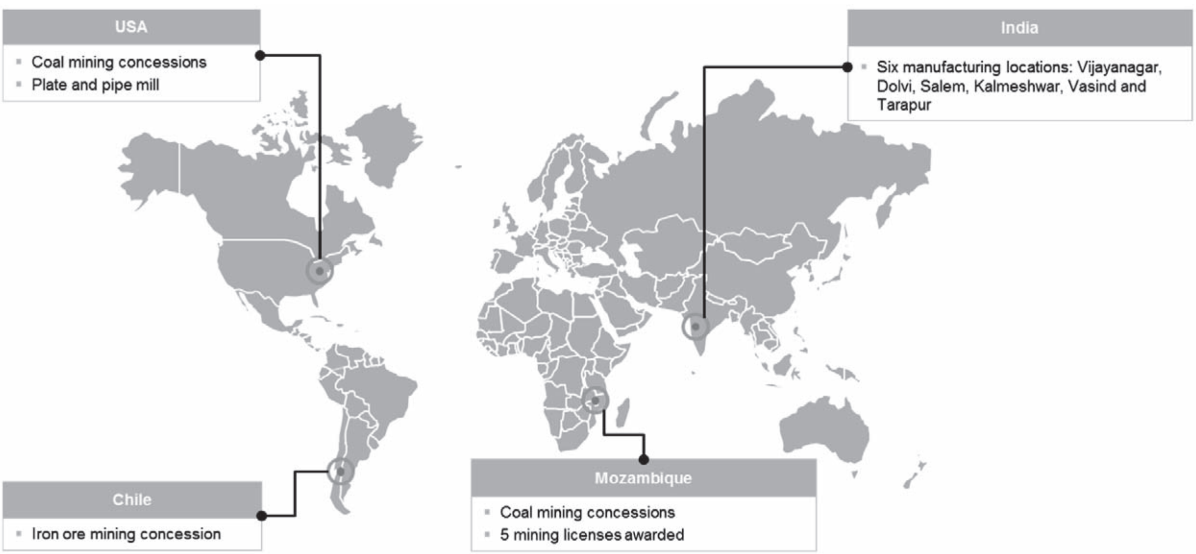
(1) JSW Steel Holding (USA) Inc. is held 99.9% by JSW Steel Netherlands B.V. and 0.1% by JSW Steel Limited.

(2) Inversiones Eurosh Limitada is held 94.9% by JSW Panama Holdings Corporation, 0.1% by JSW Steel Netherlands B.V. and 5% by JSW Steel Limited.

Facilities

The following maps show the locations of the Group's key operating facilities in India and globally:





Vijayanagar Works

Vijayanagar Works is an integrated steel plant with 10 mtpa capacity. It is the Group's flagship plant and uses the Corex process, the first in India to do so, to achieve efficiency in conversion cost. Vijayanagar Works houses India's largest auto-grade steel facility with a capacity of 2.3 mtpa. It is also the only steel plant in India with paircross technology and a twin-stand reversible cold rolling mill.

Raw material processing	• Beneficiation — 3,500 tph • Pellet plant — 9.2 mtpa • Sinter plant — 12.95 mtpa • Coke oven plant — 4.64 mtpa
Steelmaking	• Corex — 1.7 mtpa • Slab caster — 8.3 mtpa • Billet caster — 3 mtpa • Blast furnace — 8.8 mtpa • Basic oxygen furnace
Rolling and value addition	• Hot strip mill — 8.2 mtpa • Cold rolling mill — 3.13 mtpa • Wire rod — 0.6 — mtpa • Rebar mill — 2.1 mtpa

Vijayanagar Works has captive power generation capacity of 854 MW capacity. It has a dedicated port and is well connected to the Goa and Chennai ports to facilitate the import of raw materials and export of finished products. It also has a lime calcination plant hosting eight kilns, each with 300 tpd capacity, and three kilns, each with 600 tpd capacity. In addition, Vijayanagar Works has tie-ups for utilities with JPOCL, British Oxygen Co. and Praxair India Pvt. Ltd.

Expansion and Development Projects

Projects under progress at Vijayanagar Works include:

- implementation of a new cold rolling mill, consisting of two continuous annealing lines of 0.95 mtpa each. One was commissioned in April 2014 and the other is scheduled to be commissioned in fiscal year 2016;

- reconstruction of a blast furnace to increase its capacity from 0.9 mtpa to 1.7 mtpa, subject to necessary approvals;

- undertaking of trial runs of a new steel melting shop, comprising an electric arc furnace along with a 1.5 mtpa billet caster;

- undertaking of trial runs of a new 1.2 mtpa bar mill to process cast products from the new steel melting shop;

- implementation of a 0.2 mtpa non-grain oriented electrical steel project;

- construction of a service center, with an annual capacity of 50,000 tons, to handle products from the electrical steel complex; and

- installation of a sizing press at a hot strip mill to provide flexibility in caster operation at one of the current steel melting shops and to allow for an increase in throughput of the slab caster by an average width of 1700 mm.

Salem Works

Strategically located near Chennai, Salem Works has a steel production capacity of 1 mtpa. The unit is India's leading producer of special steel in the long products category, with major products including special grade steel used in gears, crank shafts and bearings for the automotive sector. Its products have received approvals from major Indian automotive original equipment manufacturers.

Raw material processing	• Sinter plant — 1. 26 mtpa • Coke oven — 0.51 mtpa
Steelmaking	• Blast furnace — 1.0 mtpa • Billet/Blooms caster — 1.0 mtpa
Rolling and value addition	• Bar rod/Blooming mill — 0.952 mtpa

Salem Works has a 60MW captive power plant. It is well connected to the Chennai port. In addition, it has a captive oxygen gas plant.

Expansion and Development Projects

Projects under progress at Salem Works include:

- construction of a reheating furnace in the bar rod mill with blast furnace gas fired burners replacing oil fired furnace;

- construction of a 32 tph waste heat recovery boiler in the coke oven to harness the utilization of extra waste heat from non-recovery coke oven; and

- construction of a 15 MW turbo generator for effective utilization of the waste heat recovery system.

Dolvi Works

Located on the western coast of India, Dolvi Works has a steel production capacity of 3.3 mtpa. The unit caters to customers in the automotive, industrial and consumer durables sectors. Dolvi Works is the first plant in India to adopt a combination of Conarc technology for steelmaking and compact strip production for producing hot rolled coils, providing the unit with flexibility to use a combination of solid charge and liquid hot metal.

Raw material processing	• Sinter plant — 2.8 mtpa • Sponge iron plant — 1.6 mtpa
Steelmaking	• Blast furnace — 2.0 mtpa • Conarc — 3.6 mtpa
Rolling and value addition	• Hot strip mill — 3.3 mtpa

Dolvi Works has a 55 MW captive power plant and also has a long-term power purchase agreement with JSW Energy Limited, a JSW Group company. It has a captive jetty as well as railway siding which connects the unit directly with India's railway network. Dolvi Works also has a lime calcination plant hosting two kilns, each with 300 tpd capacity. In addition, Dolvi Works has tie-ups for utilities with INOX.

Expansion and Development Projects

Projects under progress at Dolvi Works include:

- brownfield expansion by increasing capacity from 3.3 mtpa to 5 mtpa. The expansion will include setting up a sinter plant, a new billet caster and a 1.4 mtpa bar mill, modifying the blast furnace and de-bottlenecking the existing steel melting shop and hot strip mill;

- modification of the tunnel furnace to replace natural gas input with surplus coke oven gas input. As the latter is a byproduct of existing processes, the modification is expected to result in a reduction of conversion cost;

- modification of the sponge iron plant to use coke oven gas as partial replacement for natural gas input; and

- installation of a 23 km water pipeline.

Vasind Works, Tarapur Works and Kalmeshwar Works

JSW Steel Coated Products Limited, a wholly owned subsidiary of the Company, includes the manufacturing facilities of Vasind Works, Tarapur Works and Kalmeshwar Works, all in the state of Maharashtra. It is focused on manufacturing JSW branded value-added steel products and has the largest coated products production facilities in India. Its galvanized products are market leaders both domestically and abroad. Vasind Works was the first facility in India to commission a color coating line to cater to the fast growing appliance industry. Tarapur Works specializes in manufacturing ultra-thin coated products. Meanwhile, Kalmeshwar Works has a state-of-the-art hot rolled galvanizing line to cater to the pre-engineered building industry.

Processing	• Cold rolling mill — 1.8 mtpa • Galvanizing/galvalume — 1.705 mtpa • Color coating line — 0.693 mtpa

With respect to raw materials, JSW Steel Coated Products Limited obtains its hot rolling coils from the Company. Zinc, aluminum and silicon are either procured locally or imported from abroad. Paint is procured from leading paint producers in India.

Baytown, Texas, U.S.A.

JSW Steel (USA) Inc.'s plate and pipe mill facility is located in Baytown, Texas, 30 miles east of Houston, on a 650 acre complex. The facility was built in 1971 by United States Steel Corporation to manufacture pipes for the Trans-Alaska Pipeline System and was acquired by the Group in November 2007.

Processing	• Plate mill — 1.2 mntpa • Pipe mill — 0.55 mntpa • Double jointing mill — 0.55 mntpa • Coating line — 0.35 mntpa

The production facilities at the Baytown unit have been refurbished and as a result, availability of the plate mill has increased to 71%. Additional refurbishments, including a US$55 million capital expenditure, have been planned to further improve availability of the mill.

Facilities under development

The Group is currently undertaking two greenfield projects in the states of West Bengal and Jharkhand. These projects are both at an early stage of development. As such, it is uncertain when they will become fully operational.

West Bengal

The Group is establishing a steel plant in West Bengal through its subsidiary, JSW Bengal Steel Limited ("BSL"). A development agreement was entered into on January 11, 2007 with the government of West Bengal, the West Bengal Industrial Development Corporation and the West Bengal Mineral Development and Trading Corporation Limited. BSL is proposing to set up an integrated steel complex at Salboni in West Bengal, for which environmental clearance for a 3 mtpa integrated steel plant and a 300 MW captive power plant was granted by the MoEF. Plans have been made to expand the steel plant to an ultimate capacity of 10 mtpa. BSL is in possession of the land required for this project. As arrangements for long-term linkages of iron ore supplies, which is an essential prerequisite for the integrated steel plant, are still in process, development of the steel plant is on a moderate pace. Field surveys for laying a 68 km cross country water pipeline is also in progress.

Jharkhand

JSW Jharkhand Steel Limited has been incorporated for the installation of a steel plant in the state of Jharkhand. The Group has already obtained the terms of reference from the MoEF. The Group is also pursuing various other approvals and clearances for this project and is also engaged in corporate social responsibility activities at the location.

Products

Steel products can be broadly classified into two basic types according to their shape: flat products and long products. The following table lists the various products of the Group, as well as their principal uses/markets:

Class of Products	Principal End Usage/Market Segments
MS Slabs	Hot Rolled Coils
Hot Rolled Coils/ Sheets/ Plates	Cold Rolling & Galvanizing Drawing & Press Forming Electrical Stampings & Forming Welded Tubes & Pipes Line Pipes Structural & General Engineering High Tensile Structural Applications Chequered Sheets & Plates for Structural Use HSLA Grade for Automobile LPG Cylinders Boiler Tubes & Pressure Vessels Medium Carbon Steel Corrosion Resistant Steel
Cold Rolled Coils/ Sheets	Automobile White goods Cold rolled formed sections Drums & Barrels Furniture

Class of Products	Principal End Usage/Market Segments
Galvanized Products	**Structural Grades** Roofing & Cladding Ducting **Commercial, Forming and Drawing Grades** Boxes Coolers Furniture Heat Plates Solar Heating Panels Electrical and Light Fittings Agricultural Equipment Sandwich panels Automotive
Galvalume Products	**Structural Grades** Roofing & Cladding Ducting **Commercial, Forming and Drawing Grades** Boxes Coolers Furniture Heat Plates Solar Heating Panels Electrical and Light Fittings Agricultural Equipment Sandwich panels Automotive
Color Coated Products	Roofing & Cladding Consumer Goods Furniture Electrical and Light Fittings Agricultural Equipment Sandwich panels
Steel Billets and Bloom	Automobile
Long Rolled Products	General engineering Cold drawing Cold forming Spring applications Welding Wire Ropes Tools Heat Treatment Machining Bearings Jewellery and Cosmetics Office and Household equipment Construction & Infrastructure

The Group's Indian operations have current installed crude steel production capacity of approximately 14.3 mtpa, which comprises 11.80 mtpa (approximately 83% of the capacity) of flat products and 2.50 mtpa (approximately 17% of the capacity) of long products.

Sales and Marketing

The Group's diversified product range is supported by a widespread sales and distribution network throughout India. The Group distributes its products in the domestic market by selling directly to customers, wholesale traders and stock points. In the export markets, the Group uses a combination of direct sales to customers and sales to international trading houses. Some of the Group's key marketing initiatives in India include widening its product mix, substituting steel imports in India, focusing on retail and expanding its domestic reach in rural and semi-urban areas.

The Group has recently extended its marketing reach on a pan-India basis by adding to its existing dealer-base, expanding the number of JSW Shoppe outlets and entering new locations. While the JSW Shoppe outlets are primarily focused on urban and semi-urban areas, the Group has also launched JSW explore outlets that cater to metro and urban areas. The Group has also conceptualized JSW Shoppe Connect outlets to cater to semi-urban and rural areas. Through JSW Shoppe, JSW explore and JSW Shoppe Connect, the Group expects to effectively cater to all segments of the retail steel market in India. These JSW-branded outlets provide direct customer interaction and showcase the Group's products. The Group intends to continue expanding its domestic presence through the JSW Shoppe distribution channel. Each category of its retail outlets has been designed with a specific delivery and service objectives as explained below, to increase customer focus and market penetration:

JSW explore

- *Target areas:* Metro and urban areas
- *Key features:* Just-in-time service solutions for customers with in-house profiling lines and value-added services; franchisee model
- *Service focus:* Multiple product service center for steel solutions

JSW Shoppe

- *Target areas:* Urban and semi-urban areas
- *Key features:* Retail steel distribution
- *Service focus:* Steel distribution, with emphasis on enhanced customer experience

JSW Shoppe Connect

- *Target areas:* Semi-urban and rural areas
- *Key features:* Small retail format; linked to JSW explore and JSW Shoppe
- *Service focus:* Focus on sales to end customers and medium and small enterprises, with a focus on rural areas

As at March 31, 2014, the Group had 450 JSW Shoppe outlets throughout India.

The Group has adopted the following service focused initiatives to maintain and improve its customer relationships and sales revenue:

- consistent product quality and timely deliveries enabling a long-term business relationship with customers, both in the domestic and international markets;
- positioning itself as a leading domestic supplier of flat and long steel products and a leading strategic exporter of coated products;

- leveraging its plants' geographical advantages to increase market share strategically in the Southern and Western regions of India; and

- appointing dedicated application engineers at key locations to help service client requirements and redress queries with speed.

Promotional Activities

To popularize steel consumption in India, the Group organizes training programs across the country. The Group's promotional activities also include interaction with retailers and meetings with distributors across the country recognizing high performers.

Sales and marketing offices

The Group currently has sales and marketing offices in major cities in India, including Bangalore, Chennai, Secunderabad, Mumbai, New Delhi, Indore, Faridabad, Ludhiana, Ghaziabad, Jaipur, Kolkata, Pune, Guwahati, Patna and Coimbatore. The Group's sales and marketing offices are responsible for:

- exploring regional market potential in India and providing feedback to the head office in Mumbai for future business planning;

- translating potential customer demand into sales for the Group;

- coordinating production schedules to ensure timely sales order execution;

- ensuring timely receipt of payments from customers; and

- customer visits to provide after sales service.

Material Procurement

Material movement, both inbound and outbound, is critical for ensuring the timely receipt and delivery of raw materials and finished products. The majority of materials are transported by rail. Raw material inputs, such as iron ore, coal, limestone and dolomite, are primarily moved in rakes. The Group has a robust logistics management infrastructure in place to manage large volumes.

Raw material sourcing

Over the past few years, the Group has instituted a strategy of diversifying its raw material sources. As a result, the Group believes it can strike the right balance between sourcing key raw materials and optimizing input blend and cost.

The pricing mechanism in the world coking coal market has witnessed significant change in the past two years (from annual to quarterly to monthly to index). To remain competitive, the Group has altered its buying pattern ratio of periodic and spot material, depending upon market dynamics to maximize cost benefits without compromising on technical specifications. Similar developments have been witnessed in sourcing thermal coal and other products. For example, new sources of thermal coal reduced single source dependency and unit cost of power generation.

Coal blend stabilization is achieved by rationalizing carbon bearing material and improving input quality in coke ovens. This leads to a significant reduction in the cost of production and decreases the overall consumption of coking coal. With the introduction of new sources of imported raw material, strategic sourcing has achieved goals such as uninterrupted production, controlled inventory levels, diversified risks, reduced costs and enhanced bargaining strength. During the year ended March 31, 2014, the Company consumed 11.65 mt of coking coal.

Iron ore procurement remains a key area of focus. Given the Group's upcoming capacity expansions, its requirement for iron ore is expected to grow. Over the past year, the Company has sourced approximately 20% of its iron ore requirement from outside Karnataka. To this end, it developed sources in Odisha, establishing reliable infrastructure and iron ore sources for Dolvi Works and Salem Works. To address uncertainties in iron ore supply, the Group has relied on in-house beneficiation technology to transform low grade iron ore into higher grade usable inputs. In addition, a strategy of ensuring raw material supply security from various regions is being pursued. The Group has also imported iron ore fines for the first time in July 2014. During the year ended March 31, 2014, the Company consumed 22.82 mt of iron ore.

Energy Management

Energy management plays an important role towards the successful functioning of plant operations for the Group. The Group's energy management procedures involve utilizing heat generated in its operations and processing gases to minimize fossil fuel consumption. Considering the volatility in fuel costs, the Group has introduced a comprehensive energy management program, encompassing strategies for steam, fuel, special gases and heat. The Group intends to focus on optimizing its energy usage by implementing the second stage of its optimization exercise, which includes a linear optimization model to align energy conservation measures at every step of its operations, as well as integration of automation and artificial intelligence into its systems and processes for efficient operations.

Quality Control

The Group's quality assurance procedures focus on process controls as well as periodic inspections. The Group's quality assurance procedures have been designed to ensure that teams of qualified personnel monitor the various stages of the production process. These procedures include monitoring the quality of raw materials and quality control checking at each stage of the production process to ensure that finished steel products meet customer requirements.

The Group's manufacturing locations are also equipped with modern laboratory equipment to allow for regular analysis of samples from the production plants to check product composition and ensure product specifications. As a result of the Group's quality assurance monitoring, the Group is able to maintain a low level of non-conforming products and has been able to make continuous improvements in product quality. Vijayanagar Works, Vasind and Tarapur Works and Salem Works have been all been granted ISO certification.

Project Construction

The Group engages third-party contractors to provide various services, such as construction, building and plant and property fitting-out work and other ancillary services. Contractors are selected by way of a negotiated tender process, in which due consideration is given to previous track record, demonstrated expertise, pricing and completion schedules.

The construction contracts have various warranties from the construction companies regarding quality and timely completion of the construction. The contracts require the construction companies to comply with Indian laws and regulations on the quality of construction products as well as the standards and specifications stipulated in each contract. The contractors are also subject to the Group's quality control procedures, including examination of materials and supplies, on-site inspection and production of progress reports.

Contractors' fees are paid in installments according to construction progress. In the event of delay in construction or unsatisfactory quality of workmanship, the Group has the right under the contracts to withhold payments to contractors or require contractors to pay a penalty or provide for other remedies to recover losses.

The Group has not had any major disputes with any of its construction contractors in the past.

Research Development and Innovation

Research and development activities at the Group are focused mainly on process improvements, development of new processes and products, energy optimization, waste utilization and conservation of natural resources. Initiatives towards plant process improvements include beneficiation of iron ores and banded hematite quartz as well as agglomeration. The Group also developed new processes, such as mill scale briquetting and micro-pelletization, for recycling process wastes, including coal fines, mill scale and other iron bearing material. To enhance waste utilization, solutions for using granulated slag in road and building construction were also developed. During 2014, the Group's research and development team has initiated the promotion of industry-academic partnership through collaborative projects with leading academic and research institutes in India such as CSIR-NML Jamshedpur, IIT Mumbai, IIT Chennai, IISc Bengaluru, NIT Surathkal, National Research Centre for Agro-forestry (NRCAF) Jhansi and Psychospectrum, Chennai.

As at March 31, 2014, the Group has also authored 32 technical papers in various publications relating to various aspects of steelmaking.

Intellectual Property

The table below shows the Group's intellectual property rights by location as at March 31, 2014:

Location	No. of Patents	No. of Copyrights
Vijayanagar	15	12
Salem	2	
Dolvi	6	
Total	**23**	**12**

Environmental Management

The Group's approach towards achieving environmental excellence is based on maximizing the positive impact and minimizing the negative impact that its operations have on the environment. Water is increasingly becoming a scarce resource, and it is one of the most vital ingredients for a steel plant, given the fact that significant quantities of water and steam are required for their operations. The Group's endeavor is to ensure minimization of freshwater consumption by increasing efficiency of the operations while ensuring maximum reutilization of treated wastewater. The specific water consumption for fiscal year 2014 was 4.89 kL/ton crude steel. Minimization of waste generation and responsible disposal of generated waste are the basic operational requirements for all of the Group's locations. The Group's operations further reduce the environmental burden by utilizing waste from external sources. Nearly 2.2 million tons of waste scrap, waste mill-scale and other wastes containing iron contents were reprocessed during fiscal year 2014. Innovative technologies have been implemented to recover iron from generated waste slime, thereby reducing consumption of iron ore.

In fiscal year 2014, Vijayanagar Works introduced mill scale briquetting, an innovative new technology which not only reduces iron ore consumption but also generates less waste. Products of this technology contain high iron content and can be used to replace an equivalent amount of iron ore. Use of the technology also leads to a reduction in lime consumption. The site has also developed a method to recover iron from slime dump.

Various steelmaking processes generate air pollutants. Periodic monitoring of stacks ensures that they remain well within permissible limits. In most cases, the stack emissions are maintained well below the permissible limits.

Preservation of biodiversity is also an important objective of the Group. Precautions are taken to reduce negative impacts on the native ecosystem.

Mining Operations

The Group has mining operations in the United States and is developing mines in Chile, Mozambique and India.

United States

In May 2010, JSW Steel Holding (USA) Inc. acquired a 100% membership interest in Periama Holdings LLC ("Periama"), a West Virginia registered limited liability company. Periama owns seven coking coal mines, an integrated rail and barge load out at alloy dock, permits for impoundment and a 500 tph coal handling and preparation plant and load out facility. Five mines already have statutory permits in place and approvals for the remaining permits are being obtained.

Currently, Periama's key mines in operation are Rolling S Augering and Alawest. Its alloy dock has a capacity of loading 200,000 short tons per months and is currently shipping third party coal. Periama is constructing a 500 tph coal handling and preparation plant in McDowell County which is expected to begin operations in 2014. Periama expects to increase yields by 10%, as compared to washing at a third party preparation plant, and reduce cost.

Chile

The Group and Compañía Minera Santa Fe formed a joint venture company, Santa Fe Mining ("SFM"), in Chile to develop iron ore deposits in the Atacama region of Chile. The Group holds a 70% stake in SFM.

SFM has developed and operates the Bella Vista iron ore deposit, located 20 km from Copiapo, Chile. In 2010, SFM installed a 1 mtpa dry beneficiation plant and proposes to install a new wet beneficiation plant with a capacity of 1.28 mtpa.

Mozambique

JSW ADMS Cavao Lda, an indirect wholly owned subsidiary of the Company, has a coal mining license in Zumbo, Tete, Mozambique. The Group has completed extensive exploration activities, including diamond drilling, large diameter drilling, geotechnical drilling and hydro-geological drilling. Geological report preparation and geological modeling are in progress to confirm the coal resource estimate. The Group has also initiated activities, such as a pre-feasibility study and an EIA report, for the application for mining licenses.

India

Rohne Coal Company Private Limited is a joint venture of the Group with two other partners. Environmental clearance has been obtained and the MoEF has given its in-principle approval of initial clearance for development of the mine. The Group is pursuing various other approvals and clearance for this project.

The Group has also entered into a joint venture agreement with four other partners to develop Utkal-A and Gopal Prasad (West) thermal coal block in Odisha. The Group owns 11% of this joint venture. The Government has allotted 1,522 acres of land in Gopal Prasad West to this joint venture.

Gourangdih Coal Limited is a 50:50 joint venture between the Group and Himachal EMTA Power Corporation Limited. Gourangdih Coal Limited was incorporated to develop a coal mine from West Bengal's Gourangdih ABC thermal coal block.

The Supreme Court, in its order dated September 24, 2014, cancelled all coal blocks allocated to the Company. See "*Risk Factors — Risks relating to the Group — Cancellation of the allocation of coal mines to the Company (through joint ventures formed for the purpose) could adversely affect the Company's business, financial condition and results of operation.*"

Competition

The market for steel is very competitive with high levels of international trade. Despite the consolidation that has taken place in the steel industry in recent years, such as the consolidation of Mittal and Arcelor in 2006, levels of global industry concentration still remain well below those of other metals and mining sectors. According to the WSA, the fifteen largest steel producers represented approximately 36% of global steel production in 2013. As a global producer, the Group faces significant competition from other steel producers worldwide. The Group's competitors in the global steel market include ArcelorMittal, Baosteel Co., Ltd., Nippon Steel, JFE Steel Corporation, POSCO, Shagang Group and ThyssenKrupp AG. In India, the Group faces competition from integrated and partially integrated steel producers such as Tata Steel, SAIL, Vishakhapatnam Steel Plant (Rashtriya Ispat Nigam Limited), Essar Steel Ltd. and Jindal Steel and Power Limited, as well as rerollers.

Human Resources

The Group views its employees as its greatest asset and believes it has created a work environment that ensures their well-being. The Group endeavors to be an "employer of choice" by fostering an environment of individual goal setting, continuous improvement, health and safety awareness and corporate sustainability. In an ever-changing business environment where people are the key differentiators, it is essential to have credible, transparent and uniform people management practices. In order to adapt to the changing industry reality, the Group's people management practices are continually reviewed and renewed for relevance and employee friendliness.

The Group implements a multi-pronged approach on organizational development to attract, retain and develop talent. The Group believes in infusing talent across the organization and, as a sustainable measure, the Group believes in inducting people at a very young age. In its pursuit to attract and build home-grown talent, the Group inducts talent from various engineering and management institutes on a regular basis. In fiscal year 2014, the Group introduced a summer internship program to facilitate the induction of undergraduates from some of India's most premier institutes. This program is specifically designed to create future leaders for the organization. New recruits are developed through various in-house training programs to support the growth trajectory of the Group. The Group also operates various training programs at its plant locations with internal faculties to impart technical and behavioral training for employees as well as associates, improve productivity and foster a safe working environment. The Group invests continuously in building and enhancing its technical capabilities. As a part of this effort, the Group facilitates employees to acquire skills through participation in sponsored programs both in India and abroad. Simultaneously, the Group also provides multiple learning and development opportunities to its employees to acquire new skills and knowledge and enhance their capabilities.

Occupational Health and Safety

The Group operates on the philosophy that personnel safety is the first and foremost priority at all its sites. It is the Group's endeavor to work towards zero harm operations by implementing occupational health and safety management systems at all of its locations. The Group has taken significant steps by implementing the DuPont safety management system at Vijayanagar Works in 2012. The Group has instituted a safety organizational structure and conducts monthly training programs for employees including top management. All contractual personnel are also provided with mandatory safety training.

Corporate and Social Responsibility

The Group's corporate and social responsibility mission is to empower communities with sustainable livelihoods. In order to achieve this, the Group has instituted several programs, including the following:

- outreach of Government programs in health and employment generation through gap filling support;

- assist townships and communities move toward carbon efficient management systems;

- on-site conservation of at least one major monument at project locations and promotion of national cooperation for the conservation of all monuments;

- collaborative earth care initiatives;

- need-based social development interventions in the Group's mining locations. The Group has installed a system to monitor the impact of its community initiatives at its various locations through effective dialogue with the local residents. Regular feedback is taken and improvement opportunities are identified. Additionally, further efforts were recently made to understand the impact of these initiatives through a third-party audit of the corporate social responsibility program conducted at three locations. This audit, along with the baseline and impact assessment surveys, has helped the Group to ensure the effectiveness of its community initiatives;

- promotion of efficient maternal and child health care services;

- enhancement of access to improved nutrition services;

- early childhood education/pre-primary education;

- promotion of the completion of primary and secondary education;

- access to adolescent reproductive and sexual health and rights;

- enhancement of the output of present occupation;

- employability and vocational education; and

- promotion of responsible parenthood.

Legal Proceedings

Except as described below, the Company is not involved in any legal or regulatory proceedings or disputes, and no investigations or proceedings are threatened, which may have, or have had, a material adverse effect on the business, financial condition or results of operations of the Company. The Company believes that the number of proceedings and disputes in which the Company is involved in is not unusual for a company of its size in the context of doing business in India, the current Indian regulatory and legal environment and in the international market. Civil and tax related proceedings involving the Company, which involve a claim of more than 2% of EBITDA have been individually described below.

Mining Matters

There are several matters in relation to mining of iron ore and allied materials pending in various courts in India, the outcome of which could potentially have an impact on the business and operations of the entire steel industry in general, including that of the Group. A case filed by Samaj Parivartana Samudaya as the petitioners sought the intervention of the courts to, *inter alia*, direct the relevant state governments and the Union of India to stop mining and mining related activities in forest areas of Andhra Pradesh and Karnataka and prosecute illegal miners for violation of the Forest (Conservation) Act, 1980 and other environment laws in accordance with orders passed by the High Court. Further, the courts have been approached to restrain lessees of certain mines (found guilty of violation of the applicable laws) from participating in any mining activities or participating in the auction of mining leases. The Central Empowered Committee ("CEC") was appointed by the Supreme Court to investigate the matter and was ordered to submit a report regarding illegal mining activities in the state of Karnataka. The CEC recommended cancellation of the mining leases of mines falling under category C and allocation of such leases through a transparent bidding process. The Supreme Court, in its judgment dated April 18, 2013, ordered complete closure of category C mines and allocation of the mines through a transparent auction mechanism. Some mining lease holders of the category C mines have filed a review petition in the Supreme Court.

The Karnataka Iron and Steel Manufacturers Association ("KISMA"), of which the Company is a member, has approached the Supreme Court for direction of faster implementation of the final order of the Supreme Court to open up the remaining mines, which has been delayed due to various statutory approval requirements from the state and central governments. KISMA also sought for direction to the government of Karnataka to commence auction of the category C mines. The Supreme Court, in its order dated February 24, 2014, has directed the government of Karnataka to complete the auction process of category C mines within six months' time. In September 2014, the government of Karnataka has requested the Supreme Court for a further extension of eight months' time. However, the Supreme Court has not passed any order and the matter is still pending. While the review petition remains pending in the Supreme Court, there is no certainty as to when the auction process of the category C mines is expected to be completed.

Pursuant to the order of the Supreme Court dated September 24, 2014 regarding cancellation of the allotment of coal blocks, the Company has made an assessment of recoverable amounts of investments in and loans and advances to the subsidiaries, joint ventures and associates affected by the said order and recognized a provision of Rs.212 million considering the principle of conservatism. The Company has filed a review petition in the Supreme Court seeking review of the said order relating to cancellation of allocations of the coal blocks to the aforesaid companies. See "*Risk Factors — Risks relating to the Group — Cancellation of the allocation of coal mines to the Company (through joint ventures formed for the purpose) could adversely affect the Company's business, financial condition and results of operation*" and "*Regulations — Coal Mines (Special Provisions) Ordinance, 2014*".

Forest Development Tax

The government of Karnataka has, pursuant to introduction of Section 98A of the Karnataka Forest Act, 1963, levied a forest development tax ("FDT") at the rate of 12% per ton of iron ore, treating iron ore as a forest produce. Writ petitions challenging the validity and levy of FDT have been filed before the High Court of Karnataka by various stakeholders and are currently pending for determination. Tax payments made under protest in the earlier years/tax payable are considered as 'contingent liabilities'.

If the validity of the FDT is upheld by the court and the matter is ultimately decided against the Company, the Company shall be liable for FDT amounting to Rs.9,134.6 million to the government of Karnataka.

Land Acquisition

The Company, in 2011, had approached the government of Karnataka to seek additional land for providing housing facilities for its employees, incidental to the Company's expansion at Vijayanagar Works. A notification dated January 30, 2008, under the Karnataka Industrial Areas Development Act, 1966, was issued by the government of Karnataka for the acquisition of 849 acres of land at Vijayanagar Works. This acquisition was challenged by landowners in the area by way of a writ petition before the Single Judge of the Karnataka High Court. The petitioners alleged that the Company had sufficient land for its business operations and grant of the land acquisition would cause grave loss to the landowners as the acquisition would have a direct impact on their livelihood. The Single Judge of the Karnataka High Court, on hearing all parties, upheld the acquisition and dismissed the writ petition. Thereafter, the petitioners approached the Supreme Court for relief under a special leave petition. It is to be noted that, out of the total area, the disputed area which is under challenge before the Supreme Court is only 198 acres.

Central Bureau of Investigation

The Lokayukta of Karnataka published a report in 2011 which alleged, among other things, that one of the associates of the Company had paid a donation of Rs.100 million to a public charitable trust and purchased land at a price higher than the Government's guidance price as an indirect payment to the then-Chief

Minister of Karnataka in return for receiving mining concessions from the government of Karnataka. A writ petition was filed in the Karnataka High Court to challenge the allegations made by the Lokayukta of Karnataka and the Karnataka High Court quashed the relevant extracts of the report of the Lokayukta of Karnataka.

The Supreme Court, however, ordered an investigation against the then-Chief Minister of Karnataka on various matters including the allegations that were set aside by the Karnataka High Court. Based on the directions of the Supreme Court, an inquiry was conducted by the Central Bureau of Investigation ("CBI") to investigate these allegations against the then-Chief Minister of Karnataka, the payment of donations and the land purchase transaction. After concluding the investigations, the CBI filed a charge-sheet before Special CBI Judge, Bangalore, in which the Company, represented by a few members of the senior management, was named as co-accused. The case has been pending before the court for almost two years and the court is yet to frame any charges for initiation of a trial. If the allegations against the Company are found to be true, the Company may be liable for conviction with fines or imprisonment.

Short Accountal of Installed Capacity

The Commissioner of Central Excise has raised a demand of Rs.7,535.5 million on account of short accountal of annual installed capacity in comparison with the production recorded in the ER-7 returns. The Company has filed a protest letter to the Chairman of Central Board of Excise and Customs, Finance Secretary and the Chief Commissioner of Central Excise, Coimbatore. The matter is pending with the excise authorities.

Income Tax

The Assistant Commissioner of Income Tax, Central Circle 46 has passed an order under section 144C r.w.s. 153A r.w.s. 143(3) of the Income Tax Act, 1961 for the AY 2008-09 to AY 2011-12 demanding a tax of Rs.3,176.8 million on account of transfer pricing adjustments and various additions and disallowances to the total income of the Company. The Company has filed an appeal before the Commissioner of Income Tax (Appeals) which is pending for adjudication.

Sales Tax Deferral/Refund

The Excise Tax Department has raised a demand for an amount of Rs.2,937.6 million on account of refund of value added tax ("VAT") and differential amount received by the Company due to the premature repayment of sales tax deferred liability as an additional consideration includable in the assessable value for the purpose of levy of excise duty. The Commissioner (Appeals) has ruled in favour of the Company and the Excise Tax Department is in appeal before the Custom Excise and Service Tax Appellate Tribunal ("CESTAT") and certain show cause notices received by the Company are pending adjudication before excise authorities.

Import of Coking Coal

The Custom Department has raised a demand for an amount of Rs.3,484.1 million on import of coking coal based on their claim for classification of goods under the category of non-coking coal attracting duty of 5%. It has been the intent of Government to exempt the import of 'coking coal' from basic customs duty which has been provided through various exemption notifications from time to time. The Company has filed appeals which are pending at various appellate authorities.

Corex Gas

The Central Excise Department raised a demand for an amount aggregating to Rs.1,204.4 million towards excise duty on inputs used in production of hot rolled coils, the production process of which emanates corex gas as a by-product, which is dutiable at nil rate. The Central Excise Department raised such a demand on the ground that Central Value Added Tax ("CENVAT") credit could not be allowed as corex gas is an exempted product instead of it being dutiable at nil rate. The case was decided in favor of the Company and the department is in appeal before the Supreme Court. The Central Excise Department has raised a demand for an amount aggregating to Rs.754.6 million towards excise duty and penalty by reclassification of same corex gas under a different chapter heading as compared to the originally accepted classification. The Company is in appeal, which is pending at various stages of appellate authorities.

Availment of CENVAT credit on Structural Steel and Captive consumption of hot rolled plates and sheets

The hot rolled plates and sheets manufactured by the Company are cleared for captive consumption for the fabrication of steel structures without payment of duty and also the Company has claimed CENVAT credit in respect of steel structures. The Central Excise Department has raised a demand for an amount of Rs.1,437.8 million towards duty and CENVAT credit availed on structural materials used for support of the capital goods used in the production of final products. The Commissioner of the Central Excise Department has ruled against the Company stating that the Company has wrongly cleared the goods without payment of duty for captive consumption and also wrongly availed itself of CENVAT credit as steel structures cannot be termed as capital goods since these are non-excisable and immovable. The matters are pending before various excise authorities for adjudication.

Criminal cases involving the Company, its directors and its employees

In the ordinary course of business, there have been a few criminal proceedings filed against the Company, its directors or its employees, which are pending before various authorities, tribunals and courts and are at various stages of adjudication.

Review Petitions filed by the Company and two of its executives for review of the order of the Honorable Appellate Tribunal for Foreign Exchange dated November 26, 2010

The Company received a show cause notice followed by an adjudication order on October 6, 2009 from the Directorate of Enforcement imposing a penalty of Rs.41.0 million on the Company and Rs.6.0 million on two executives of the Company, alleging irregular payments by the Company in relation to imports of certain basic design and engineering, preliminary engineering and additional equipment for its Corex process based iron manufacturing plant at Bellary in 1994 to 1995. The Company has furnished a bank guarantee of an equivalent amount of the penalty and, accordingly, the penalty imposed on the Company and the executives of the Company has been stayed.

As of the date of this Offering Memorandum, the review petitions filed by the Company and its two executives are pending before the Honorable Appellate Tribunal for Foreign Exchange. The Company believes it has procured all requisite approvals before remitting funds for the steel project in question. In the event the adjudication order is ultimately upheld, the bank guarantee furnished will be encashed without any further liability.

Lawsuit by MM Steel

On April 19, 2012, MM Steel, LP ("MM Steel") filed a complaint in the Federal District Court in the Southern District of Texas, alleging that JSW Steel Holding (USA), Inc. and six other defendants had engaged in a group boycott that was illegal under Federal antitrust law. A Houston, Texas jury returned a verdict on March 25, 2014 against JSW Steel (USA) Inc., along with five other co-defendants jointly and severally, in this antitrust lawsuit, in the amount of US$52 million in damages, which has been trebled under the federal antitrust laws. JSW Steel (USA) Inc. has filed and is pursuing its appeal, which is pending, with the Fifth Circuit Court of Appeals.

MANAGEMENT

Board of Directors

The Board is responsible for the management and administration of the Group's affairs. The Board (and any committee which it appoints) is vested with all of the powers of the Company. Directors are not required to hold any of the Company's equity shares. The Board currently consists of 12 Directors out of which six are independent Directors.

The Company's promoters and promoter group controlled approximately 39.31% of the Company's issued equity shares as at September 30, 2014 (39.31% of the voting rights).

As at the date of this Offering Memorandum, the Board consists of the following members:

Name	Age	Date Appointed	Board Position	Committee Positions
Sajjan Jindal	54	March 15, 1994	Chairman & Managing Director, Non-Independent Executive Director	• Nomination & Remuneration Committee — Member
Seshagiri Rao M.V.S.	56	April 6, 1999	Jt. Managing Director & Group CFO, Non-Independent Executive Director	• Risk Management Committee — Member • Finance Committee — Chairman • ESOP Committee — Member • Business Responsibility/Sustainability Reporting Committee — Member • Forex Hedging Policy Review Committee — Member • Corporate Social Responsibility Committee — Member
Vinod Nowal	59	April 30, 2007	Dy. Managing Director, Non-Independent Executive Director	• Project Review Committee — Member • Risk Management Committee — Member • Finance Committee — Member • ESOP Committee — Member • Business Responsibility/Sustainability Reporting Committee — Member • Corporate Social Responsibility Committee — Member
Jayant Acharya	51	May 7, 2009	Director (Commercial & Marketing), Non-Independent Executive Director	• Risk Management Committee — Member • Finance Committee — Member • ESOP Committee — Member • Business Responsibility/Sustainability Reporting Committee — Member • Corporate Social Responsibility Committee — Member
Dr. S.K. Gupta	76	April 25, 1994	Independent Non-Executive Director	• Audit Committee — Member • Nomination & Remuneration Committee — Chairman • Stakeholders Relationship Committee — Member • Project Review Committee — Member • Risk Management Committee — Chairman • ESOP Committee — Chairman • Business Responsibility/Sustainability Reporting Committee — Chairman • Forex Hedging Policy Review Committee — Chairman • Corporate Social Responsibility Committee — Chairman • Share Allotment Committee — Member
Vijay Kelkar	72	January 20, 2010	Independent Non-Executive Director	• Forex Hedging Policy Review Committee — Member • Nomination & Remuneration Committee — Member • Corporate Social Responsibility Committee — Member

Name	Age	Date Appointed	Board Position	Committee Positions
Sajjan Jindal	54	March 15, 1994	Chairman & Managing Director, Non-Independent Executive Director	• Nomination & Remuneration Committee — Member
Uday Madhav Chitale	64	October 20, 2005	Independent Non-Executive Director	• Audit Committee — Chairman • Nomination & Remuneration Committee — Member • Stakeholders Relationship Committee — Member • Risk Management Committee — Member • ESOP Committee — Member • Business Responsibility/Sustainability Reporting Committee — Member • Forex Hedging Policy Review Committee — Member • Corporate Social Responsibility Committee — Member • Share Allotment Committee — Member
Sudipto Sarkar	68	May 9, 2005	Independent Non-Executive Director	• Audit Committee — Member
Kannan Vijayaraghavan	55	June 16, 2008	Independent Non-Executive Director	• Audit Committee — Member • Nomination & Remuneration Committee — Member • Stakeholders Relationship Committee — Chairman • Project Review Committee — Member • Risk Management Committee — Member • ESOP Committee — Member • Business Responsibility/Sustainability Reporting Committee — Member • Corporate Social Responsibility Committee — Member
Dr. Punita Kumar Sinha	52	October 28, 2012	Independent Non-Executive Director	• Stakeholders Relationship Committee — Member • Risk Management Committee — Member • Business Responsibility/Sustainability Reporting Committee — Member • Forex Hedging Policy Review Committee — Member • Corporate Social Responsibility Committee — Member
Hiromu Oka	59	May 23, 2013	Non-Independent Non-Executive Director	• Project Review Committee — Member
V.P. Baligar	59	May 7, 2014	Non-Independent Non-Executive Director	• Corporate Social Responsibility Committee — Member

***Sajjan Jindal**, Chairman & Managing Director, Non-Independent Executive Director*

Mr. Sajjan Jindal, Chairman & Managing Director, was appointed as Vice Chairman & Managing Director in February 2005 and Chairman of the Board of Directors in October 2011. He also serves as council member of Indian Institute of Metals and is also a member of the Executive Committee and Chairman of the Sustainability Committee of World Steel Association. In addition, he is also President of Institute of Steel Development and Growth. Mr. Jindal holds a bachelor's degree in Mechanical Engineering from Bangalore University. In 2007, he was named the Ernst and Young 'Entrepreneur of the Year' in the manufacturing category. In 2009, he was honored with the Willy Korf Ken Iverson Steel Vision Award by the American Metal Market & World Steel Dynamics.

***Seshagiri Rao M.V.S.**, Joint Managing Director & Group CFO, Non-Independent Executive Director*

Mr. Seshagiri Rao M.V.S, Joint Managing Director & Group CFO, was appointed as Joint Managing Director in May 2009. He joined the Group in the year 1997 as Chief Financial Officer and currently serves as the Joint Managing Director and Group Chief Financial Officer. He has also previously served as Director (Finance) of the Group. Mr. Rao holds a Bachelor's degree in Commerce and a diploma in Business Finance awarded by the Institute of Chartered Financial Analysts of India. He is also a certified associate of the Indian Institute of Bankers as well as an associate member of the Institute of Cost and Works Accountants of India and a licensed member of the Institute of Company Secretaries of India. He has more than 30 years of experience in the areas of corporate financing and banking.

***Vinod Nowal**, Deputy Managing Director, Non-Independent Executive Director*

Mr. Vinod Nowal, Deputy Managing Director, was appointed as Director (Commercial) in April 2007 and re-designated as Director & Chief Executive Officer in April 2009. He was subsequently re-designated as the Deputy Managing Director in May 2013. He has been associated with the Group since 1984 and has previously served in various positions. He currently serves as the President of Karnataka Iron and Steel Manufacturers' Association. He has also previously served as the President of the Bangalore Chamber of Industry and Commerce, Bangalore, President of Tarapur Industrial Manufacturers Associations, Tarapur, Chairman of Manufacturing Task Force Southern Region at ASSOCHAM, member of Manufacturing Task Force constituted by Government of Karnataka, member of a committee under Chief Minister of Karnataka for Employment in the Manufacturing Sector, member of Governing Body of M.S. Ramaiah Institute of Technology, Bangalore and member of Advisory Committee of the Center of Excellence in Steel Technology (COEST) at IIT Bombay. Mr. Nowal holds a master's degree in Business Administration and a Doctorate in Inventory Management.

***Jayant Acharya**, Director (Commercial & Marketing), Non-Independent Executive Director*

Mr. Jayant Acharya, Director (Commercial & Marketing), was appointed as Director (Sales & Marketing) in May 2009. He was re-designated as Director (Commercial & Marketing) in April 2010. He is also the Co-Chair of the Committee on Steel & Non-Ferrous Metals for Federation of Indian Chamber of Commerce and Industry. Mr. Acharya holds a bachelor's degree in Chemical Engineering and a master's degree in Physics from Birla Institute of Technology & Science, Pilani. He also holds a master's in Business Administration from Indore University. He has 24 years of experience in the steel industry spanning the entire range of flat and long steel products.

***S.K. Gupta**, Independent Non-Executive Director*

Dr. S.K. Gupta was appointed to the Board of Directors in April 1994. He has previously served as Executive Vice Chairman of the Group, Managing Director of Rourkela Steel Plant, Steel Authority of India Limited, Chairman and Managing Director of MECON Limited and Managing Director of Mishra Dhatu Nigam Limited, Ministry of Defence. He also previously served as a Professor and Head of the Department of Metallurgical Engineering at the Indian Institute of Technology, Bombay and served a member of the Board of Industrial Development Bank of India and various other national institutions. He has also served as the Chairman of the Government of India Task Force on Steel Growth Plan. Dr. Gupta holds a bachelor's degree in Metallurgical Engineering and a Doctor of Science (Tech.) and Doctorate of Philosophy (Tech.) from Moscow. He was the recipient of the "Metallurgist of the Year" award instituted by the Government of India in 1980 and was conferred the National Metallurgist Award in 1998. On November 14, 2008 he received IIM Platinum Medal. He has more than 100 research publications in leading journals on Metallurgy and Management. In recognition of his pioneering and phenomenal contribution to the growth of the National Steel industry, including planning and introduction of path breaking technologies in steel and allied sectors, the Ministry of Steel, Government of India, awarded Dr. Gupta the Lifetime Achievement Award in 2013. He has over 50 years of experience in the field of metallurgy, engineering and management in the steel domain.

***Vijay Kelkar**, Independent Non-Executive Director*

Dr. Vijay Kelkar was appointed to the Board of Directors in January 2010. He has held key posts in the Government of India, including as Advisor to the Minister of Finance, Finance Secretary, Secretary of Ministry of Petroleum & Natural Gas, Chairman of NSE, Chairman of 13th Finance Commission, India, and Chairman of India Development Foundation, in the rank of a Union Cabinet Minister. He has also previously served on several Government Task Forces including as Chairman of the Tariff Commission, Chairman of the Implementation of the Fiscal Responsibility and Budget Management Act. He has served as the Chairman (Elect), Forum of Federations, Ottawa, Canada. He has also represented the Government of India on Global Forums as Executive Director for India, Sri Lanka, Bangladesh & Bhutan at the International Monetary Fund, Washington D.C., U.S. and has previously served as Director at the United Nations Conference on Trade and Development. Dr. Kelkar holds a B.S. degree from the University of Pune and M.S. Degree from the University of Minnesota (USA). He also holds a Doctorate of Philosophy in Development Economics from the University of California at Berkeley, U.S. He is the recipient of the prestigious "Padma Vibhushan" award in 2011 for his exemplary service to India.

***Uday Madhav Chitale**, Independent Non-Executive Director*

Mr. Uday Madhav Chitale was appointed to the Board of Directors in October 2005. He currently serves as a Senior Partner of M/s. M.P. Chitale & Co., Chartered Accountants. He is also currently on the panel of arbitrations of leading institutions in India and abroad and on the panel of resource persons of the Bombay High Court for implementing the scheme of court annexed alternate dispute resolution. He has previously served on various expert committee set up by organizations such as Institutes of Chartered Accountants of India, SEBI, RBI, IRDA and Indian Banks' Association. Mr. Chitale holds a bachelor's degree in Commerce and is a fellow member of the Institute of Chartered Accountants of India. He has also undertaken specialized training in Commercial Mediation from Centre for Effective Dispute Resolution (CEDR), United Kingdom at the International Summer School, Geneva and is an accredited CEDR Mediator. He has extensive experience of corporate auditing, business advisory services, commercial dispute resolution, business negotiations and valuation.

***Sudipto Sarkar**, Independent Non-Executive Director*

Mr. Sudipto Sarkar was appointed to the Board of Directors in May 2005. He is currently practicing as a senior advocate in the Calcutta High Court and has wide experience in commercial law particularly company law, intellectual property and shipping laws. Mr. Sarkar holds a bachelor's degree in Science (Mathematics) from Presidency College, Kolkata and a bachelor's degree in law tripos and a master's degree in International Law and master's degree in Law from University of Cambridge and Barrister, Gray's Inn, London.

***Kannan Vijayaraghavan**, Independent Non-Executive Director*

Mr. Kannan Vijayaraghavan was appointed to the Board of Directors in June 2008. He currently serves as the Chairman and founder of Sathguru Management Consultants Private Limited, Hyderabad, a large consultancy & policy advisory firm founded in 1985. He is also a Partner at DFK International, a worldwide firm of accountants and business advisors, a Visiting Fellow and Faculty at Executive Education, Cornell University, Ithaca, NY and a Regional Coordinator for Cornell University Research Programs in the region of South Asia/Southeast Asia. He has over 26 years of experience in the area of strategic planning, mergers and acquisitions and organizational growth in emerging market related environment. He is a Fellow Member of the Institute of Chartered Accountants of India, a Certified Management Consultant and a Fellow of the Institute of Management Consultants.

***Punita Kumar Sinha**, Independent Non-Executive Director*

Dr. Punita Kumar Sinha was appointed to the Board of Directors in October 2012. She is the Founder and Managing Partner of Pacific Paradigm Advisors, an independent investment advisory and management firm. She is currently a member of the Boston Security Analysts Society and the Council on Foreign Relations. She also serves as a Charter Member and Board Member of TIE-Boston. She has previously served as the Senior Managing Director of Blackstone Group, the business unit head and Chief Investment Officer of Blackstone Asia Advisors and the Senior Portfolio Manager for The India Fund, The Asia Tigers Fund and The Asia Opportunities Fund L.P. Dr. Sinha holds a bachelor's degree in Chemical Engineering from Indian Institute of Technology, New Delhi. She also holds a master's degree in Finance and a Doctorate of Philosophy degree in Finance from the Wharton School, University of Pennsylvania. She also holds a master's of Business Administration and is also a Chartered Financial Analyst. She has more than twenty years of experience in fund management in international and emerging markets.

***Hiromu Oka**, Non-Independent Non-Executive Director*

Mr. Hiromu Oka was appointed to the Board of Directors in May 2013 as a Nominee Director of JFE Steel Corporation. He is currently a member of the Management Committee of JFE Steel Corporation/JFE Holdings Inc. He also serves as Senior Vice President of the Facilities Planning Department, Technical Cooperation Department, Corporate Planning Department, India JSW Project Team. Mr. Oka holds a bachelor's degree from the Graduate School of Engineering, Kyoto University, Japan and a master's degree in Engineering (Metal Science & Technology).

***V.P. Baligar**, Non-Independent Non-Executive Director*

Mr. V.P. Baligar, was appointed to the Board of Directors in May 2014 as a Nominee Director of KSIIDC. He is the Chairman & Managing Director of Karnataka State Industrial and Infrastructure Corporation Limited. He has also served as the Chairman and Managing Director of Housing and Urban Development Corporation (HUCO), a Central Public Sector Undertaking in the rank of Secretary to Government of India, the Principal Secretary to the Government of Karnataka in Commerce & Industries Department, Infrastructure Development Department, Chief Minster's Office and Rural Development & Panchayat Raj Department. He has also served as Deputy Educational Adviser and Director in the Ministry of Human Resource Development, Private Secretary to Minister of Surface Transport and to Minister of Human Resources Development. Mr. Baligar holds a bachelor's degree in Technology (Civil) from the Indian Institute of Technology, Bombay (Silver Medalist) and master's degree in Business Administration from the Southern Cross University, Lismore, Australia.

Responsibilities of the Board of Directors

The Board's role, functions, responsibility and accountability are defined under the Companies Act, 2013 and in the Company's Articles of Association. In addition to its primary role of monitoring corporate performance, the functions of the Board include:

- providing overall direction to the Company's corporate philosophy and mission;
- review of strategic and business plans;
- reviewing and approving financial statements;
- reviewing and approving financial plans and budgets;
- monitoring corporate performance in light of strategic and business plans, including reviewing operating results on a regular basis;
- ensuring ethical behavior and compliance with laws and regulations;

- approving borrowing;
- approving capital raising exercises;
- dividend declaration; and
- making of loans and investments, mergers and acquisitions, joint ventures and collaborations.

Committees of the Board of Directors

The Board has constituted thirteen committees and is authorized to constitute additional committees from time to time, depending on the business needs of the Company.

Audit Committee

The Audit Committee comprises four Non-Executive Directors, all of whom are Independent Directors. The role and powers of the Audit Committee are the same as enumerated under Section 177 of the Companies Act, 2013. The functions of the Audit Committee include:

- providing recommendations for appointment, remuneration and terms of appointment of auditors of the Company;
- reviewing the financial statements before submission to the Board;
- reviewing reports of management auditors and internal auditors;
- reviewing the weaknesses in internal controls reported by internal and statutory auditors;
- reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor;
- approving the appointment of the Chief Financial Officer; and
- approving or subsequently modifying transactions of the Company with related parties.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises five Directors. The role and powers of the Nomination & Remuneration Committee are the same as enumerated under Section 178 of the Companies Act, 2013 and under the relevant corporate governance clauses of the listing agreement entered into with the concerned stock exchanges, as amended from time to time. The functions of the Nomination & Remuneration Committee include:

- identifying persons who are qualified to become Directors;
- recommending to the Board the appointment, removal and evaluation of Directors;
- formulating the criteria for determining qualifications, positive attribute and independence of Directors. Determining the Company's policy on specific remuneration packages for Directors and Key Management Personnel; and
- approving the payment of remuneration to managerial personnel as per the policy laid down by the Remuneration Committee.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises four Non-Executive Directors, all of whom are Independent Directors. The Stakeholders Relationship Committee is primarily responsible for:

- considering and resolving the grievances of security holders of the company;
- reviewing the reports submitted by the registrars and share transfer agents of the Group at half-year intervals;
- periodically interacting with the registrars and share transfer agents to ascertain and look into the quality of the Group's shareholders/investors grievance redressal system and to review the report on the functioning of the investor grievances redressal system;
- following-up on the implementation of suggestions for improvement, if any; and
- periodically reporting to the Board about serious concerns, if any.

Project Review Committee

The Project Review Committee comprises four Directors. The Project Review Committee is primarily responsible for:

- closely monitoring the progress of large project, in addition to ensuring a proper and effective coordination amongst the various project modules, essentially with the objective of timely project completion within the budgeted project outlay; and
- reviewing new strategic initiatives.

Risk Management Committee

The Risk Management Committee comprises seven Directors. The Risk Management Committee is primarily responsible for:

- periodically reviewing risk assessment and minimization procedures to ensure that Executive Management controls risk through means of a properly defined framework; and
- reviewing major risks and proposed action plan.

The Risk Management Committee has formed a subcommittee, the Capex Risk Evaluation Committee, to evaluate the risks associated with capital expenditure proposals including mergers and acquisitions.

Finance Committee

The Finance Committee comprises three Directors. The Finance Committee is primarily responsible for:

- approving the availment of credit/financial facilities from banks/financial institutions/corporate bodies within the limits approved by the Board;
- approving investments and dealings with any monies of the Group upon such security or without security in such manner as the Finance Committee may deem fit, and from time to time to vary or realize such investments within the framework of the guidelines laid down by the Board;
- opening new Branch Offices of the Group, declaring the same under the Companies Act and authorizing personnel to register the aforesaid branches and to deal with various authorities;

- making loans to individuals/corporate bodies and/or placing deposits with other companies/firm upon such security or without security in such manner as the Finance Committee may deem fit within the framework of the guidelines laid down by the Board; and

- opening current account(s), collection account(s), operation account(s) or any other account(s) with banks and also closing such accounts, which the Finance Committee may consider necessary and expedient.

ESOP Committee

The ESOP Committee comprises six Directors. The ESOP Committee is primarily responsible for:

- issuing any direction to the trustee of the JSWSL Employees Welfare Trust to sell, transfer or otherwise dispose of any shares held by them and to make necessary amendment to the trust deed, if need be;

- determining the number of options to be granted to each employee and in the aggregate, and the time at which such grant shall be made;

- deciding the exercise price;

- determining the vesting and/or lock-in-period of the grant, the employees eligible for participation in the plan, the performance parameters for grant and/or vesting of options granted to an employee under the plan, exercise period within which the employee should exercise the options;

- assessing the performance of an employee for granting/determining the vesting of the options;

- laying down the conditions under which options vested in employees may lapse in case of termination of employment for fraud, misconduct or where an employee joins competition, etc.;

- specifying the time period within which an employee shall exercise the vested option in the event of termination or resignation of an employee; and

- laying down the procedure for cashless exercise of options, if any.

Business Responsibility/Sustainability Reporting Committee

The Business Responsibility/Sustainability Reporting Committee comprises seven Directors. The Business Responsibility/Sustainability Reporting Committee is primarily responsible for:

- adoption of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ("NVGs") in the business practice of the Group;

- policies created for or linked to the nine key principles of the NVGs;

- reviewing the progress of initiatives under the purview of business responsibility (sustainability) policies mentioned above;

- reviewing business responsibility reporting disclosure on a pre-decided frequency (monthly, quarterly, bi-annually);

- reviewing the progress of business responsibility initiatives at the Group; and

- reviewing the annual business responsibility report and presenting it to the Board for approval.

Forex Hedging Policy Review Committee

The Forex Hedging Policy Review Committee comprises five Directors. The Forex Hedging Policy Review Committee is primarily responsible for taking protective measures to hedge forex losses.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises nine Directors. The Corporate Social Responsibility Committee is primarily responsible for:

- formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy), which shall indicate a list of CSR project or programs which the Group plans to undertake, falling within the purview of Schedule VII of the Companies Act, 2013, as may be amended;

- recommending the amount of expenditure to be incurred on each of the activities to be undertaken by the Group, while ensuring that it does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013;

- approving the Annual Report on CSR activities to be included in the Director's Report forming part of the Group's Annual Report and attribute reasons for shortcomings in incurring expenditures;

- monitoring the CSR Policy of the Group from time to time; and

- instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Group.

Management Organization Structure

In addition to Mr. Sajjan Jindal, Managing Director, Mr. Seshagiri Rao M.V.S., Joint Managing Director & Group CFO, Dr. Vinod Nowal, Deputy Managing Director and Mr. Jayant Acharya, Director (Commercial & Marketing), the Group's key management personnel are as follows:

Group Corporate Functions

- Yugesh Goutam, *Head of Human Resources*

- Rajeev Pai, *Chief Financial Officer*

- Dileep Bhatt, *Head of JSW Coated Products*

- Prashant Jain, *Head of Corporate Strategy and Development*

- Pawan Kedia, *Head of Central Procurement Cell*

None of the key management personnel are related to each other.

SHARE OWNERSHIP OF THE COMPANY

As at September 30, 2014, the Company's promoters, Sajjan Jindal and Savitri Devi Jindal, together with other promoter group companies, held approximately 39.31% of the Company's issued equity shares. A company's "promoters" under the SEBI regulations includes the person or persons who are in control of the company, the person or persons nominated as promoters in any offer document filed with the Indian stock exchanges and persons who are instrumental in the formulation of a plan or program pursuant to which securities are offered to public.

The directors of the Company, including Mr. Sajjan Jindal, held 2,376,210 equity shares of the Company (approximately 0.98% of the Company's issued equity shares) as at September 30, 2014.

As at September 30, 2014, JFE Steel International Europe B.V., the next largest shareholder, owned, directly and indirectly, 15.00% of the Company's issued equity shares.

Sajjan Jindal

For details, see "*Management — Board of Directors — Sajjan Jindal*".

Savitri Devi Jindal

Mrs. Savitri Devi Jindal is the Chairperson Emeritus of the Group and was previously the Chairperson of the Group from April 2005 to October 21, 2011. She had previously served on the board of a number of companies belonging to the JSW Group. She is also the patron of the Managing Committee of the Vidya Devi Jindal Public School, Hissar, Haryana.

RELATED PARTY TRANSACTIONS

The Company, in the ordinary course of business, enters into various sales, asset purchases, rent and service transactions with its subsidiaries, joint ventures and associates and others in which the Company has a material interest. These transactions are pursuant to terms that are no less favorable than those arranged with third parties.

The following table summarizes related party transactions and balances included in the financial statements for the six months ended and as at September 30, 2014. See note 26 to the Group's Annual Financial Statements and note B(8) to the Group's Interim Financial Statements for further information on related party transactions determined in accordance with Indian GAAP.

Transactions with Related Parties	Associates and JVs	Key management personnel, relatives and enterprises over which such persons exercise significant influence
	(Rs. million)	
Purchase of goods/power & fuel/services	1,029	27,457
Reimbursement of expenses incurred on behalf of the Company's	—	18
Interest expenses	—	1
Sale of goods/power & fuel	859	9,535
Other income/other operating income	374	266
Purchase of assets/project materials	211	779
Lease and other advances refunded	—	166
Donation/CSR expenses	—	7
Recovery of expenses incurred by the Company on behalf of related parties	—	10
Investments/share application money given during the period	237	—
Investments/share application money refunded during the period	24	—
Remuneration to key management personnel	—	196
Interest paid	—	26
Closing Balance of Related Parties		
Trade payables	99	5,033
Notes payable	—	2,649
Advances received from customers	—	209
Lease & other deposits received	103	207
Lease & other deposits given	—	3
Trade receivables	65	1,140
Share application money given	42	—
Capital/revenue advance	187	5,395
Loan and advances given	—	299
Investments held by the Company	552	4,376
Loans/advances/deposits taken	—	2,043

The following description is a summary of certain laws, regulations and policies in India, which are applicable to the Company. The information provided below has been obtained from sources available in the public domain. The summary of the regulations set out below is not exhaustive, and is only intended to provide general information to potential investors and is neither designed nor intended to be a substitute for professional legal advice.

Industry Specific Laws

Mines and Minerals (Development and Regulations) Act, 1957 (the "MMDR Act")

The MMDR Act provides for the development and regulation of mines and minerals under the control of the Union of India and it lays down the substantive law pertaining to the grant, renewal and termination of reconnaissance permits, mining leases and prospecting licenses. The MMDR Act also governs the transportation and storing of any mineral. In 2010, the MMDR Act was amended to empower the Government to undertake selection of the company for the purpose of granting reconnaissance permit, prospecting licenses or mining lease in respect of an area containing coal or lignite through the process of auction by competitive bidding. On February 2, 2012, the Government notified the Auction by Competitive Bidding of Coal Mines Rules, 2012 which lays down the procedure for allocation of area containing coal through auction by competitive bidding. Under the MMDR Act, the lessee is liable to pay royalties on minerals extracted or a dead rent component to the relevant state government. The royalty is payable in respect of any mineral removed or consumed by him or his agent, manager, employee, contractor or sub-lessee and is computed in accordance with a stipulated formula. The Government has broad powers to change the royalty scheme, but cannot increase the rate of royalty more than once in every three years.

Mineral Concession Rules, 1960, (the "MC Rules") and the Mineral Conservation and Development Rules, 1988 (the "MCD Rules")

The MC Rules outline the procedures for obtaining reconnaissance permit, prospecting license and mining lease, the terms and conditions in relation to the same, and the model form in which they are to be issued. In addition, the lessee will be liable to pay the occupier of the surface of the land over which it holds the mining lease an annual compensation determined by the relevant state government, which varies depending on whether the land is agricultural or non-agricultural. The Government has also framed the MCD Rules which lays down guidelines in order to ensure that mining is carried out in a safe, scientific and environmentally friendly manner.

The Supreme Court of India has, in the matter of Common Cause v. Union of India & Ors., passed an interim order dated May 16, 2014, stating that the provision of deemed renewal under the MC Rules would not be available for second and subsequent renewals of mining leases and such leases cannot not be operated until the state government passes orders under relevant provisions of the MMDR Act, to the effect that it is of the opinion that it is necessary for the relevant leases to be renewed.

Coal Mines (Nationalization) Act, 1973 (the "CMN Act")

The mining of coal is governed by the CMN Act, which provides that for a private entity, no person other than a company engaged in (i) the production of iron and steel, (ii) generation of power, (iii) washing of coal obtained from a mine, or (iv) such other end uses as the Government, may by notification specify, can be granted a lease for mining of coal. Other mining laws and regulations that may be applicable to the Company include the following: Mining Lease (Modification of Terms) Rules, 1956; The Mines Act, 1952 and Mines Rules, 1955; The Payment of Wages (Mines) Rules, 1956; and Metalliferous Mine Regulations, 1961. The Ministry of Coal has also issued various guidelines including Guidelines for Preparation of Mining Plan for the Coal and Lignite Blocks issued on April 4, 2011 and modified Guidelines for Preparation of Mine Closure Plan issued on January 7, 2013.

National Mineral Policy, 2008

The Government approved the National Mineral Policy, 2008, (the "NMP") for non-coal and non-fuel minerals on March 13, 2008, revisiting the previous National Mineral Policy, 1993, and has given its approval for setting up of the Mining Administrative Appellate Tribunal as an independent dispute resolution authority. The NMP seeks to streamline and simplify the procedures for grant of mineral concessions and develop a sustainable framework for optimum utilization of the country's natural mineral recourses. It also aims to provide a framework of sustainable development designed to take care of bio diversity issues, restoration of ecological balance, protection of environment and proper relief and rehabilitation of people displaced and affected by the mining process. The NMP proposes to facilitate financing and funding of mining activities and development of mining infrastructure based on the principle of user charges and public private partnerships.

Coal Mines (Special Provisions) Ordinance, 2014

Following the Supreme Court's judgment dated August 25, 2014 and order dated September 24, 2014, whereby allocation of coal blocks by the Government, based on the recommendations made in 36 screening committee meetings between 1993 and 2011 and through the government dispensation route, were declared illegal and ordered to be cancelled, the Government has promulgated the Coal Mines (Special Provisions) Ordinance, 2014 ("Ordinance"), to provide for the process of allocation of the cancelled Coal Blocks by way of public auction in accordance with rules to be prescribed and on payment of such fees not exceeding Rs.50 million. The Ordinance (which was passed while the Parliament was not in session) shall have the same force and effect as a law passed by the Parliament and is valid for a period of 6 weeks from reassembly of the Parliament.

The Ordinance, *inter alia*, provides that prior allottees may participate in the public auction, subject to certain conditions. However, any prior allottee who is convicted for an offence relating to the Coal Block allocation and sentenced with imprisonment for more than three years will not be eligible to participate in the auction. Further, prior allottees for the land in relation to the Coal Blocks are eligible for compensation in accordance with the registered sale deed in addition to 12% interest from the date of acquisition of the Coal Block till the date of vesting or allotment order.

The Ordinance also amends the CMN Act and the MMDR Act. A new Section 3A and amended Section 34(2)(aa) of the CMN Act, together with a substituted Section 11A and amended Section 13(2)(d) of the MMDR Act, allows joint ventures between (i) a government company or corporation and the central and state government or any other company and (ii) a company or a joint venture company between two or more companies, to mine coal blocks, either for its own consumption or for sale or for any other purpose in accordance with the reconnaissance permit, prospecting license or mining lease.

Foreign Exchange Laws

ECB Guidelines

The current laws relating to ECBs are embodied in the ECB Guidelines. ECB can be accessed under two routes: (i) the automatic route, and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals whereas the approval route refers to circumstances where prior RBI approval is mandatory, before raising an ECB.

Automatic Route

Under the automatic route, recognised borrowers permitted to raise ECBs include, *inter alia*, companies in industrial sectors, infrastructure sectors and specified service sectors (i.e. hotel, hospital and software sectors) and includes companies engaged in the manufacture or production of steel. The automatic route places several restrictions including those on the eligibility of borrower, lender, all-in cost and end use that are described further below.

The foreign lenders eligible to provide ECBs include, inter alia: (i) international banks, (ii) international capital markets, (iii) multilateral financial institutions or regional financial institutions and Government-owned development financial institutions, (iv) export credit agencies, (v) suppliers of equipment, (vi) foreign collaborators; and (vii) foreign equity holders, other than erstwhile Overseas Corporate Bodies (subject to compliance with threshold requirements).

ECB proceeds can be utilised for, inter alia: (i) investment (such as the import of capital goods, new projects, modernisation or expansion of existing production units) in the real sector (i.e. the industrial sector including small and medium enterprises, infrastructure sector and specified service sectors); (ii) overseas direct investment in joint ventures or wholly owned subsidiaries (subject to applicable guidelines); (iii) acquisition of shares in the Government's disinvestment programme of public sector units; (iv) lending to self-help groups or for micro-credit or bona fide micro finance activity; (iv) payment of interest during construction by companies engaged in infrastructure sector, (v) refinancing of bridge finance used for import of capital goods by infrastructure companies; and (vi) import of services, technical knowhow and payment of license fee subject to certain restrictions.

ECB proceeds cannot be used for: (i) on-lending or investment in capital markets or for acquisition of a company in India by a corporate; (ii) investment in real estate; (iii) general corporate purpose (including working capital) or repayment of existing Rupee loans; and (iv) acquisition of land.

Any ECB raised by an Indian company under the ECB Guidelines have to comply with the minimum average maturity prescribed. In terms of the ECB Guidelines, an ECB above US$750 million or its equivalent shall have a minimum average maturity of five years.

The maximum amount of ECB which can be raised by a corporate (other than those in the service sectors) is US$750 million in a financial year. The all-in cost (which includes rate of interest, other fees and expenses in foreign currency but does not include commitment fees, pre-payment fees, payments for withholding tax in Rupees or fees payable in Rupees) ceilings for ECBs are as follows:

Average Maturity Period	**All-in cost over 6 month LIBOR**
ECB of 3 years and up to 5 years	350 bps
ECB of more than 5 years	500 bps

Approval Route

All ECBs falling outside the purview of the automatic route are considered by RBI under the approval route. In terms of the ECB Guidelines, no company can utilize the proceeds of an ECB for the repayment of its existing rupee loans without the approval of the RBI.

Filing and regulatory requirements in relation to issuance of Notes

An ECB borrower, including the Company, is required to obtain a loan registration number ("LRN") from the RBI before an issuance of Notes is effected. For allotment of the LRN, ECB borrowers are required to submit Form 83 certified by a company secretary or chartered accountant to the AD Bank of the ECB borrower. The AD Bank is then required to forward the Form 83 to the RBI. Any ECB borrower, including the Company, is required to submit an ECB-2 Return on a monthly basis via its AD Bank to the RBI.

Procedure in relation to any change to the Terms and Conditions of the Notes

As at the date of this Offering Memorandum, the ECB Guidelines prescribe that any changes in the terms and conditions of the Notes after obtaining the LRN will require the prior approval of the RBI or the AD Bank, as the case may be.

The Company will be required to obtain prior RBI approval, in accordance with the ECB Guidelines, if there is a change in the repayment schedule of the Notes such that the average maturity period of the ECB is reduced as against the original maturity of the ECB. Consequently, the prior approval of the RBI will be required prior to an early redemption of the Notes upon: (i) the occurrence of a Change of Control Triggering Event, (ii) an Event of Default or (iii) early redemption of the Notes due to taxation reasons. See *"Terms and Conditions of the Notes — Redemption and Purchase — Redemption for Change of Control Triggering Event"*, *"Terms and Conditions of the Notes — Events of Default"* and *"Terms and Conditions of the Notes — Redemption and Purchase — Redemption for taxation reasons"*.

The Company will be required to obtain prior approval of the AD Bank for certain changes in the terms and conditions of Notes under the ECB Guidelines, including: (i) a change in the repayment schedule, subject to the condition that the average maturity period, as declared while obtaining LRN, is maintained, (ii) a modification in the currency of the borrowing, (iii) a change in the designated AD Bank, (iv) a change in the name of the borrower, (v) a cancellation of the LRN; (vi) a modification in the end use of the ECB proceeds, (vii) a reduction in amount; and (viii) a change in the all-in cost of the ECB.

FEMA Guarantees Regulations

Remittances of funds to outside of India by the Company pursuant to indemnity clauses under the Terms and Conditions of the Notes, or any other agreements in relation to the Notes, requires prior RBI approval under the FEMA Guarantees Regulations.

Corporate Laws

The Company is incorporated and registered under the Companies Act, 1956 and is governed by its provisions and the rules made thereunder. In 2013, the Indian Parliament enacted the Companies Act 2013, which was notified in part in the official gazette on August 30, 2013. The MCA has to date notified (i) 98 sections of the Companies Act 2013 which were made effective from September 12, 2013; (ii) Section 135 and Schedule VII of the Companies Act 2013 in relation to corporate social responsibility on February 27, 2014 made effective from April 1, 2014; and (iii) 183 sections and Schedule I to XI which were notified on March 26, 2014 and made effective from April 1, 2014. The substantial operative part of the legislation is in the rules, and the rules for implementation of majority of the chapters of Companies Act 2013 have also been notified and were made effective from April 1, 2014.

The Companies Act 2013 has introduced various sections which significantly and substantially modify, repeal and replace the entire framework of law governing Indian companies including the Company. For transition purposes, the Companies Act 2013 encapsulates grandfathering provisions whereby acts done, resolutions passed, documents entered, registers maintained under the Companies Act, 1956 (unless contrary to the Companies Act 2013) will continue to be valid under the Companies Act 2013.

Compliance with Other Applicable Laws

Environmental Laws

The Company is also required to obtain clearances under the EPA, the Forest (Conservation) Act, 1980, if any forest land is involved, and other environmental laws such as the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) Cess Act, 1977 and the Air (Prevention and Control of Pollution) Act, 1981, before commencing mining operations. The Company must also comply, at all times, with the provisions of the Hazardous Waste (Management and Handling) Rules, 1989 as amended, and as superseded by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

Other Laws

Additionally, the Company is also required to comply with, *inter alia*, the following laws:

(i) Central Excise Act, 1944;

(ii) Central Sales Tax Act, 1956;

(iii) Chapter V of Finance Act, 1994 (Service Tax);

(iv) Contract Labor (Regulation and Abolition) Act, 1970;

(v) Customs Act, 1962;

(vi) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

(vii) Employees' State Insurance Act, 1948;

(viii) Factories Act, 1948;

(ix) Foreign Exchange Management Act, 1999;

(x) Income Tax Act, 1961;

(xi) Foreign Trade (Development and Regulation) Act, 1992;

(xii) Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957;

(xiii) Industries (Development and Regulation) Act, 1951;

(xiv) Minimum Wages Act, 1948;

(xv) Payment of Bonus Act, 1965;

(xvi) Payment of Gratuity Act, 1972;

(xvii) Payment of Wages Act, 1936;

(xviii) Shops and Commercial Establishments Act applicable to relevant states;

(xix) Value Added Tax Act applicable to relevant states; and

(xx) Wealth Tax Act, 1957.

DESCRIPTION OF MATERIAL INDEBTEDNESS

The following summary of certain provisions of the Group's loan facilities, bonds and other indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying credit agreements, bonds and other documentation. Furthermore, this summary relates only to the Group's principal long-term indebtedness. The Group utilizes a variety of short-term debt instruments.

The Group's principal sources of external financing include both secured and unsecured short-term as well as long-term facilities (in both rupees and other currencies). As at September 30, 2014, the Group had total borrowings of Rs.362,788 million (US$5,888.1 million), compared to Rs.314,932 million (US$5,111.4 million) as at September 30, 2013. As at September 30, 2014, the Group's borrowings by its subsidiaries and the Company accounted for approximately 21% and 79%, respectively, of its total borrowings. As at September 30, 2014, approximately 36% of the Group's borrowings were denominated in foreign currency, principally in United States dollars. As at September 30, 2014, the Group had long-term debt of Rs.308,991 million.

Rupee Bank Loans

The Company is party to facility agreements under which borrowings are denominated in Rupees ("Rupee Bank Loans") with various financial institutions. As at September 30, 2014, the aggregate amount under these loans totaled approximately Rs.96,560 million (on a standalone basis, excluding working capital and non-bank rupee loans).

While interest under some of the Rupee Bank Loans accrue at a fixed interest rate throughout the term of the loans, some other Rupee Bank Loans bear interest at floating rates calculated with reference to the base rate of the relevant lenders. Interest payments are generally payable monthly and must be made on each payment date as provided in the particular facility agreement. As at September 30, 2014, the interest rate on the Rupee Bank Loans ranged from 10.50% to 13.00% per annum.

Each of the Rupee Bank Loans contains customary negative covenants, including restrictions, subject to certain exceptions, on the Company's ability to incur secured indebtedness, provide guarantee, sell or otherwise dispose of certain assets, effect a consolidation or merger or create liens on assets.

In addition, the Rupee Bank Loans require the Company to maintain certain financial covenants including a minimum debt service coverage ratio, maximum debt to tangible net worth ratio, fixed assets coverage ratio and maximum debt to EBITDA ratio.

The Rupee Bank Loans contain certain customary events of default, such as failure to pay the amount payable on the due date, material breach of the terms of the loan agreement and acceleration of repayment obligations under other loan or financing documents. The lenders are entitled to terminate their respective agreements and/or demand immediate repayment of the loans and any accrued interest and/or foreclose on secured assets under the respective agreements upon the occurrence of an event of default.

Non-Rupee Loans

In August 2006, the Company entered into two loan agreements for a total of US$65 million with ICICI Bank Limited for financing the construction of a 1.0 mtpa cold rolling mill complex at Toranagallu, Karnataka, India.

In July 2007, the Company entered into a loan agreement for a total of US$25 million with ICICI Bank Limited for financing the expansion of a 1.0 mtpa integrated steel facility at Salem, Tamil Nadu, India.

In March 2011, the Company entered into a loan agreement for US$280 million with a consortium of lenders led by BNP Paribas for financing its capital expenditure requirements.

In March 2011, the Company entered into a loan agreement for EUR117 million with KfW IPEX-Bank GmbH for financing the expansion of its steelmaking facilities at Vijaynagar, Kamataka, India.

In May 2011, the Company entered into a loan agreement for EUR74 million with KfW IPEX-Bank GmbH for financing part of the construction of a 2.23 mtpa cold rolling mill at Vijaynagar, Kamataka, India.

In March 2012, the Company entered into two loan agreements for US$64 million and JPY5,170 million, respectively, with both Japan Bank for International Cooperation and Mizuho Corporate Bank, Limited for financing the purchase of equipment and related technical service from Japanese corporations.

In March 2012, the Company entered into a loan agreement for JPY4,130 million with Mizuho Corporate Bank, Limited for financing its capital expenditure requirements.

In May 2012, the Company entered into an amendatory agreement with IDBI Bank Limited to modify the terms and conditions applicable to the subsisting facilities for an amount of US$189.35 million.

In June 2012, the Company entered into a loan agreement for US$225 million with a consortium of lenders led by Credit Suisse AG for redeeming some of its foreign currency convertible bonds and financing its capital expenditure requirements. The loan is for a term of five years with bullet repayment at termination.

In June 2012, the Company entered into a loan agreement for EUR12 million with KfW IPEX-Bank GmbH for importing capital goods equipment.

In June 2012, the Company entered into an indemnity agreement with State Bank of India for availing bank guarantee and standby letter of credit facility for securing the due repayment and discharge of the foreign currency facility of US$150 million granted by State Bank of India, New York Branch to JSW Steel (Netherlands) B.V, a wholly owned subsidiary of the Company.

In August 2012, the Company entered into a loan agreement for EUR15 million with Finnish Export Credit Limited for the purchase of certain supplies and services from a Finnish company.

In February 2013, the Company entered into two loan agreements for US$35 million and JPY1,816 million, respectively, with both Japan Bank for International Cooperation and Mizuho Corporate Bank, Limited for financing the purchase of equipment and related technical service from Japanese corporations.

In May 2013, the Company entered into a loan agreement for the United States dollar equivalent of EUR4.4 million, Great British Pound 0.9 million and Rs.112 million with KfW IPEX-Bank GmbH for payment of capital goods equipment and related services.

In August 2013, the Company entered into a standby letter(s) of credit facility agreement with State Bank of India for securing the obligations of a wholly owned subsidiary in relation to the foreign currency facility of US$400 million granted by SBI, London Branch.

In January 2014, the Company entered into two loan agreements for total commitment of EUR14.6 million with KfW IPEX-Bank GmbH for payment of capital goods equipment and related services.

In March 2014, the Company entered into a deed of indemnity with the Export-Import Bank of India for securing the obligations of JSW Steel Netherlands B.V., a wholly owned subsidiary of the Company, in relation to a facility authorizing the issuance of standby letters of credit facility amounting to US$80 million.

In May 2014, the Company entered into general agreements with Japan Bank for International Cooperation setting forth the terms for contract loans not exceeding US$50 million and JPY5,000 million, respectively, for the financing of purchasing Japanese equipment, machinery and service. In June 2014, the Company entered into two contract loans totaling US$13 million with Japan Bank for International Cooperation and The Bank of Tokyo-Mitsubishi UFJ, Limited under such general agreements.

In August 2014, the Company entered into a loan agreement for EUR9.8 million with BNP Paribas Fortis SA/NV for the purchase of certain supplies from an Italian company.

In August 2014, the Company entered into a facility agreement for US$40 million with the State Bank of India for the expansion of a 3.3 mtpa steel plant at Dolvi Works, Maharashtra, India.

In September 2014, the Company entered into a facility agreement for US$250 million with Axis Bank Ltd. for the various ongoing capital expenditures of the Company.

Most of the Group's non-Rupee loans bear interest at a floating rate linked to LIBOR or JPY LIBOR, depending on the currency, plus a margin, with the remaining loans bearing interest at fixed rates. Interest payments on these loans are generally payable semiannually and must be made on each payment date as provided in the particular facility agreement. As at September 30, 2014, the aggregate outstanding amount under these loans totaled approximately Rs.117,319 million.

The Group's financing agreements and debt arrangements normally contain customary negative covenants that limit or require the Group to obtain lender consents before, among other things, changing the Group's business, conducting mergers and consolidations, selling significant assets beyond a certain limit, creating liens on assets or making certain acquisitions or investments. The financing agreements and debt arrangements also contain customary provisions in respect of events of default, including provisions whereby a default under one financing agreement may also result in cross-defaults under the other financing agreements and result in the outstanding amounts under each such financing agreement becoming immediately due and payable.

Some of the financing agreements and debt arrangements contain financial covenants that require the satisfaction and/or maintenance of financial tests and ratios (such as debt to equity ratio, debt coverage ratio and certain other liquidity ratios).

Debentures

8.50% Non-Convertible Debentures

During the second quarter of the year ended March 31, 2005, Rs.780 million was raised through the issuance of non-convertible debentures ("NCDs") at an initial rate of 8.50% per annum. The interest rate is reset every two years at 300 basis points over the yield of five-year Government securities. The NCDs will be redeemed by April 2016.

8.50% Non-Convertible Debentures

During the second quarter of the year ended March 31, 2006, Rs.670 million was raised through the issuance of NCDs at an initial rate of 8.50% per annum. The interest rate is reset every two years at 300 basis points over the yield of five-year Government securities. The NCDs will be redeemed by January 2015.

10.25% Non-Convertible Debentures

During the first and second quarters of the year ended March 31, 2009, the Company raised Rs.5,000 million in two separate tranches with amounts of Rs.3,500 million and Rs.1,500 million through the issuance of NCDs at a fixed rate of 10.25% per annum. The NCDs will be redeemed in equal installments in 2016, 2017 and 2018.

10.60% Non-Convertible Debentures

During the third quarter of the year ended March 31, 2010, the Company raised Rs.3,500 million through the issuance of 10-year NCDs at a fixed rate of 10.60% per annum. The NCDs will be redeemed in eight equal semi-annual installments commencing from 2016.

10.10% Non-Convertible Debentures

During the last quarter of the year ended March 31, 2010, the Company raised Rs.10,000 million through the issuance of NCDs at a fixed rate of 10.10% per annum. The NCDs will be redeemed in 16 equal quarterly installments commencing from 2014.

11% Non-Convertible Debentures

During the first quarter of the year ended March 31, 2013, the Company raised Rs.10,000 million through the issuance of 11 NCDs at a fixed rate of 11% per annum. The NCDs will be redeemed in equal installments in 2021, 2022 and 2023.

10.34% Non-Convertible Debentures

During the first quarter of the year ended March 31, 2014, the Company raised Rs.10,000 million through the issuance of 11-year NCDs at a fixed rate of 10.34% per annum. The NCDs will be redeemed in equal installments in 2022, 2023 and 2024.

10.02% Non-Convertible Debentures

During the second quarter of the year ended March 31, 2014, the Company raised Rs.10,000 million through the issuance of 10-year NCDs at a fixed rate of 10.02% per annum. The NCDs will be redeemed in May 2023 and July 2023.

10.50-10.55% Non-Convertible Debentures

During the first quarter of the year ended March 31, 2015, the Company raised Rs.3,000 million through the issuance of NCDs at fixed rates of 10.50% and 10.55% per annum. The 10.50% NCDs will be redeemed in 2016 while the 10.55% NCDs will be redeemed in 2017.

10.55% Non-Convertible Debentures

During the first quarter of the year ended March 31, 2015, the Company raised Rs.10,000 million through the issuance of three-year NCDs at a fixed rate of 10.55% per annum. The NCDs will be redeemed in bullet repayment in 2017.

10.40%-10.60% Non-Convertible Debentures

During the second quarter of the year ended March 31, 2015, the Company raised Rs.10,250 million through the issuance of three-year, four-year and five-year NCDs at a fixed rate of 10.55% per annum. The NCDs will be redeemed in 2017, 2018 and 2019, respectively.

10.20% Non Convertible Debentures

During the second quarter of the year ended March 31, 2015, the Company raised Rs.5,000 million through the issuance of three-year NCDs at a fixed rate of 10.20% per annum, compounded quarterly. The NCDs will be redeemed in 2017.

10.20% Non-Convertible Debentures

During the second quarter of the year ended March 31, 2015, the Company raised Rs.2,000 million through the issuance of NCDs at a fixed rate of 10.20% per annum, compounded quarterly. The NCDs will be redeemed in 2017.

Debt and Debt Funding

The Group has stable relationships with a large variety of debt providers, principally commercial banks and export credit agencies. As at September 30, 2014, approximately 28% of the Group's total long-term debt carried a fixed interest rate. As at September 30, 2014, the proportion of the Group's short-term debt to total debt was 15%.

Maturity of Borrowings

The table below summarizes the maturity profile of the Group's borrowings based on contractual undiscounted payments. The details given below are gross of debt origination cost.

	Expected maturity as at September 30, 2014
	(Rs. million)
Within one year	86,768
Between one and two years	44,463
Between two and five years	153,933
Over five years	77,624
Total	**362,788**

Existing Foreign Currency Indebtedness

The following table sets forth information with regard to the Group's total long-term debt by currency (gross of debt obligation costs), in terms of fixed or floating rate as at September 30, 2014:

	Currency of borrowings as at September 30, 2014		
	Total borrowings	**Floating rate borrowings(1)**	**Fixed rate borrowings**
		(Rs. million)	
Rupee	191,853	113,330	78,523
Japanese Yen	5,646	2,328	3,318
U.S. Dollar	111,492	106,604	4,888
Total	**308,991**	**222,262**	**86,729**

(1) Interest on the floating rate rupee loans are either subject to change in line with changes in base rates of the lenders or are periodically reset with links to base rates.

The following (subject to completion and amendment) will be the text of the Terms and Conditions (the "Conditions") of the Notes, which will be attached to the global Notes and will appear on the reverse of any Definitive Notes (as defined below). Except as described under "Summary of Provisions Relating to the Notes in Global Form", Definitive Notes will not be issued in exchange for the global Notes. See "Summary of Provisions Relating to the Notes in Global Form" for a summary of the registration, payment, transfer and other procedures that apply when the Notes are in global form.

The US$500,000,000 4.75% notes due 2019 (the "Notes", which expressions shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 15 *(Further Issues)* and forming a single series with the Notes) issued by JSW Steel Limited (the "Company") are constituted by a Trust Deed dated the date of issuance of the Notes (as may be amended from time to time, the "Trust Deed") between the Company and Citicorp International Limited (the "Trustee," which expression shall include all Persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined in Condition 1 *(Form, Denomination and Title)*. These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Definitive Notes (as defined below). Copies of the Trust Deed and of the Agency Agreement dated the date of issuance of the Notes (as may be amended from time to time, the "Agency Agreement") relating to the Notes between the Company, the Trustee and the Agents (as defined below), are available for inspection during usual business hours at the principal office of the Trustee (presently at 50th Floor, Citibank Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong) and at the specified offices of the principal paying agent located at c/o Citibank, N.A., Dublin Branch, Ground Floor, 1 North Wall Quay, Dublin 1, Ireland (the "Principal Paying Agent" and, together with any other paying agent appointed under the Agency Agreement, the "Paying Agents"), the registrar (the "Registrar") and the transfer agents (the "Transfer Agents" and collectively with the Principal Paying Agent, the Paying Agent and the Registrar being referred to as the "Agents"). The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Trust Deed and the provisions of the Agency Agreement applicable to them. Certain terms used herein are defined in Condition 4.7 (*Definitions*). Capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

The owners shown in the records of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream Luxembourg") of book-entry interests in Notes are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1. FORM, DENOMINATION AND TITLE

1.1 **Form and Denomination**: The Notes are in registered form in amounts of US$200,000 each and higher integral multiples of US$1,000 (each an "authorised denomination"). A definitive certificate (each a "Definitive Note") will be issued to each Noteholder in respect of its registered holding or holdings of Notes. Each Definitive Note will be numbered serially with an identifying number, which will be recorded in the register (the "Register"), which the Company shall procure to be kept by the Registrar outside the United Kingdom. Save as provided in Condition 2.1 *(Transfer, Issue and Delivery)*, each Definitive Note shall represent the entire holding of the Notes by the same Noteholder.

1.2 **Title**: Title to the Notes passes only by and upon registration in the Register. In these Conditions, "Noteholder" and "holder" means the Person in whose name a Note is registered in the Register. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or theft or loss of, the Definitive Note issued in respect of it) and no Person will be liable for so treating the holder. No Person shall have any right to enforce any term or condition of the Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

2. TRANSFERS OF NOTES AND ISSUE OF DEFINITIVE NOTES

2.1 **Transfer, Issue and Delivery**: A Note may be transferred in whole or in part in an authorised denomination upon the surrender of the Definitive Note issued in respect of that Note, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Note, a new Definitive Note in respect of the balance not transferred will be issued to the transferor within five Business Days (as defined in Condition 7.2 (*Payment Initiation*) hereof) of receipt of such form of transfer and sent by uninsured mail at the risk of the holder (but free of charge to the holder and at the Company's expense) to the address of the holder appearing in the Register. In the case of a transfer of Notes to a person who is already a Noteholder, a new Definitive Certificate representing the enlarged holding shall only be issued against surrender of the Definitive Note representing the existing holding. Each new Definitive Note to be issued upon a transfer of Notes will, within five Business Days of receipt of such form of transfer, be sent by uninsured mail at the risk of the holder entitled to the Note in respect of which the relevant Definitive Note is issued to such address as may be specified in such form of transfer. Notes may be transferred in accordance with this Condition 2 (*Transfers of Notes and Issue of Definitive Notes*) and the Agency Agreement but not otherwise exchanged. No transfer of a Note shall be valid unless and until entered into the Register.

2.2 **Formalities Free of Charge**: Registration of transfer of Notes will be effected without charge by or on behalf of the Company, the Registrar or any Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

2.3 **Closed Periods**: No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on the due date for any payment of principal and premium (if any) and/or interest on that Note or (ii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7 (*Payments*)).

2.4 **Regulations Concerning Transfer and Registration**: All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Company with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be sent by mail by the Registrar to any Noteholder upon request.

3. STATUS

The Notes constitute (subject to Condition 4.2 (*Negative Pledge*)) direct, general, unsecured and unsubordinated obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Notes shall at all times rank at least *pari passu* with all of its other present and future outstanding unsecured and unsubordinated obligations but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. COVENANTS

4.1 Limitation on Indebtedness

So long as any Note remains outstanding (as defined in the Trust Deed), the Company will not Incur (as defined in Condition 4.7 (*Definitions*)), directly or indirectly any Indebtedness, unless, after giving effect to the application of the proceeds thereof:

(a) no Default would occur as a consequence of such Incurrence or be continuing following such Incurrence; and

(b) the Indebtedness to Tangible Net Worth ratio for the Company's most recently ended semi-annual or annual period for which unconsolidated financial statements of the Company are available immediately preceding the date on which such Indebtedness is incurred shall not be greater than 3.0:1.0;

provided that this Condition 4.1 *(Limitation on Indebtedness)* shall not apply to:

(i) Indebtedness of the Company evidenced by the Notes existing as at the Issue Date;

(ii) Indebtedness existing as at the Issue Date and refinancing thereof;

(iii) Indebtedness issued in exchange for, or the net proceeds of which are used to refinance, replace, exchange, renew, repay, defease, discharge or extend then outstanding Indebtedness permitted to be Incurred under this Condition 4.1 *(Limitation on Indebtedness)*;

(iv) Indebtedness Incurred by the Company pursuant to hedging obligations entered into solely to protect the Company from fluctuations in interest rates, foreign currency exchange rates or commodity prices and not for speculation; or

(v) Indebtedness constituting reimbursement obligations with respect to letters of credit, trade guarantees, bank guarantees or bankers' acceptances issued in the ordinary course of business to the extent that such letters of credit, guarantees or bankers' acceptances are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 60 days following receipt by the Company of a demand for reimbursement.

For the avoidance of doubt, the Indebtedness to Tangible Net Worth ratio shall be calculated and interpreted on the basis of unconsolidated financial statements of the Company.

4.2 **Negative Pledge**

So long as any Note remains outstanding, the Company will not create or permit to subsist any Security (as defined in Condition 4.7 (*Definitions*)), upon the whole or any part of its property or assets, present or future, to secure any External Obligations (as defined in Condition 4.7 (*Definitions*)), unless the Company, in the case of the creation of the Security, at the same time or prior thereto takes any and all action necessary to ensure that:

(i) all amounts payable by it under the Notes and the Trust Deed are secured by the Security equally and rateably with the External Obligations to the satisfaction of the Trustee; or

(ii) such other Security or other arrangement (whether or not it includes the giving of Security) is provided as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

4.3 **Limitation on Asset Sales**

So long as any of the Notes remains outstanding, the Company will apply any Net Cash Proceeds from an Asset Sale to:

(a) permanently repay unsubordinated Indebtedness; or

(b) acquire properties and assets (other than current assets) that will be directly owned and used by the Company in Permitted Businesses; or

(c) invest in Subsidiaries of the Company involved in Permitted Businesses; provided that the amount of such investment, individually or when aggregated with all other investments in such Subsidiaries made with the Net Cash Proceeds from any Asset Sales in the twelve month period immediately prior to such investment, does not exceed 3% of the Fixed Assets of the Company on the immediately preceding balance sheet date (as stated in the Company's most recent semi-annual or annual unconsolidated financial statements); or

(d) pay dividends, provided that, the Company shall not pay any such dividend in respect of or otherwise distribute such Net Cash Proceeds to its shareholders if such dividend or distribution, individually or when aggregated with all other dividends or distributions paid with the Net Cash Proceeds from any Asset Sales in the twelve month period immediately prior to the date of the declaration of such dividend or distribution, exceeds US$150.0 million or its equivalent in other currencies.

The Company will not, directly or indirectly, consummate an Asset Sale unless the Company receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to the Asset Sale (including as to the value of all non-cash consideration, such non-cash consideration shall, for the avoidance of doubt, not be subject to the restrictions under this Condition 4.3 *(Limitation on Asset Sales)*)) of the Fixed Assets sold or otherwise disposed of.

Pending application of Net Cash Proceeds as set out above, such Net Cash Proceeds may be placed in cash deposits or invested in short term money market instruments.

4.4 **Suspension of Covenants**

If, on any date following the date of the Trust Deed, the Notes are rated Investment Grade from both of the Rating Agencies and no Default or Event of Default has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, (i) at which the Notes cease to be rated Investment Grade from either of the Rating Agencies or (ii) an Event of Default occurs and is continuing, the following Conditions will not apply to the Notes:

(a) Condition 4.1 (*Limitation on Indebtedness*); and

(b) Condition 4.3 (*Limitation on Asset Sales*).

The covenants under the Conditions listed in this Condition 4.4 *(Suspension of Covenants)* will be reinstituted and apply according to their terms as of and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken in compliance with the provisions of the Trust Deed during the continuance of the Suspension Event, and no Default will be deemed to have occurred as a result of a failure to comply with such covenants during such period.

4.5 **Consolidation, Merger and Sale of Assets**

The Company will not consolidate with, merge with or into, another Person, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets (as an entirety or substantially an entirety in one transaction or series of related transactions) to any Person, unless:

(a) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "Surviving Person") shall be a corporation incorporated and validly existing under the laws of India or any jurisdiction thereof and shall expressly assume, by a supplemental trust deed to the Trust Deed, executed and delivered to the Trustee, all the obligations of the Company under the Trust Deed and the Notes and the Trust Deed and the Notes shall remain in full force and effect;

(b) immediately after giving effect to such transaction on a *pro forma* basis (and treating any Indebtedness which becomes an obligation of the Company or the Surviving Person as having been Incurred at the time of such transaction), no Default shall have occurred and be continuing;

(c) immediately after giving effect to such transaction on a *pro forma* basis, the Company or the Surviving Person, as the case may be, shall have a Tangible Net Worth equal to or greater than the Tangible Net Worth of the Company immediately prior to such transaction;

(d) immediately after giving effect to such transaction on a *pro forma* basis, the Company could Incur at least US$1.00 of Indebtedness under Condition 4.1 *(Limitation on Indebtedness)*;

(e) the Company delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with Condition 4.5(c) and (d), and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental trust deed complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with; and

(f) no Rating Decline shall have occurred.

For the avoidance of doubt, this Condition shall not apply to a consolidation or merger of any Subsidiary with and into the Company, so long as the Company survives such consolidation or merger.

4.6 **Reporting**

So long as any of the Notes remain outstanding, the Company will deliver to the Trustee, as soon as practicable but in any event not more than 10 calendar days after they are filed with the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") or any other recognised exchange on which the Company's Capital Stock is at any time listed for trading, true and correct copies of any financial or other report in the English language filed with such exchange, unless such report has been made generally available on the website of the Company or such recognised stock exchange and not otherwise requested by the Trustee or the Noteholders; provided that if at any time the Capital Stock of the Company ceases to be listed for trading on a recognised exchange, the Company will deliver to the Trustee:

(a) as soon as practicable, but in any event within 90 calendar days after the end of the fiscal year of the Company, copies of its financial statements (on a consolidated basis and in the English language) that the Company would have filed with the NSE and BSE if the Capital Stock of the Company was listed for trading on such stock exchange in respect of such financial year audited by a member firm of an internationally recognised firm of independent accountants; and

(b) as soon as practicable, but in any event within 60 calendar days after the end of each of the first, second and third fiscal quarters of the Company, copies of its unaudited financial statements (on a consolidated basis and in the English language) that the Company would have filed with the NSE and BSE if the Capital Stock of the Company was listed for trading on such stock exchange in respect of such quarterly period prepared on a basis consistent with the audited financial statements of the Company and reviewed by a member firm of an internationally recognised firm of independent accountants.

4.7 **Definitions**: Set forth below are defined terms used in these Conditions. Reference is made to the Trust Deed for other capitalized terms used in these Conditions for which no definition is provided.

"**Asset Sale**" means the sale, lease, conveyance or other disposition of any Fixed Assets by the Company. Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(a) any single transaction or series of related transactions that involves Fixed Assets having a Fair Market Value of less than US$100.0 million;

(b) the sale, lease, conveyance or other disposition of any Fixed Assets in the ordinary course of business (including the abandonment, sale or other disposition of damaged, worn out or obsolete Fixed Assets that are, in the reasonable judgment of the Company, no longer economically practical to maintain or useful in the conduct of business of the Company);

(c) licences, sub-licences, subleases, assignments or other disposition by the Company of intellectual property in the ordinary course of business;

(d) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(e) the disposition of Fixed Assets in connection with the compromise, settlement thereof in the ordinary course of business (including by secured lenders of the Company through the enforcement of security) or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(f) the foreclosure, condemnation or any similar action with respect to Fixed Assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind related to Fixed Assets;

(g) any unwinding or termination of hedging obligations not for speculative purposes;

(h) the disposition of Fixed Assets which are seized, expropriated or compulsory purchased by or by the order of any central or local government authority;

(i) the disposition of Fixed Assets to another person whereby the Company leases such assets back from such person;

(j) operating leases of Fixed Assets; and

(k) a transaction covered by the covenant under Condition 4.5 *(Consolidation, Merger and Sale of Assets)*.

"**Board of Directors**" means the board of directors of the Company elected or appointed by the general meeting of shareholders of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

"**Board Resolution**" means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held or adopted by duly executed written resolution of the Board of Directors.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents (however designated, whether voting or non voting) in equity of such Person, whether outstanding on the Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding debt securities convertible into such equity.

"**Common Stock**" means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding on the Issue Date, and include, without limitation, all series and classes of such common stock or ordinary shares.

"**Default**" means any event which is, or after the giving of notice, the making of a determination or the passage of time or any combination of the foregoing would be, an Event of Default.

"**Dollar Equivalent**" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars, obtained by converting such foreign currency involved in such computation into U.S. dollars at the noon buying rate for U.S. dollars in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on the date of determination.

"**Event of Default**" has the meaning assigned thereto in Condition 9 (*Events of Default*).

"**External Obligations**" means bonds, debentures, notes or other similar securities of the Company which both: (a) are by their terms payable, or confer a right to receive payment, in, or by reference to, any currency other than Rupees, or which are denominated in Rupees and more than 50% of the aggregate principal amount thereof is initially distributed outside India by or with the authorisation of the Company; and (b) are for the time being or are capable of being quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market outside India.

"**Fair Market Value**" means the price that would be paid in an arm's length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors or any person(s) authorized by the Board of Directors, whose determination shall be conclusive if evidenced by or a certificate from the same or a Board Resolution.

"**Fitch**" means Fitch Inc., a subsidiary of Fimalac, S.A., and its successors.

"**Fixed Assets**" means assets classified as such in the Company's unconsolidated financial statements prepared in accordance with GAAP.

"**GAAP**" means generally accepted accounting principles, standards and practices in India.

"**guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep well, to purchase assets, goods, securities or services, to take or pay, or to maintain financial statement conditions or otherwise) or (b) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term "guarantee" shall not include endorsements for collection or deposits in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"**Incur**" means, with respect to any Indebtedness, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness; provided that the accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock (to the extent provided for when the Indebtedness or Preferred Stock on which such interest or dividend is paid was originally issued) shall not be considered an Incurrence of Indebtedness. The terms "Incurrence," "Incurred" and "Incurring" have meanings corresponding with the foregoing.

"**Indebtedness**" means any indebtedness Incurred by the Company for or in respect of (without duplication):

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction having the commercial effect of a borrowing and required by GAAP to be shown as a borrowing in the balance sheet of the Company;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(h) shares which are expressed to be redeemable on or before November 27, 2019;

(i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution, other than any such instrument to the extent such instrument is not drawn upon; and

(j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

"**Investment Grade**" means (i) a rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's, or any of its successors or assigns, (ii) a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest

Rating Categories, by Fitch or any of its successors or assigns or (iii) the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for Moody's or Fitch or any one or more of them, as the case may be.

"**Issue Date**" means the date on which the Notes (other than Notes issued further under Condition 15 *(Further Issues)*) are originally issued under the Trust Deed.

"**Moody's**" means Moody's Investors Service and its affiliates, and any of their successors, as applicable.

"**Net Cash Proceeds**" with respect to any sale of any Fixed Assets of the Company, means the cash proceeds of such sale net of payments to repay Indebtedness or any other obligation outstanding at the time that either (a) is secured by a lien on such Fixed Assets or (b) is required to be paid as a result of such sale, legal fees, accountants' fees, agents' fees, discounts or commissions and brokerage, consultant fees and other fees actually incurred in connection with such sale and net of taxes paid or payable as a result thereof.

"**Offering Circular**" means the offering circular dated November 5, 2014 prepared in connection with the issue of the Notes, as amended or supplemented.

"**Officer**" means a director or any executive officer of the Company.

"**Officers' Certificate**" means a certificate signed by two Officers.

"**Opinion of Counsel**" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel, if so acceptable, may be an employee of or counsel to the Company or the Trustee. Each such Opinion of Counsel shall include:

(a) a statement that the person giving such opinion has read the covenant or condition to which such opinion relates;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such opinion are based;

(c) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such person, such covenant or condition has been complied with.

"**Permitted Business**" means any business, service or activity conducted or proposed to be conducted (as described in the Offering Circular) by the Company and its Subsidiaries on the Issue Date and other businesses reasonably related, complementary or ancillary thereto.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"**Rating Agencies**" means (a) Moody's and Fitch and (b) if Moody's or Fitch or any one or more of them shall not make a rating of the Notes publicly available, an internationally recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for Moody's or Fitch or any one or more of them, as the case may be.

"**Rating Category**" means (a) with respect to Moody's, any of the following categories: Ba, B, Caa, Ca, C and D (or equivalent successor categories), (b) with respect to Fitch, any of the following categories: "BB", "B", "CCC", "CC", "C", and "D" (or equivalent successor categories) and (c) the equivalent of any such category of Moody's or Fitch used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for Fitch; 1, 2 and 3 for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to Fitch, a decline in a rating from "BB+" to "BB," as well as from "BB " to "B+," will constitute a decrease of one gradation).

"**Rating Date**" means (1) in connection with a Change of Control Triggering Event under Condition 6.3 *(Redemption for Change of Control Triggering Event)*, the date which is 90 days prior to the earlier of (x) a Change of Control and (y) the initial public notice of the occurrence of a Change of Control or of the intention by the Company or any other Person or Persons to effect a Change of Control or (2) in connection with actions contemplated under Condition 4.5 *(Consolidation, Merger and Sale of Assets)*, that date which is 90 days prior to the earlier of (a) the occurrence of any such actions as set forth therein and (b) a public notice of the occurrence of any such actions.

"**Rating Decline**" means (1) in connection with a Change of Control Triggering Event under Condition 6.3 *(Redemption for Change of Control Triggering Event)*, the occurrence on, or within six months after, the date, or public notice of the occurrence of, a Change of Control or the intention by the Company or any other Person or Persons to effect a Change of Control (which period shall be extended so long as the rating of the Notes, is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below, or (2) in connection with actions contemplated under Condition 4.5 *(Consolidation, Merger and Sale of Assets)*, the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

(a) in the event the Notes are rated by one or more Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any such Rating Agency shall be below Investment Grade;

(b) in the event the Notes are rated below Investment Grade by one or more Rating Agencies on the Rating Date, the rating of the Notes by any such Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"**Security**" means a mortgage, charge, pledge, lien, encumbrance or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, including any mortgage, pledge, retention of title arrangement, right of retention, and, in general, any right in rem, created for the purpose of granting security.

"**Subsidiary**" means, with respect to any Person, any corporation, association or other business entity of which more than 50.0% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person.

"**Tangible Net Worth**" means the aggregate of the following based on the Company's unconsolidated financial statements (without duplication):

(a) the amount paid up or credited as paid up on the share capital of the Company;

(b) the amount standing to the credit of the reserves of the Company (including, without limitation, any share premium account, capital redemption reserve funds and any credit balance on the accumulated profit and loss account);

(c) if applicable, that part of the net results of operations and the net assets of any Subsidiary of the Company attributable to interests that are not owned, directly or indirectly, by the Company; and

(d) after deducting from that aggregate:

(i) any debit balance on the profit and loss account or impairment of the issued share capital of the Company (except to the extent that deduction with respect to that debit balance or impairment has already been made);

(ii) amounts set aside for dividends or taxation (including deferred taxation); and

(iii) amounts attributable to capitalised items such as goodwill, trademarks, deferred charges, licenses, patents and other intangible assets.

"**Voting Stock**" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

5. INTEREST

Each Note bears interest from (and including) November 12, 2014 to (but excluding) November 12, 2019 at the rate of 4.75% per annum, in each case payable semi-annually in arrear on 12th of May and 12th of November in each year (each an "Interest Payment Date"). If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day. Each Note will cease to bear interest from the due date for redemption unless, after surrender of the Definitive Note, payment of principal or premium (if any) is improperly withheld or refused. In such event interest will continue to accrue at such rate (both before and after judgment) until whichever is the earlier of: (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder; and (b) the day seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions). If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

All interest payable on the Notes shall be subject to applicable laws in India, including but not limited to the all in cost ceilings under the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 and the circulars issued thereunder by the RBI including the Master Circular — External Commercial Borrowings and Trade Credits dated 1 July 2014, as amended from time to time (the "ECB Guidelines") as described in the Offering Circular.

6. REDEMPTION AND PURCHASE

6.1 **Final Redemption**: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on November 12, 2019 ("Maturity Date"). The Notes may not be redeemed at the option of the Company other than in accordance with this Condition 6 *(Redemption and Purchase)*.

6.2 **Redemption for taxation reasons**: The Notes may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if: (a) the Company has or will become obliged to pay Additional Amounts (as defined in Condition 8 (*Taxation*)) as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the official application or interpretation of such laws or regulations, which, in the case of the Company, becomes effective on or after November 12, 2014 or, in the case of any Surviving Person (as defined in Condition 4.5 *(Consolidation, Merger and Sale of Assets)*), becomes effective on or after the date such Surviving Person assumes responsibility under the Notes; and (b) such obligation cannot be avoided by the Company taking reasonable measures available to it, *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6.2 *(Redemption for taxation reasons)*, the Company shall deliver to the Trustee an Officers' Certificate stating that the obligation referred to in (a) above cannot be avoided by the Company taking reasonable measures available to it and the Company is entitled to effect such redemption, setting forth a statement of facts showing that the conditions precedent to the right of the Company to so redeem have occurred and an Opinion of Counsel of recognised standing to the effect that the Company has or will become obliged to pay such Additional Amounts as a result of such change or amendment. The Trustee shall be entitled to accept and rely upon such certificate and opinion (without further investigation or enquiry) and it shall be conclusive and binding on the Noteholders.

6.3 **Redemption for Change of Control Triggering Event**: If a Change of Control Triggering Event (as defined below) occurs with respect to the Company, each Noteholder shall have the right (the "Change of Control Redemption Right"), at such Noteholder's option, to require the Company to redeem all of such Noteholder's Note(s) in whole, but not in part on the Change of Control Redemption Date (as defined below), at a price equal to the Change of Control Redemption Amount (as defined below). The Agents shall not be required to take any steps to ascertain whether a Change of Control Triggering Event or any event which could lead to the occurrence of a Change of Control Triggering Event has occurred and shall not be liable to any person for any failure to do so.

To exercise the Change of Control Redemption Right attaching to a Note on the occurrence of a Change of Control Triggering Event, the holder thereof must complete, sign and deposit at its own expense at any time from 9.30 am to 5.30 pm (local time in the place of deposit) on any Business Day at the specified office of any Paying Agent a notice (a "Change of Control Redemption Notice") in the form (for the time being current) obtainable from the specified office of any Paying Agent and surrender the Notes to be redeemed. Such Change of Control Redemption Notice may be given on the earlier of the date on which the relevant Noteholder becomes aware of the occurrence of the Change of Control Triggering Event and the date on which the Change of Control Notice (as detailed below) delivered by the Company under this Condition is received by such Noteholder. No Change of Control Redemption Notice may be given after 90 days from the date of the Change of Control Notice.

A Change of Control Redemption Notice, once delivered, shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Company to withdraw the Change of Control Redemption Notice and instead to give notice that the Note is immediately due and repayable under Condition 9 (*Events of Default*). The Company shall redeem the Notes (in whole but not in part) which form the subject of any Change of Control Redemption Notice which is not withdrawn on the Change of Control Redemption Date.

Not later than seven days after becoming aware of a Change of Control Triggering Event, the Company shall procure that notice (a "Change of Control Notice") regarding the Change of Control Triggering Event be delivered to the Trustee, the Agents and the Noteholders (in accordance with Condition 16 (*Notices*) stating:

(a) that Noteholders may require the Company to redeem their Notes under this Condition (*Redemption for Change of Control Triggering Event*);

(b) the date of such Change of Control Triggering Event and, briefly, the events causing such Change of Control Triggering Event;

(c) the names and addresses of all relevant Paying Agents;

(d) such other information relating to the Change of Control Triggering Event as any Noteholder may require; and

(e) that the Change of Control Redemption Notice once validly given, may not be withdrawn and the last day on which a Change of Control Redemption Notice may be given.

In this Condition 6.3 (*Redemption for Change of Control Triggering Event*):

(A) "**Change of Control**" means the occurrence of one or more of the following events:

  (i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company to any Person, other than to the Promoters, the Promoter Group or to any Persons controlled by the Promoters or the Promoter Group;

  (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any Person or Persons, acting together, other than to the Promoters, the Promoter Group or to any Persons controlled by the Promoters or the Promoter Group;

  (iii) the Promoters and the Promoter Group cease to be the beneficial owners, directly or indirectly, of at least 26.0% in the aggregate of the voting power of the Voting Stock of the Company, or any Person, other than the Promoters and the Promoter Group, becomes the beneficial owner, directly or indirectly, of a larger percentage of the voting power of such Voting Stock of the Company than the Promoters and the Promoter Group;

  (iv) a Person or Persons, acting together, other than the Promoters and the Promoter Group, acquire Control, directly or indirectly, of the Company; or

  (v) the adoption of a plan relating to the liquidation or dissolution of the Company.

(B) "**Change of Control Redemption Amount**" means an amount equal to 101% of the principal amount of the Notes redeemed plus accrued and unpaid interest, if any, to and including the Change of Control Redemption Date.

(C) "**Change of Control Redemption Date**" means the date specified in the Change of Control Redemption Notice, such date being not less than 30 nor more than 60 days after the date of the Change of Control Redemption Notice.

(D) "**Change of Control Triggering Event**" means the occurrence of a Change of Control; *provided*, however, that if the Change of Control is an event described in clauses (i), (ii) and (iii) of the definition thereof, it shall not constitute a Change of Control Triggering Event unless and until a Ratings Decline also shall have occurred.

(E) "**Control**" means the right to appoint and/or remove all or the majority of the members of the Company's Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Stock, contract or otherwise, and "controlled" shall be construed accordingly.

(F) "**Promoter**" means a promoter of the Company, named as a "promoter" under the Companies Act, 2013, as amended and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and recognized and named as a "promoter" in the filing made with the Indian stock exchange for the quarter ended September 2014.

(G) "**Promoter Group**" means the promoter group of the Company recognized and named as a "promoter group" in the filing made with the Indian stock exchange for the quarter ended September 2014 and as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

6.4 **Notice of redemption**: All Notes in respect of which any notice of redemption is given under this Condition 6 *(Redemption and Purchase)* shall be redeemed on the date specified in such notice in accordance with this Condition 6 *(Redemption and Purchase)*. Neither the Trustee nor the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under this Condition 6 *(Redemption and Purchase)*. If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption as follows: (1) if the Notes are listed on any securities exchange, in compliance with the requirements of the principal securities exchange on which the Notes are listed; or (2) if the Notes are not listed on any securities exchange, on a *pro rata* basis, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and reasonable in the circumstances.

No Note of US$200,000 in principal amount or less shall be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions of them called for redemption.

6.5 **Purchase**: The Company (and any Subsidiary of the Company) may at any time purchase Notes in the open market or otherwise in any amount and at any price and such Notes shall be surrendered to any Paying Agent for cancellation. Without limiting the ability of the Company and any other Subsidiary of the Company to conduct open market purchases, any purchase that the Company or any other Subsidiary of the Company elects to make by tender shall be made available to all Noteholders alike, except where it is not possible to do so in order to qualify for exemptions from any offering restrictions imposed by any jurisdiction. Notes purchased and held prior to cancellation by the Company or any such Subsidiary shall not be deemed to be "outstanding" for purposes of any meeting of holders of Notes or other action to be voted upon, or taken, by holders of Notes.

6.6 **Cancellation**: All Notes redeemed or purchased in accordance with this Condition 6 *(Redemption and Purchase)* shall be cancelled and may not be re-issued or resold.

Early redemption of the Notes under Conditions 6.2 or 6.3 may require a prior approval from the Reserve Bank of India ("RBI") or approval of the authorised dealer ("AD Bank"), as the case may be, in accordance with the ECB Guidelines, before effecting such a redemption prior to the Maturity Date and such approval may not be forthcoming.

7. PAYMENTS

7.1 **Method of Payment**: Payments of principal and premium (if any) in respect of each Note will be made by transfer to a U.S. dollar account maintained by the payee. Payments of principal will be made conditional upon surrender of the relevant Definitive Note at the specified office of any of the Transfer Agents. Interest on Notes will be paid to the Persons shown on the Register at the close of business on the fifteenth Business Day before the due date for the payment of interest (the "Record Date").

So long as the Notes are represented by a global Note held on behalf of Euroclear or Clearstream, Luxembourg, such payments will be made to the holder of appearing in the register of holders of the Notes maintained by the Registrar at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date.

7.2 **Payment Initiation**: Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated on the due date for payment (or, if that date is not a Business Day, on the first following day which is a Business Day), or, in the case of payments of principal and premium (if any) where the relevant Definitive Note has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on the first Business Day on which the Principal Paying Agent is open for business and on or following which the relevant Definitive Note is surrendered. For the purposes of these Conditions, "Business Day" means a day, other than a Saturday or a Sunday, on which commercial banks in London, Singapore, The City of New York and Mumbai, and in the case of a surrender of a Definitive Note, in the place the Definitive Note is surrendered, are open for business or not authorised to close.

7.3 **Delay in Payment**: Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date not being a Business Day, if the Noteholder is late in surrendering its Definitive Note (if required to do so).

7.4 **Payment not Made in Full**: If the amount of principal and/or premium (if any) being paid upon surrender of the relevant Definitive Note is less than the outstanding principal amount of, or premium due on, such Definitive Note, the Registrar will annotate the Register with the amount of principal and/or premium (if any) so paid and will (if so requested by the Company or a Noteholder) issue a new Definitive Note with a principal amount equal to the remaining unpaid outstanding principal amount and/or premium (if any). If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

7.5 **Agents**: The initial Agents and their initial specified offices are listed below. The Company reserves the right at any time to vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that it will maintain: (i) a Principal Paying Agent; (ii) a Registrar and require that such Registrar maintains the Register outside the United Kingdom; (iii) a Transfer Agent; (iv) such other agents as may be required by any stock exchange on which the Notes may be listed; and (v) a paying agent with a specified office in an EU Member State that will not be obliged to withhold or deduct tax pursuant to Council Directive 2003/48/EC (as amended from time to time) on the taxation of savings income or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, any such Directive. Notice of any change in the Agents or their specified offices will promptly be given to the Trustee and the Noteholders.

7.6 **Agency Role**: In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Company and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

8. TAXATION

All payments of principal, premium (if any) and interest in respect of the Notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within (i) India or any jurisdiction of which the Company is otherwise considered by a taxing authority to be a resident for tax purposes or any political organisation or governmental authority thereof or therein having the power to tax (a "Relevant Tax Jurisdiction") or (ii) any jurisdiction from or through which the Company or any person on behalf of the Company makes a payment on the Notes, or any political organisation or governmental authority thereof or therein having the power to tax (each jurisdiction described in (i) or (ii) above a "Relevant Jurisdiction"), unless such withholding or deduction is required by law. In that event the Company shall pay such additional amounts ("Additional Amounts") as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note:

(a) to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note;

(b) where such withholding or deduction is imposed on a payment to, or for, an individual and is required to be made pursuant to Council Directive 2003/48/EC (as amended from time to time) or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, any such Directive;

(c) held by a holder who would have been able to avoid such withholding or deduction by arranging to receive the relevant payment through another Paying Agent in a Member State of the European Union; or

(d) the Definitive Note in respect of which is surrendered (where required to be surrendered) more than 30 days after the Relevant Date, except to the extent that the holder of it would have been entitled to such Additional Amounts on surrender of such Definitive Note for payment on the last day of such period of 30 days.

For purposes of these Conditions, "Relevant Date" means whichever is the later of:

(1) the date on which such payment first becomes due; and

(2) if the full amount payable has not been received in U.S. dollars by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders.

Any reference in these Conditions to principal, premium and/or interest shall be deemed to include any Additional Amounts which may be payable under this Condition 8 (*Taxation*) or any undertaking given in addition to or in substitution for it under the Trust Deed.

Any payments, including payments of withholding tax in foreign currency, made by the Company are required to be within the all-in-cost ceilings prescribed under the ECB Guidelines.

9. EVENTS OF DEFAULT

If any of the following events (each an "Event of Default") occurs and is continuing the Trustee at its discretion may, and if so requested in writing by holders of at least 25% in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, subject in each case to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction, give notice to the Company that the Notes are, and they shall immediately become, due and payable at their principal amount together with accrued interest:

(a) **Non-Payment**: the Company fails to pay any principal, premium (if any) or interest in respect of any of the Notes on the date when due and such failure continues for a period of seven business days in the case of principal or 30 calendar days in the case of interest;

(b) **Breach of Other Obligations**: the Company does not perform or comply with one or more of its obligations under these Conditions or the Trust Deed (other than its obligations referred to in paragraph (a) above) which default is incapable of remedy or, if such default is capable of remedy, is not remedied within 30 calendar days after notice of such default shall have been given to the Company by the Trustee;

(c) **Cross-acceleration**:

(i) the acceleration of any present or future Indebtedness of the Company prior to its stated maturity by reason of any event of default or potential event of default (however described), which acceleration is not rescinded or waived;

(ii) the Company fails to make any payment in respect of any Indebtedness on the due date for payment as extended by any originally applicable grace period;

(iii) any security given by the Company for any Indebtedness becomes enforceable; or

(iv) default is made by the Company in making any payment due under any guarantee and/or indemnity given by it in relation to Indebtedness of any other person;

provided that the aggregate amount of Indebtedness in respect of which one or more of the events referred to in this Condition 9(c) *(Cross-acceleration)* have occurred exceeds US$25.0 million (or the Dollar Equivalent thereof);

(d) **Winding-up**: If any order is made by any competent court or resolution is passed for the winding up or dissolution of the Company, save for the purposes of reorganization on terms approved by an Extraordinary Resolution of the Noteholders;

(e) **Cessation of business**: The Company shall cease or threaten to cease to carry on the whole or a substantial part of the business conducted by the Company and its Subsidiaries at the date of the issue of the Notes, save for the purpose of any reorganisation on terms approved by an Extraordinary Resolution of Noteholders;

(f) **Insolvency**: The Company stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent;

(g) **Liquidation and insolvency proceedings**: If (i) proceedings are initiated against the Company under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Company or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) unless initiated by the relevant company is not discharged or stayed within 60 days;

(h) **Creditors Arrangement**: the Company (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors);

(i) **Nationalisation**: any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Company;

(j) **Illegality**: it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed or the obligations under the Notes or the Trust Deed shall for any reason cease to be binding upon and enforceable against the Company in accordance with its terms, or the binding effect or enforceability thereof shall be contested by the Company or the Company shall deny that it has any further liability or obligation under the Notes or the Trust Deed; or

(k) **Analogous Events**: any event which under the governing laws of the applicable jurisdictions of the Company has an analogous effect to any of the events referred to in Conditions 9(d) *(Winding-up)* to 9(i) *(Nationalisation)* above occurs.

Early redemption upon the occurrence of any Event of Default may require prior approval from the RBI or AD Bank, as the case may be, in accordance with the ECB Guidelines, before effecting such a redemption prior to the Maturity Date and such approval may not be forthcoming.

10. PRESCRIPTION

Claims in respect of principal and interest shall be prescribed unless made within a period of ten years in the case of principal (including any premium in respect thereof) and five years in the case of interest from the appropriate Relevant Date.

11. REPLACEMENT OF DEFINITIVE NOTES

If any Definitive Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of any Transfer Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Company may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Definitive Notes must be surrendered before replacements will be issued.

12. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

12.1 **Meetings of Noteholders**: The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Company or by the Trustee and shall be convened by the Trustee upon a request in writing of the Noteholders holding not less than 10% in principal amount of the Notes for the time being outstanding. The quorum for any meeting to consider an Extraordinary Resolution will be two or more Persons holding or representing more than half in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more Persons holding Notes or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia: (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes; (ii) to reduce or cancel the principal amount of, any premium payable in respect of, or interest on, the Notes; (iii) to change the currency of payment of the Notes; (iv) to change any obligation of the Company to pay Additional Amounts with respect to the Notes; (v) to reduce the premium payable upon the redemption or repurchase of any Note or change the time at which any Note may be redeemed or required to be repurchased under Condition 6 (*Redemption and Purchase*) whether through an amendment or waiver of provisions in the covenants, definitions or otherwise or (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more Persons holding or representing not less than two thirds, or at any adjourned meeting not less than 25%, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Noteholders (whether or not they were present or represented at the meeting at which such resolution was passed).

An "**Extraordinary Resolution**" is defined in the Trust Deed to mean a resolution passed at a duly convened meeting of Noteholders by a majority of at least two thirds of the Notes represented at such meeting. A written resolution of holders of not less than 75% in principal amount of the Notes for the time being outstanding shall take effect as an Extraordinary Resolution for all purposes.

12.2 **Modification and Waiver**: The Trustee may agree, without the consent of the Noteholders, to any modification of (except as mentioned in Condition 12.1 *(Meetings of Noteholders)* above), or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Default or Event of Default shall not be treated as such (*provided* that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven. Any such modification, authorisation or waiver shall be binding on the Noteholders and, unless Trustee otherwise agrees, such modification authorisation or waiver shall be notified to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

12.3 **Substitution**: The Trust Deed contains provisions permitting the Trustee to agree, subject to compliance with the terms of the Trust Deed, but without the consent of the Noteholders, to the substitution of the Company's successor in business or any Subsidiary of the Company or its successor in business in place of the Company or any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, subject to the provisions of the Trust Deed, to a change of the law governing the Notes and/or the Trust Deed *provided* that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

12.4 **Entitlement of the Trustee**: In connection with the exercise of its functions (including but not limited to those referred to in this Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Company or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

13. ENFORCEMENT

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such actions, steps or proceedings against the Company as it may think fit to enforce the terms of the Trust Deed and the Notes, but it shall not be required to take any such proceedings unless: (i) it has been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25% in principal amount of the Notes then outstanding; and (ii) it has been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder may institute proceedings directly against the Company unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trust Deed provides that the Trustee shall take action on behalf of the Noteholders in certain circumstances but only if it is indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee and its parent, subsidiaries and affiliates are entitled to enter into business transactions with the Company and/or any entity related to the Company without accounting for any profit.

15. FURTHER ISSUES

The Company may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for any one or more of the first payment of interest, the issue date, the first interest payment date and, to the extent necessary, certain temporary securities law transfer restrictions) so as to form a single series with the Notes.

References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 15 *(Further Issues)* and forming a single series with the Notes.

16. NOTICES

Notices to the Noteholders will be sent to them at their respective addresses in the Register. The Company shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange of other relevant authority on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the later of the date of such publication and the fourth day after being so sent.

So long as the Notes are represented by a global Note held on behalf of Euroclear or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg for communication by it to entitled account holders in substitution for notification as required by these Conditions.

17. CURRENCY INDEMNITY

U.S. dollars are the sole currency of account and payment for all sums payable by the Company under or in connection with the Notes, including damages. Any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Company or otherwise) by the Trustee or any Noteholder in respect of any sum expressed to be due to it from the Company shall only constitute a discharge to the Company to the extent of the U.S. dollars which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under any Note, the Company shall indemnify it against any loss sustained by it as a result. In any event, the Company shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 17 (*Currency Indemnity*), it will be sufficient for the Trustee or the Noteholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Company's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Trustee or any Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order. If the U.S. dollars amount that may be purchased exceeds that the amount so received or recovered in that other currency, any excess shall as soon as practicable be repaid to the Company.

18. GOVERNING LAW

18.1 **Governing Law**: The Trust Deed and the Notes, and all non-contractual obligations arising out of or in connection with the Trust Deed or the Notes, are governed by and shall be construed in accordance with English law.

18.2 **Jurisdiction**: The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and the Notes (including without limitation a dispute regarding any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes) and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Notes ("Proceedings") may be brought in such courts. The Company has in the Trust Deed irrevocably submitted to the jurisdiction of the English courts in connection with any such Proceedings and waived any objections to Proceedings in such courts on the grounds of venue or that they have been brought in an inconvenient forum. The Company makes this submission solely for the benefit of the Trustee and the Noteholders and shall not limit the right of the Trustee or any Noteholder to initiate Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

18.3 **Agent for Service of Process**: The Company has in the Trust Deed appointed an agent to receive service of process in any Proceedings in England. If for any reason the Company does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Trustee of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18.4 **Waiver of Immunity**: The Company irrevocably agrees that, should any Proceedings be taken anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Company irrevocably agrees that it and its assets are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Trust Deed or the Notes.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

Terms defined in the terms and conditions of the Notes (the "Conditions" or "Terms and Conditions") set out in this Offering Memorandum have the same meaning in the paragraphs below.

The Notes will initially be represented by a permanent Global Certificate in registered form. The Global Certificate will be registered in the name of a nominee for, and deposited with a common depositary for, Euroclear and Clearstream.

Under the Global Certificate, the Company, for value received, will promise to pay such principal and interest on the Notes to the holder of the Notes on such date or dates as the same may become payable in accordance with the Terms and Conditions.

The Global Certificate will become exchangeable in whole, but not in part, for individual certificates in definitive form (each, an "Individual Definitive Note"):

(i) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream or any other clearing system (an "Alternative Clearing System") and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) upon or following any failure to pay principal in respect of any Notes when it is due and payable; or

(iii) with the written consent of the Company.

Whenever the Global Certificate is to be exchanged for Individual Definitive Notes, such Individual Definitive Notes will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of the Notes scheduled thereto and, in particular, shall be effected without charge to any holder of the Notes or the Trustee, but against such indemnity as the Registrar or the relevant Agents may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange. See "Transfer Restrictions".

In addition, the Global Certificate will contain provisions which modify the Terms and Conditions as they apply to the Notes evidenced by the Global Certificate. The following is a summary of certain of those provisions:

Trustee's Powers

In considering the interests of the holders of the Notes holding interests through the Global Certificate, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obliged to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Notes and (b) may consider such interests on the basis that such accountholders were the holders of the Notes in respect of which such Global Certificate is issued.

Notices

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to holders of the Notes shall be given by delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Notes in substitution for notification as required by the Terms and Conditions.

Transfer of Notes Represented by Global Certificates

Transfers of interests in the Notes will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants. Where the holding of Notes represented by the Global Certificate is only transferable in its entirety, the certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as or as nominee for a common depositary for Clearstream, Euroclear and/or an Alternative Clearing System.

Cancellation

Cancellation of any Note represented by the Global Certificate which is required by the Terms and Conditions to be cancelled will be effected by reduction in the principal amount of the Notes in the register of the Notes and the Global Certificate on its presentation to or to the order of the Registrar for annotation (for information only) in the Global Certificate.

Meetings

For the purposes of any meeting of Noteholders, the holder of the Notes represented by the Global Certificate shall (unless the Global Certificate represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and as being entitled to one vote in respect of each US$1,000.

Payments

Payments of principal and interest in respect of Notes evidenced by the Global Certificate held through Euroclear or Clearstream will be credited, to the extent received by the Principal Paying Agent or such other Paying Agent (as defined in the Terms and Conditions), to the cash accounts of Euroclear and Clearstream participants in accordance with the relevant system's rules and procedures and will be made without presentation for endorsement by the Principal Paying Agent or such other Paying Agent and, if no further payment falls to be made in respect of the Notes, against presentation and surrender of the Global Certificate to or to the order of the Principal Paying Agent or to the order of such other Paying Agent as shall have been notified to the relevant holder for such purpose. No person shall however be entitled to receive any payment on the Global Certificate (or such part of the Global Certificate which is required to be exchanged) falling due after any date of exchange into the Individual Definitive Notes in definitive form unless exchange of the Global Certificate for such Individual Definitive Notes is improperly withheld or refused by or on behalf of the Company or the Company does not perform or comply with any one or more of what are expressed to be its obligations under any such Individual Definitive Notes.

Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 7 *(Payments)* within 10 years (in the case of principal) and five years (in the case of interest) from the appropriate relevant due date.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase Notes. In particular, the information does not consider any specific facts or circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Memorandum are to be regarded as advice on the tax position of any holder of Notes or of any person acquiring, selling or otherwise dealing in securities or on any tax implications arising from the acquisition, sale of or other dealings in Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in Notes) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of the tax laws of India or any political sub division thereof. Additionally, in view of the number of different jurisdictions where local laws may apply, this Offering Memorandum does not discuss the local tax consequences to a potential holder arising from the acquisition, holding or disposition of the Notes. Prospective investors must, therefore, inform themselves as to any tax laws and regulations in force relating to the purchase, holding or disposition of the Notes in their country of residence and in the countries of which they are citizens or in which they purchase, hold or dispose of Notes.

INDIAN TAXATION

The following summary describes certain Indian tax consequences applicable to the ownership and disposal of Notes by persons who are not resident for tax purposes in India and who do not hold Notes in connection with an Indian trade, business or permanent establishment.

The summary is based on existing Indian taxation law and practice in force at the date of this Offering Memorandum and is subject to change, possibly with retroactive effect. It is not intended to constitute a complete analysis of all the Indian tax consequences that may be relevant to a holder of the Notes. It does not cover all tax matters that may be of importance to a particular purchaser. Prospective investors should consult their own tax advisors about the tax consequences of purchasing, holding and disposing of an investment in the Notes. This summary is based on Indian tax law and practice as at the date of this Offering Memorandum.

Payments through India

Any payments the Company makes on the Notes, including additional amounts, made through India would be subject to the regulations of RBI.

Taxation of interest

Interest on the Notes may not be subject to taxes in India if the proceeds of the issuance of the Notes are used for the purposes of business carried on by the Company outside India. Should, however, the proceeds be used for the purposes of the business of the Company in India, non-resident investors would be liable to pay tax on the interest at the rate of 5% under Section 115A of the IT Act (plus applicable surcharge, education cess and secondary and higher education cess) on interest paid on the Notes through India subject to and in accordance with the prevalent conditions contained in the IT Act.

The rates of tax will stand reduced if the beneficial recipient is a resident of a country with which the Government has entered into an agreement for granting relief of tax or for avoidance of double taxation (a "Tax Treaty") and the provisions of such treaty, which provide for the taxation in India of income by way of interest at a rate lower than that stated above, and of the IT Act (including conditions pertaining to availing Treaty benefits by submitting a Tax Residency Certificate and other documents) are fulfilled.

A non-resident investor would be obligated to pay such income tax in an amount equal to, or would be entitled to a refund of, as the case may be, any difference between amounts withheld in respect of interest paid on the Notes through India and its ultimate Indian tax liability for such interest, subject to and in accordance with the provisions of the IT Act.

Withholding taxes

Interest payable on the foreign currency denominated Notes to non-residents is subject to a withholding tax in India at the rate of 20% (plus various cess) subject to any applicable treaty. However, pursuant to Section 194LC of the IT Act, the said Notes will be subject to a reduced withholding tax rate of 5% of the interest payable (plus various cess) subject to fulfillment of the relevant conditions prescribed.

Pursuant to the terms and conditions of the Notes, all payments of, or in respect of, principal and interest on the Notes, will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law, in which case pursuant to Condition 8 *(Taxation)*, the Company will pay additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, subject to certain exceptions.

Taxation of gains arising on disposal of the Notes (including redemption)

Any gains arising to a non-resident investor from disposition of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to income tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to income tax in India from a disposition of the Notes held as a capital asset provided the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being located in India as the Company is incorporated in and resident in India.

If the Notes are regarded as situated in India by the Indian tax authorities, upon disposition of a Note:

(i) a non-resident investor (other than non-resident Indians), who has held the Notes for a period of more than 36 months immediately preceding the date of their dispositions, would be liable to pay capital gains tax at rate of 20% of the capital gains (plus applicable surcharge, education cess and secondary and higher education cess). Non-resident Indian investors in certain cases would be liable to pay a tax of 10% of the capital gains — without indexation of cost of acquisition (plus applicable surcharge, education cess and secondary and higher education cess) for a similar period, subject to and in accordance with the provisions of the IT Act. These rates are subject to any lower rate provided for by an applicable tax treaty;

(ii) a non-resident investor who has held the Notes for 36 months or less would be liable to pay capital gains tax at a rate of up to 40% of capital gains (plus applicable surcharge, education cess and secondary and higher education cess), depending on the legal status of the non-resident investor, and his taxable income in India. These rates are subject to any lower rate provided for by an applicable tax treaty; and

(iii) any surplus realised by a non-resident investor from a disposition of the Notes held as stock-in-trade would be subject to income tax in India to the extent, if any, that the surplus are attributable to a "business connection in India" or, where a tax treaty applies, to a "permanent establishment" in India of the non-resident investor. A non-resident investor would be liable to pay Indian tax on the surplus which are so attributable at a rate of up to 40% of income as profits and gains of business or profession (plus applicable surcharge, education cess and secondary and higher education cess), depending on the legal status of the non-resident investor and his taxable income in India, subject to any lower rate provided for by a tax treaty.

Wealth Tax

No wealth tax is payable at present in relation to the Notes. Wealth tax is not imposed in respect of the Notes held outside India. There are no inheritance taxes or succession duties currently imposed in respect of the Notes held outside India.

Taxation of persons ordinarily resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the IT Act, may generally be subject to tax in India according to the personal or corporate rate applicable, subject to and in accordance with the provisions of any applicable tax treaty.

Estate Duty

No estate duty is payable at present in India in relation to the Notes.

Gift Tax

There is no gift tax payable at present in India in relation to the Notes.

Stamp Duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability unless brought into India. Stamp duty would be payable if the Notes are brought into India for enforcement or for any other purpose. If brought into India, the Notes would be subject to a stamp duty based on the then applicable rates (currently 0.25% of the face value of the Notes, capped at Rs.2,500,000) and the duty will have to be paid within a period of three months from the date the Notes are first received in India.

CLEARANCE AND SETTLEMENT

See "*Definitions*" in "*Terms and Conditions of the Notes*" *for the definitions of certain capitalized terms used in this section.*

Investors in the Notes may hold Notes through Euroclear or Clearstream, Luxembourg. Initial settlement and all secondary trades will settle as described below. Although the Company understands that Euroclear and Clearstream, Luxembourg will comply with the procedures provided below in order to facilitate transfers of Notes among participants of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be modified or discontinued at any time. None of the Company, the Trustee, the Registrar, the Transfer Agents, the Paying Agents or any other agent of any of them will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations. With respect to clearance and settlement through Euroclear and Clearstream, Luxembourg, the Company understands as follows:

THE CLEARING SYSTEMS

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg interface with domestic securities markets.

Euroclear and Clearstream, Luxembourg participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Initial Settlement

The Notes will be issued initially in the form of a Global Certificate in book-entry form and will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Investors' interests in Notes held in book-entry form by Euroclear or Clearstream, Luxembourg, as the case may be, will be represented through financial institutions acting on their behalf as direct and indirect participants in Euroclear or Clearstream, Luxembourg, as the case may be. In addition, Euroclear and Clearstream, Luxembourg may hold positions in the Notes on behalf of their participants through their respective depositories.

Investors electing to hold their Notes through Euroclear or Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional notes. Notes will be credited to the accounts of depositories and will be processed by Euroclear or Clearstream, Luxembourg in accordance with usual new issue procedures.

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any Notes where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading between Euroclear and/or Clearstream, Luxembourg participants

Secondary market trading between Euroclear participants and/or Clearstream, Luxembourg participants will be settled using the procedures applicable to conventional notes in same-day funds.

SUBSCRIPTION AND SALE

Each of the Joint Lead Managers has, pursuant to the Subscription Agreement dated November 5, 2014 (the "Subscription Agreement"), severally agreed, subject to the provisions of the Subscription Agreement, to subscribe and pay for, or to procure subscribers to subscribe and pay for, the respective principal amount of Notes set out opposite its name below:

Joint Lead Managers	Principal Amount of Securities
Citigroup Global Markets Singapore Pte. Ltd.	U.S.$132,000,000
Australia and New Zealand Banking Group Limited	U.S.$ 92,000,000
Credit Suisse Securities (Europe) Limited	U.S.$ 92,000,000
Deutsche Bank AG, Singapore Branch	U.S.$ 92,000,000
Standard Chartered Bank	U.S.$ 92,000,000
Total	**U.S.$500,000,000**

The Joint Lead Managers initially propose to offer the Notes at the issue price listed on the cover page of this Offering Memorandum. The Company will be paying a combined management and underwriting commission to the Joint Lead Managers and reimburse the Joint Lead Managers in respect of certain of their expenses. In addition, the Company has agreed to pay a commission to certain private banks in connection with the distribution of the Notes to their clients. This commission will be based on the principal amount of the Notes so distributed. The Company has also agreed to indemnify the Joint Lead Managers against certain liabilities incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the issue price to the Company.

The Joint Lead Managers and some of their respective affiliates have, from time to time, performed, and may in the future perform certain commercial banking, investment banking and advisory and other banking services for the Company and/or its affiliates for which they have received or will receive customary fees and expenses. The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the Company, including the Notes. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Company routinely hedge their credit exposure to the Company consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Company's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Joint Lead Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of the Company, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments.

The Joint Lead Managers and/or their respective affiliates may purchase the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Company or its subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Memorandum relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

Each Joint Lead Manager or its affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold Notes on behalf of clients or in the capacity of investment advisors. While each Joint Lead Manager and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Joint Lead Manager or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Joint Lead Manager may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Company in such jurisdiction.

Selling Restrictions

United States

The Notes to be issued have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

United Kingdom

The Joint Lead Managers represent, warrant and agree that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum or any document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes, may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (b) to a relevant person under Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor;

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers and Investments) (Shares and Debentures) Regulations 2005 of Singapore.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), an offer to the public of any Notes which are the subject of the offering contemplated by this Offering Memorandum may not be made in that Relevant Member State other than: (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive; (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Joint Lead Managers; or (c) in any other communications falling within Article 3(2) of the Prospective Directive, provided that no such offer of Notes shall require the Company or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

India

This Offering Memorandum has not been, nor will it be, registered, produced or published as an offer document (whether as a prospectus in respect of a public offer or information memorandum, private placement offer letter or other offering material in respect of any private placement under the Companies Act or any other applicable Indian laws) with any Registrar of Companies, the Securities and Exchange Board of India, Reserve Bank of India, any Indian stock exchange or any other statutory or regulatory body of like nature in India, save and except any information from part of the Offering Memorandum which is mandatorily required to be disclosed or filed in India under any applicable Indian laws, including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations 1992), and under the listing agreement with any Indian stock exchange or pursuant to the sanction of any regulatory and adjudicatory body in India. The Notes will not be offered or sold, and have not been offered or sold in India by means of any document, this Offering Memorandum or any other offering document or material relating to the Notes, directly or indirectly, to any person or to the public in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of applicable Indian laws. In accordance with the Reserve Bank of India approval dated October 21, 2014 granted to the Company pursuant to the ECB Guidelines, the Notes have not been and will not be offered or sold to offshore branches and subsidiaries of Indian banks either in the primary market or in the secondary market.

Hong Kong

The Notes may not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance") or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and no person has issued or had in its possession for the purposes of issue, or will issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the "FIEL") and may not be offered or sold directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEL and any other relevant laws and regulations of Japan.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act.

By its purchase of the Notes, each purchaser of the Notes will be deemed to:

(1) represent that it is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion and is purchasing the Notes in an offshore transaction in accordance with Regulation S;

(2) acknowledge that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except as set forth below;

(3) agree that it will inform each person to whom it transfers Notes of any restrictions on transfer of such Notes;

(4) acknowledge that the Company, the Joint Lead Managers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agree that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify the Company and the Joint Lead Managers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(5) acknowledge that no action has been taken in any jurisdiction (including the United States) by the Company or the Joint Lead Managers that would permit a public offering of the notes or the possession, circulation or distribution of this Offering Circular or any other material relating to us or the Notes in any jurisdiction where registration for that purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "Subscription and Sale".

INDEPENDENT AUDITORS

The Annual Financial Statements included in this Offering Memorandum have been audited by Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, as stated in their reports. The Interim Financial Statements have been reviewed by Deloitte Haskins & Sells LLP, Chartered Accountants, as stated in their reports.

GENERAL INFORMATION

1. The issue of the Notes has been authorized by resolutions of the Company's board of directors dated May 27, 2014.

2. The RBI, by its approval dated October 21, 2014, has permitted the Company to issue the notes and utilize the proceeds of the Notes to fund the prepayment, repayment and refinancing of certain of the Company's outstanding Rupee-denominated term loans availed for capital expenditure purposes. See "*Use of Proceeds*". The RBI has also granted approval to the Company to avail borrowings over and above the US$750 million limit during fiscal year 2015 under the automatic route in accordance with the ECB Guidelines.

3. An application will be made by the Company for allotment of an LRN in Form 83 to the RBI prior to the issue of the Notes, as required under the ECB Guidelines. See "*Regulation — Foreign Exchange Laws — Filing and regulatory requirements in relation to issuance of Notes*".

4. Citicorp International Limited has given its consent to act as the Trustee and for its name to be included in all subsequent periodical communication to be sent to the Noteholders.

5. Save as disclosed in this Offering Memorandum, there are no, nor have there been any, litigation or arbitration proceedings, including those which are pending or threatened, of which the Group is aware, which may have, or have had during the 12 months prior to the date of this Offering Memorandum, a material adverse effect on the Group's financial position.

6. Save as disclosed in this Offering Memorandum, there has been no material change in the Group's financial or trading position since September 30, 2014 and, since such date, save as disclosed in this Offering Memorandum, there has been no material adverse change in the Group's financial position or prospects.

7. Copies of the following documents, all of which are published in English, may be inspected during normal business hours at the offices of the Paying Agent after the date of this Offering Memorandum for so long as any of the Notes remains outstanding:

   (a) the Company's Memorandum and Articles of Association;

   (b) the Trust Deed; and

   (c) the Agency Agreement.

8. The International Securities Identification Number (ISIN) in respect of the Notes is XS1133588233. The Common Code in respect of the Notes is 113358823.

9. Listing of the Notes:

   Approval-in-principal has been received for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the offering, the Company, the Group or associated companies or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Company will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a global note representing such Notes is exchanged for Notes in definitive form. In addition, in the event that a global note is exchange for Notes in definitive form, an announcement of such exchange shall be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the Notes in definitive form, including details of the paying agent in Singapore.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN INDIAN GAAP AND IFRS

The Annual Financial Statements and the Interim Financial Statements are prepared in conformity with Indian GAAP, which differ in certain significant respects from IFRS. Such differences involve methods for measuring amounts in the Annual Financial Statements and the Interim Financial Statements, as well as additional disclosures required by IFRS.

The following summarizes certain general differences between Indian GAAP and IFRS that could have a significant impact on the financial position and operations of each of the Group and the Company if its financial statements were prepared under IFRS. The summary below should not be considered exhaustive, as no attempt has been made by the Group to quantify the effects of those differences, nor has a reconciliation of Indian GAAP to IFRS been undertaken by the Group. Had any such quantification or reconciliation been undertaken, other potential significant accounting and disclosure differences may have come to its attention, which are not identified below.

Prospective investors should consult their own professional advisors for an understanding of the principal differences between Indian GAAP and IFRS and how these differences might affect the Annual Financial Statements and the Interim Financial Statements beginning on page F-2 of this Offering Memorandum.

Summary of Certain Differences

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 1, Presentation of Financial Statements — Components of financial statements	IAS 1 sets out the requirements for presentation of financial statements and the guidelines for their structure and content. As per IFRS, a complete set of financials comprises: (a) a statement of financial position; (b) a statement of comprehensive income/ a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income; (c) statement of cash flow; (d) statement of changes in equity; and (e) notes including summary of accounting policies and explanatory notes.	AS 1, Disclosure of Accounting Policies	The requirements for the presentation of financial statements are set out in Schedule VI to the Companies Act and the Accounting Standards notified under Companies (Accounting Standards) Amendment Rules (together with the Companies Act, collectively referred to as "Indian GAAP") issued by the Institute of Chartered Accountants of India. The components of financial statements are (a) balance sheet (b) statement of profit and loss (c) cash flow statement (d) explanatory notes including a summary of accounting policies.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 1, Presentation of Financial Statements — Fair presentation	Fair presentation as per IFRS means faithful representation of the effects of the transactions, other events and conditions in accordance with the definitions and recognition of criteria for assets, liabilities, income and expenses set out in the Framework. If management concludes that compliance with requirements of a Standard or Interpretation is so misleading then in extremely rare circumstances, it may depart from the Standard or the Interpretation. If there is departure from any Interpretation or Standard, a disclosure has to be given stating reasons for departure and why application of the Standard or the Interpretation would have been misleading and the financial impact of applying the standard are required to be disclosed.	AS 1, Disclosure of Accounting Policies	Fair presentation means compliance with the applicable requirements of the Companies Act, application of the qualitative characteristics of the Accounting Standards Framework. Indian GAAP prohibits departures from the principles of Accounting Standards or the Companies Act unless permitted by another regulatory framework; for example, the Insurance Regulatory and Development Authority.
IAS 1, Presentation of Financial Statements — Presentation of income statement	An analysis of expenses is presented using a classification based on either the nature of expenses or their function whichever provides information that is reliable and more relevant. If presented by function, specific disclosures by nature are provided in the notes. Profit or loss attributable to minority interests and equity holders of the parent are disclosed in the statement of comprehensive income/income statement (if presented separately) as allocations of profit or loss for the period.		Schedule VI to the Companies Act, 1956 permits only an analysis of expense by nature. Profit or loss attributable to minority interests is disclosed as a deduction from the profit or loss for the period as an item of income or expense.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 1, Presentation of Financial Statements — Statement of changes in equity	A statement of changes in equity is presented showing: a) Transactions with owners in their capacity as owners, showing separately contributions by and distributions to equity holders. b) The total comprehensive income for the period. Amounts attributable to owners of the parent and non-controlling interests are to be shown separately. c) Effects of retrospective application or restatement on each component of equity. d) For each component of equity, a reconciliation between the opening and closing balances separately disclosing each change.	AS 1, Disclosure of Accounting Policies	A statement of changes in equity is not required. Movements in share capital, retained earnings and other reserves are presented in the Schedules to Financial Statements.
IAS 1, Presentation of Financial Statements — Extraordinary items	IFRS prohibits the presentation of any items of income or expense as extraordinary.	AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	Extraordinary items are to be disclosed separately in the statement of profit and loss and are included in determination of net profit or loss. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.
IAS 2, Inventories — Deferred settlement terms	Difference between the purchase price of inventories for normal credit terms and the amount paid for deferred settlement terms is recognized as interest expense.	AS 2, Valuation of Inventories	AS-2 does not deal with the Inventories which are purchased on deferred settlement terms. The cost of inventories generally will be the purchase price for deferred credit terms unless the contract states interest payable for deferred terms.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 2, Inventories — Reversal of write-down	A new assessment of net realizable value is required to be made in each subsequent period. Write-down of inventory is reversed if circumstances that previously caused inventories to be written down below cost no longer exist or when there is a clear evidence of an increase in the net realizable value because of changes in economic circumstances.	AS 2, Valuation of Inventories	No specific guidance in AS 2. However reversals may be permitted as AS 5, Net Profit or Loss for the period, Prior Period items and Changes in Accounting Policies requires this to be disclosed as a separate line item in the statement of profit or loss.
IAS 3, Cash Flow Statement — Bank overdrafts	Included if they form an integral part of an entity's cash management. Usually, these bank balances often fluctuate from being positive to overdrawn. In such cases, bank overdrafts form a part of cash and cash equivalents.	AS 3, Cash Flow Statements	Bank overdrafts are considered to be financing activities.
IAS 3, Cash Flow Statement — Cash flows from extraordinary items	As presentation of items as extraordinary is not permitted in accordance with IAS 1, cash flow statement does not reflect any items of cash flow as extraordinary.	AS 3, Cash Flow Statements	Cash flows from items disclosed as extraordinary are classified as arising from operating, investing or financing activities and separately disclosed.
IAS 3, Cash Flow Statement — Interest and dividend	May be classified as operating, investing or financing activities in a manner consistent from period to period.	AS 3, Cash Flow Statements	Interest and dividends received are required to be classified as investing activities. Interest and dividends paid are required to be classified as financing activities.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors — Changes in accounting policies	Retrospective application of changes in accounting policies is done by adjusting the opening balance of the affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy were always applied. If retrospective application is impracticable for a particular prior period, or for a period before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied needs to be stated.	AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	Changes in accounting policies are not applied retrospectively. The cumulative impact arising from such change is made in the financial statements in the period of change. If the impact of the change is not ascertainable, this should be disclosed.
IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors — Errors	Material prior year errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.	AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	Material prior year errors are included in determination of profit or loss in the period in which the error is discovered and are separately presented in the profit and loss, so that the impact can be perceived.
IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors — New accounting pronouncements	New accounting pronouncements that have been issued but not effective on the balance sheet date are disclosed. Known or reasonably estimable information relevant to assessing the possible impact of the new accounting pronouncements on initial application on the financial statements is disclosed.	AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	Not required to be disclosed.
IAS 10, Events after balance sheet date — Dividends	Liability for dividends declared to holders of equity instruments are recognized in the period when declared.	AS 4, Contingencies and Events Occurring After the Balance Sheet Date	Dividends are recognized as an appropriation from profits and recorded as liability at the balance sheet date, if proposed or declared subsequent to the reporting period but before approval of the financial statements.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 12, Income Taxes — Recognition of deferred tax liabilities	Deferred income taxes are recognized for all taxable temporary differences between accounting and tax base of assets and liabilities except to the extent they arise from (a) initial recognition of goodwill or (b) of asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither the accounting nor the tax profit.	AS-22, Accounting for Taxes on Income	Deferred income taxes are recognized for all timing differences in respect of recognition of items of profit or loss for the purposes of financial reporting and for income taxes.
IAS 12, Income Taxes — Recognition of deferred tax assets	Deferred tax asset is recognized for carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilized.	AS-22, Accounting for Taxes on Income	Deferred tax asset for unused tax losses and unabsorbed depreciation is recognized only to the extent that there is virtual certainty supported by evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset for all other unused credits is recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
IAS 12, Income Taxes — recognition of taxes on items recognized in other comprehensive income or directly in equity	Current tax and deferred tax is recognized outside profit or loss if the tax relates to items that are recognized in the same or a different period, outside profit or loss. Therefore the tax on items recognized in other comprehensive income, or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate.	AS-22, Accounting for Taxes on Income	No specific guidance in AS 22. However, an announcement made by the Institute of Chartered Accountants of India (the "ICAI") requires any expense charged directly to reserves and/or securities premium account to be net of tax benefits expected to arise from the admissibility of such expenses for tax purposes. Similarly, any income credited directly to a reserve account or a similar account should be net of its tax effect.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 12, Income Taxes — Investments in subsidiaries, branches and associates, and interests in joint ventures	Deferred tax liability for all taxable temporary differences are recognized except to the extent that: (a) the parent, investor or the venturer is able to control timing of the reversal of the temporary difference, and (b) it is probable that the temporary difference will not reverse in the foreseeable future.	AS-22, Accounting for Taxes on Income	No deferred tax liability is recognized.
IAS 12, Income Taxes — Deferred tax on business combinations	If the potential benefit of the acquiree's income tax loss, carry forward or other deferred tax assets did not satisfy the criteria in IFRS 3 for separate recognition when the business combination is initially accounted for, and is subsequently realized, goodwill is reduced to record pre-acquisition deferred tax assets which are recognized within 12 months of the acquisition date as a result of new information on facts and circumstances that existed on the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefit is recognized in profit or loss. All other deferred tax benefits are recognized in profit or loss.	AS-22, Accounting for Taxes on Income	Unrecognized tax assets of the acquirer which satisfy the recognition criteria by the first annual balance sheet date subsequent to an amalgamation (merger) in the nature of purchase are recognized as an asset with a corresponding effect to goodwill. If the recognition criteria are not satisfied by the first annual balance sheet date, any subsequent recognition of deferred tax assets are credited to the statement of profit and loss.
IAS 12, Income Taxes — deferred tax on unrealized intra-group profits	Deferred tax is to be recognized on unrealized intra-group profits at the buyer's rate.	AS-22, Accounting for Taxes on Income	No adjustments for deferred tax are made on consolidation. It is an aggregation from separate financial statements of each group entity.
IAS 16, Property, Plant and Equipment — cost of major inspection	Costs of major inspections and overhauls are recognized in the carrying amount of property, plant and equipment.	AS 10, Accounting for Fixed Assets	Costs of major inspections are expensed when incurred.
IAS 16, Property, Plant and Equipment — revaluation	If an entity adopts the revaluation model, revaluations are required to be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.	AS 10, Accounting for Fixed Assets	No specific requirement on frequency of revaluation.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 16, Property, Plant and Equipment — depreciation	Property, plant and equipment are componentized and are depreciated separately.	AS 10, Accounting for Fixed Assets & AS 6, Depreciation Accounting	Fixed assets are not required to be componentized and depreciated separately, although AS 10 states that such an approach may improve the accounting for an item of fixed asset. The proposed revised standard also permits, but does not mandate a component approach. Schedule XIV to the Companies Act specifies the minimum depreciation rates to be used for different categories of assets.
IAS 16, Property, Plant and — compensation for impairment	Compensation from third parties for impairment or loss of items of property, plant and equipment is included in the statement of profit and loss when the compensation becomes receivable.	AS 28, Impairment of Assets	No specific requirement. In practice compensation is offset against items of property, plant and equipment which are replaced.
IAS 16, Property, Plant and — change in method of depreciation	Changes in depreciation method are considered as change in accounting estimate and applied prospectively.	AS 10, Accounting for Fixed Assets	Requires retrospective re-computation of depreciation and any excess or deficit on such re-computation is required to be adjusted in the period in which such change is effected. Such a change is treated as change in accounting policy and its effect is quantified and disclosed.
IAS 16, Property, Plant and — Change in existing Decommissioning, Restoration and Similar Liabilities	Provision for decommissioning, restoration and similar liabilities that have previously been recognized as part of the cost of an item of property, plant and equipment are adjusted for changes in the amount or timing of future costs and for changes in market-based discount rates.	AS 10, Accounting for Fixed Assets	No specific guidance.
IAS 17, Leases — interest in leasehold land	Recognized as operating lease (i.e., prepayment) unless the leasehold interest is accounted for as investment property in accordance with IAS 40 and the fair value model is adopted.	AS 19, Leases	Leasehold land is recorded and classified as fixed assets.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 17, Leases — initial direct costs of lessors for assets under a finance lease	For finance leases other than those involving manufacturer or dealer lessors, initial direct costs are included in the measurement of the finance lease receivable and reduce the amount of income recognized over the lease term. Initial lease costs incurred by manufacturer or dealer lessors are recognized as expense when selling profit is recognized.	AS 19, Leases	Initial direct costs are either recognized immediately in the statement of profit and loss or allocated against the finance income over the lease term. Initial lease costs incurred by manufacturer or dealer lessors are recognized as expense at the inception of the lease.
IAS 17, Leases — initial direct costs of lessors for assets under operating leases	Initial direct costs incurred by lessors are added to the carrying amount of the leased asset and recognized as expense over the lease term on the same basis as lease income.	AS 19, Leases	Initial direct costs incurred by lessors are either deferred and allocated to income over the lease term in proportion to the recognition of rent income, or are recognized as an expense in the statement of profit and loss in the period in which they are incurred.
IFRIC 4 — Determining whether an arrangement contains a lease	An arrangement that does not take the legal form of a lease but fulfillment of which is dependent on the use of specific assets and which conveys the right to use the assets is accounted for as a lease in accordance with lAS 17.	AS 19, Leases	There is no such requirement.
SIC 15 — Lease incentives	The lessor and lessee recognize lease incentives as an increase or reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from use of the leased asset.	AS 19, Leases	There is no specific guidance.
SIC 27 — Evaluating the Substance of transactions involving the legal form of a lease	If a series of transactions involves the legal form of a lease and the economic effect can only be understood with reference to the series as a whole, then the series is accounted for as a single transaction.	AS 19, Leases	No specific guidance.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 18, Revenues — definition	Revenue is the gross inflow of economic benefits arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Amounts collected on behalf of third parties such as sales and service taxes and value-added taxes are excluded from revenues.	AS 9, Revenue Recognition	Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities. Revenue is measured by the charges made to customers for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them. Revenue is presented as under: Turnover Rs.100 Less: Excise Duty Rs.15 Turnover (Net) Rs.85
IAS 18, Revenues — measurement	Fair value of revenue from sale of goods and services when the inflow of cash and cash equivalents is deferred is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognized as interest revenue using the effective interest method.	AS 9, Revenue Recognition	Revenue is recognized at the nominal amount of consideration receivable.
IAS 18, Revenues — exchange transactions	When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, revenue is not recognized. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a revenue generating transaction. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.	AS 9, Revenue Recognition	No specific guidance.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 18, Revenues — interest	Interest income is recognized using the effective interest method.	AS 9, Revenue Recognition	Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
IAS 18, Revenues — Dividend recognition out in separate financial statements	Entire dividend income should be recognized in the statement of profit or loss irrespective of whether it is declared out of pre-acquisition or post-acquisition profits, though it may, in some situations, be necessary to test the investment for impairment.	AS 9, Revenue Recognition	Dividend income declared out of post-acquisition profits should be recognized in the statement of profit and loss. Dividend declared out of pre-acquisition profits will go to reduce the cost of investment.
IAS 19, Employee Benefits — Actuarial valuation	Detailed actuarial valuation to determine the present value of defined benefit obligation and the fair value of plan assets are performed with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would have been determined at the balance sheet date. IAS 19 does not define sufficient regularity.	AS 15, Employee Benefits	Similar to IFRS, except that detailed actuarial valuation to determine present value of the benefit obligation is carried out at least once every three years and fair value of plan assets are determined at each balance sheet date.
IAS 19, Employee Benefits — Discount rate	Market yields at the reporting period on high quality corporate bonds are used as discount rates. In countries where there are no deep markets for such bonds, market yields on government bonds are used.	AS 15, Employee Benefits	Market yields at the balance sheet date on government bonds are used as discount rates.
IAS 19, Employee Benefits — Actuarial gains and losses	Actuarial gains and losses forms part of re-measurement of net defined benefit liability (asset) and recognized in other comprehensive income.	AS 15, Employee Benefits	Actuarial gains and losses should be recognized immediately in the statement of profit or loss as income or expense.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 19, Employee Benefits — Interest expense (income) on defined benefit plans	Interest expense/(income) is determined by applying the discount rate as specified above on net defined benefit liability/(asset) and recognized in profit or loss. Net defined benefit liability/(asset) is the present value of the defined benefit obligation less the fair value of plan assets (if any). The difference between the return on plan assets and amounts considered in net interest is included in the re- measurement of the net defined benefit liability/(asset) and recognized in other comprehensive income.	AS 15, Employee Benefits	Interest expense and expected return on plan are to be computed separately. Interest expense is determined by applying the discount rate as specified above on defined benefit obligation and recognized in profit or loss. The expected return on plan assets is computed based on market expectation and recognized in the statement of profit or loss. The difference between the expected return on plan assets and the actual return on plan assets is an actuarial gain or loss and recognized in profit or loss.
IAS 19, Employee Benefits —	Plan administration costs which relate to costs of managing plan assets form part of remeasurements and are charged to other comprehensive income. Administration costs other than the costs of managing plan assets are charged to profit or loss.	AS 15, Employee Benefits	Plan administration costs are either charged to profit or loss or they are included in determining the defined benefit obligation/asset.
IAS 20, Government Grants — recognition	Government grants are recognized as income to match them with related costs which they are intended to compensate on a systematic basis. Government grants are not directly credited to shareholders' interests. Government grants related to assets are presented in the Balance Sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.	AS 12, Accounting for Government Grants	Two approaches may be followed: (i) The capital approach; or (ii) the income approach. Government grants towards total capital investments where no repayment is ordinarily expected is credited directly to shareholders' interest. Grants related to revenue are recognized in the Statement of profit or loss on a systematic and rational basis over the periods necessary to match them with the related costs. Grants related to non-depreciable assets are credited to capital reserve. Grants related to depreciable assets are either treated as deferred income and transferred to the statement of Profit or loss in proportion to depreciation, or deducted from the cost of the asset.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 20, Government Grants — non-monetary assets	The asset and the grant may be accounted at fair value. Alternatively, these can be accounted at nominal value.	AS 12, Accounting for Government Grants	If the asset is given by the government at a discounted price, the asset and the grant is accounted at the discounted purchase price. All other non-monetary grants are accounted at nominal values.
IAS 21, Effects of Changes in Foreign Exchange Rates — functional and presentation currency	Functional currency is the currency of primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.	AS 11, The Effects of Changes in foreign Exchange Rates	Foreign currency is a currency other than the reporting currency which is the currency in which financial statements are presented. There is no concept of functional currency.
IAS 21, Effects of Changes in Foreign Exchange Rates — exchange differences	Exchange differences arising on translation or settlement of foreign currency monetary items are recognized in profit or loss in the period in which they arise.	AS 11, The Effects of Changes in foreign Exchange Rates	Similar to IFRS. However, as per the Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 (AS-11) notified by Indian Government on March 31, 2009, exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, can be added to or deducted from the cost of the asset and shall be depreciated over the balance life of the asset and, in other cases, can be accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long-term asset/liability by recognition as income or expense in each of such periods.
IAS 21, Effects of Changes in Foreign Exchange Rates — change in functional currency	Change in functional currency is applied prospectively.	AS 11, The Effects of Changes in foreign Exchange Rates	Change in reporting currency is not dealt with in the Indian Accounting Standard (AS 11), though reason for change is required to be disclosed.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 21, Effects of Changes in Foreign Exchange Rates — translation in consolidated financial statements	Assets and liabilities should be translated from functional to presentation currency at the closing rate at the date of the balance sheet; income and expenses at average rate for the period; exchange differences are recognized as a separate component of equity and recycled to income statement on disposal of investment/operation.	AS 11, The Effects of Changes in foreign Exchange Rates	Translation of financial statements to the reporting currency of the parent depends on the classification of that operation as integral or non-integral. Integral Operation: monetary assets are translated at closing rate; non-monetary items are translated at historical rate if they are valued at cost and if they are valued on another other valuation basis, at the exchange rates that existed when the values were determined. Income and expense items are translated at average rate. Exchange differences are taken to statement of Profit or loss. For non-integral operations, the closing rate method should be followed i.e., assets and liabilities are translated at closing rate while Profit and Loss items are translated at actual/average rates. The resulting exchange difference is taken to reserve and is recycled to statement of profit or loss on the disposal of the non-integral foreign operation.
IAS 24, Related Party Disclosures, identification	Related party includes post-employment benefit plans for the benefit of employees of the reporting entity or any entity that is a related party of the reporting entity.	AS 18, Related Party Disclosure	Post-employment benefit plans are not included as related parties.
IAS 27, Separate Financial Statements — Accounting for investments in subsidiaries in separate financial statements	Accounted either at cost less impairment loss or as available for sale in accordance with IAS 39.	AS 13, Accounting for Investments	Accounted at cost less impairment loss.
IAS 28, Investments in Associates and Joint Ventures — Separate financial statements of the investor	Accounted either at cost less impairment loss or as available for sale in accordance with IAS 39.	AS 13, Accounting for Investments	Accounted at cost less impairment loss.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 28, Investments in Associates and Joint Ventures — in consolidated financial statements — Potential voting rights	The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing significant influence.	AS 23, Accounting for Investments in Associates in Consolidated Financial Statements & AS 27, Financial Reporting of Interests in Joint Ventures	Potential voting rights are not considered in assessing significant influence.
IAS 28, Investments in Associates and Joint Ventures — in consolidated financial statements — Goodwill	Negative goodwill is excluded from the carrying amount of investment and is included as income in determination of the investor's share of associate's profit or loss.	AS 23, Accounting for Investments in Associates in Consolidated Financial Statements & AS 27, Financial Reporting of Interests in Joint Ventures	Negative goodwill (Capital Reserve) is included in the carrying amount of investment in the associate but is disclosed separately.
IAS 28, Investments in Associates and Joint Ventures — in consolidated financial statements — Reporting date	The difference between the reporting date of the associate and that of the parent shall be no more than three months.	AS 23, Accounting for Investments in Associates in Consolidated Financial Statements & AS 27, Financial Reporting of Interests in Joint Ventures	The maximum difference between the reporting date of the associate and that of the parent is not specified.
IAS 28, Investments in Associates and Joint Ventures — in consolidated financial statements — Uniform accounting policies	Associate's accounting policies should be uniform with the investor's for the purposes of equity accounting.	AS 23, Accounting for Investments in Associates in Consolidated Financial Statements & AS 27, Financial Reporting of Interests in Joint Ventures	Similar to IFRS, the fact and a brief description of the differences should be disclosed, except if it is impracticable.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 28, Investments in Associates and Joint Ventures — in consolidated financial statements — Disposals	On disposal resulting in loss of significant influence, the remaining investment is remeasured at fair value, with gain or loss recognized in profit or loss.	AS 23, Accounting for Investments in Associates in Consolidated Financial Statements & AS 27, Financial Reporting of Interests in Joint Ventures	No specific guidance.
IAS 32, Financial Instruments: Presentation — classification of convertible debts	Split the instrument in liability and equity component at issuance.		Classified as debt based on its legal form and any interest expense is recognized based on the coupon rate.
IAS 33, Earnings Per Share — Extraordinary items	Since IAS 1 prohibits presentation of any item as extra ordinary, no consideration is given to such items for calculating EPS.	AS 20, Earnings Per Share	Earnings Per Share ("EPS") with and without extraordinary items is to be presented.
IAS 36, Impairment of Assets — reversal of impairment loss for goodwill	Impairment loss recognized for goodwill is prohibited from reversal in a subsequent period.	AS 28, Impairment of Assets	Impairment loss for goodwill is reversed if the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.
IAS 37, Provisions, Contingent liabilities and Contingent Assets — Recognition of provisions	A provision is recognized when an entity has a present obligation (legal or constructive) as a result of a past event.	AS 29, Provisions, Contingent Liabilities and Contingent Assets	Provisions are not recognized based on constructive obligations though some provisions may be needed in respect of obligations arising from normal practice, custom and a desire to maintain good business relations or to act in an equitable manner.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 37, Provisions, Contingent Liabilities and Contingent Assets — discounting	Where the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability. The discount rate does not reflect risk for which future cash flow estimates have been adjusted.	AS 29, Provisions, Contingent Liabilities and Contingent Assets	Discounting of liabilities is not permitted and provisions are carried at their full values.
IAS 37, Provisions, Contingent Liabilities and Contingent Assets — contingent assets	Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.	AS 29, Provisions, Contingent Liabilities and Contingent Assets	Contingent assets are not disclosed in the financial statements.
IAS 38, Intangible assets — measurement	Intangible assets can be measured at either cost or revalued amount.	AS 26, Intangible Assets	Measured only at cost.
IAS 38, Intangible assets — useful life	Useful life may be finite or indefinite.	AS 26, Intangible Assets	Useful life may not be indefinite. There is a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.
IAS 39, Financial Instruments: Recognition and Measurement — general recognition principle	All financial assets and financial liabilities are recognized in the statement of financial position when these meet the definition and recognition criteria of a financial instrument. A financial instrument is a contract to that give rise to a financial asset of one entity and a financial liability or equity in another entity.		There is no definition of financial instrument. Currently, derivatives are recognized in the balance sheet except for certain forward contracts within the scope of AS 11.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 39, Financial Instruments: Recognition and Measurement — investments, and loans and receivables	Financial instruments are classified as at fair value through Profit and Loss, held-to-maturity, loans and receivable and available-for-sale. Financial instruments are classified as held for trading if these are acquired principally for the purpose of selling and are part of a portfolio that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Held-to-maturity investments are investments with fixed or determinable payments and fixed maturity for which an entity has positive intent and ability to hold to maturity. Held to maturity investments are measured at amortized cost using effective interest method. Loans and receivables have fixed or determinable payments that are not quoted in active market. Loans and receivables are measured at amortized cost using the effective interest method. Available-for-sale investments are those that do not qualify as at fair value through profit or loss, held-to-maturity investments or loans and receivables. Changes in fair value of available-for-sale investments are recognized as part of equity and recycled to statement of profit or loss on disposal of investments. Unquoted investments whose fair values cannot be reliably measured are measured at cost.	AS 13, Accounting for Investments	Investments are classified as long-term or current. Long-term investments are carried at cost less provision for diminution in value, which is other than temporary. Current investments carried at lower of cost and fair value. Loans and receivables are measured at cost less valuation allowance.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 39, Financial Instruments: Recognition and Measurement — impairment	Impairment is recognized if, and only if, • there is an objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (referred to as "loss event"), and • the loss has an impact on the estimated cash flows that can be reliably estimated. Impairment losses recognized in profit or loss for equity investments classified as 'available for sale' cannot be reversed through profit or loss.		An enterprise should assess the provision for doubtful debts at each period end which, in practice, is based on relevant information such as: • past experience • actual financial position and • cash flows of the debtors Impairment losses recognized in profit or loss for equity investments are reversed through profit or loss.
IAS 39, Financial Instruments: Recognition and Measurement — derivatives and embedded derivatives	Measured at fair values.		Currently there is no equivalent standard on derivatives except for certain forward exchange contracts within the scope of AS 11, and ICAI announcement for losses in respect of all outstanding derivative contracts not covered by AS 11.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 39, Financial Instruments: Recognition and Measurement — derivatives and hedge accounting	Hedge accounting (recognizing the offsetting effects of fair value changes of both the hedging instrument and the hedged item in the same period's profit or loss) is permitted in certain circumstances, provided that the hedging relationship is clearly defined, measurable, and actually effective. IAS 39 provides for three types of hedges: • fair value hedge: if an entity hedges a change in fair value of a recognized asset or liability or firm commitment, the change in fair values of both the hedging instrument and the hedged item are recognized in profit or loss when they occur; • cash flow hedge: if an entity hedges changes in the future cash flows relating to a recognized asset or liability or a highly probable forecast transaction, then the change in fair value of the hedging instrument is recognized in other comprehensive income until such time as those future cash flows occur. The ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss in the period of such change; and • hedge of a net investment in a foreign entity: this is treated as a cash flow hedge. A hedge of foreign currency risk in a firm commitment may be accounted for as a fair value hedge or as a cash flow hedge.		Currently there is no equivalent standard on hedge accounting except in the case of forward exchange contracts within the scope of AS 11 and an announcement made by the ICAI on March 29, 2008 and applicable to financial statements for the period ending March 31, 2008 or thereafter requires an entity to provide for losses in respect of all outstanding derivative contracts not covered by AS 11 by marking them to market at the balance sheet date.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IAS 39, Financial Instruments: Recognition and Measurement —changes in value of financial liabilities due to changes in credit risk	In determining the fair value of the financial liabilities designated at FVTPL upon initial recognition, any change in fair value due to changes in the entity's own credit risk are recognized.		No specific guidance.
IAS 40, Investment Property —measurement	Investment properties can be measured using the cost or the fair value model, with changes in fair value recognized in the statement of profit and loss.		There is no specific standard dealing with investment properties. At present, covered by AS 13 — Accounting for Investments. They are classified as long-term investments and measured at cost less impairment.
IFRS 2, Share based payments —recognition	Goods and services in a share-based transaction are recognized when goods are received or as services are rendered. A corresponding increase in equity is recognized if goods and services were received in an equity settled share based payment transaction, or a liability if these were acquired in cash settled share transaction.		There is no equivalent standard. However the ICAI has issued a guidance note on "Accounting for Employee Share based Payments" which calls for the same treatment. The Securities and Exchange Board of India has also issued the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines").
IFRS 2, Share based payments — measurement	For equity settled share based transactions with non-employees, goods and services received and the corresponding increase in equity is measured at the fair value of the goods and services received. If the fair value of the goods and services cannot be estimated reliably, then the value is measured with reference to the fair value of the equity instruments granted. In case of equity settled transactions with employees and others providing similar services, fair value of the equity instrument should be used.		Both the guidance note and the SEBI Guidelines permit the use of either the intrinsic value method or the fair value method for determining the costs of benefits arising from employee share based compensation plans. The guidance note recommends the use of fair value of the instruments granted.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IFRS 3, Business Combinations — cost allocations	All business combinations, other than those between entities under common control, are accounted for by applying the purchase method. An acquirer is identified for all business combinations, which is that entity that obtains control of the other combining entity. As at the effective date of the business combination, each identifiable asset and liability are recorded at the acquisition date fair value. Pooling of interests method to record business combinations within the scope of IFRS 3 is prohibited.	AS 14, Accounting for Amalgamations	Amalgamations in the nature of purchase are accounted for by recording the identifiable assets and liabilities of the acquiree at their fair values or at book values. Amalgamations in the nature of merger are accounted for in a manner consistent with the pooling of interest method. Identifiable assets and liabilities of subsidiaries acquired by purchase of shares which are not amalgamations are recorded at the carrying amounts stated in the acquired subsidiary's financial statements on the date of acquisition.
IFRS 3, Business Combinations — goodwill	Goodwill is not amortized but tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate impairment.	AS 14, Accounting for Amalgamations	Any excess of the amount of the consideration over the value of the net assets of the transferor company acquired by the transferee company is recognized in the transferee's financial statements as goodwill arising on amalgamation. Goodwill arising on amalgamations in the nature of purchase is amortized over a period not exceeding five years. There is no specific guidance on goodwill arising on acquisition of a subsidiary. In practice such goodwill is not amortized but tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate impairment.
IFRS 3, Business Combinations — bargain purchase	If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of business combination, the fair value and the cost of net assets acquired is reassessed and any excess remaining is recognized immediately in the statement of profit and loss.	AS 14, Accounting for Amalgamations	If the amount of the consideration is lower than the value of the net assets acquired, the difference is recognized as capital reserve, a component of shareholder's reserve.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IFRS 3, Business Combinations — acquisition related costs	The acquirer is required to recognize acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received.		No specific guidance.
IFRS 3, Business Combinations — non-controlling interest	At the date of acquisition, an entity may elect to measure, on a transaction by transaction basis, the non-controlling interest at (a) fair value or (b) the non-controlling interest's proportionate share of the fair value of the identifiable net assets of the acquire.	AS 14, Accounting for Amalgamations	At the time of acquisition, minority interests in the net assets consist of the amount of equity attributable to minorities at the date on which investment in the acquiree is made.
IFRS 3, Business Combinations — business combinations achieve in stages	For business combinations achieved in stages, if the acquirer increases an existing equity interest so as to achieve control of the acquire, the previously held interest is remeasured at acquisition date fair value and any resulting gain or loss is recognized in profit or loss.	AS 21, Consolidated Financial Statements	If two or more investments are made over a period of time, the equity of the subsidiary at the date of investment is generally determined on a step-by step basis; however, if small investments are made over a period of time and then an investment is made that results in control, the date of the latest investment, may be considered as the date of investment.
IFRS 5, Non-current assets held for sale — recognition and measurement	Non-current assets to be disposed of are classified as held for sale when the asset is available for immediate sale and the sale is highly probable. Depreciation ceases on the date when the assets are classified as held for sale. Non-current assets classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell.		There is no standard dealing with non-current assets held for sale, though AS 10 deals with assets held for disposal Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the statement of profit and loss.
IFRS 5, Non-current assets held for sale — discontinued operations	An operation is classified as discontinued when it has either been disposed of or is classified as held for sale.	AS 24, Discontinuing Operations	An operation is classified as discontinuing at the earlier of (a) a binding sale agreement for sale of the operation; and (b) on approval by the board of directors of a detailed formal plan and announcement of the plan.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IFRS 6, Exploration for and evaluation of mineral resources	Exploration and evaluation assets are measured at cost or revaluation less accumulated amortization and impairment loss. An entity determines the policy specifying which expenditures are recognized as exploration and evaluation assets.		There is no equivalent standard. However, there is a Guidance Note on Accounting for Oil and Gas Producing Activities. As per this note, there are two alternative methods for acquisition, exploration and development costs, viz. the Successful Efforts Method or the Full Cost Method. The Guidance Note recommends the former one. AS 28, Impairment of Assets is applicable irrespective of the method of accounting used.
IFRS 8, Operating Segments — determination of segments	Operating segments are identified based on the financial information that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.	AS 17, Segment Reporting	AS 17 requires an enterprise to identify two sets of segments (business and geographical), using a risks and rewards approach, with the enterprise's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.
IFRS 8, Operating Segments — measurement	Segment profit or loss is reported on the same measurement basis as that used by the chief operating decision maker. There is no definition of segment revenue, segment expense, segment result, segment asset or segment liability. Requires reconciliation of segment performance measures, and segment assets and liabilities with the corresponding amounts reported in the financial statements.	AS 17, Segment Reporting	Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole. Segment revenue, segment expense, segment result, segment asset and segment liability have been defined.
IFRS 8, Operating Segments — entity-wide disclosures	Requires disclosure of (a) external revenues from each product or service; (b) revenues from customers in the country of domicile and from foreign countries; and (c) geographical information on non-current assets located in the country of domicile and foreign countries.	AS 17, Segment Reporting	Disclosures are required based on classification of segment as primary or secondary. Disclosure requirements for secondary reporting format are less detailed than those required for primary reporting segments.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
	Information on major customers including total revenues from each major customer is disclosed if revenues from each customer is 10% or more of total segment revenues.		
IFRS 10 Consolidated Financial Statements — Scope	Required for all parent entities unless specific exemptions in IFRS 10 apply. A parent need not prepare consolidated financial statements only if all the following conditions are met: • the entity is itself a wholly owned subsidiary or a partially owned subsidiary and its other owners have not objected to the entity not presenting consolidated financial statements; • the entity's debt or equity instruments are not traded in a public market; • the entity is not in a process of filing its financial statements for the purposes of issuing any class of instruments in a public market; and • the ultimate or any intermediate parent of the entity produces consolidated financial statements available for public use that comply with IFRSs.	AS 21, Consolidated Financial Statements	Indian GAAP does not specify entities that are required to present consolidated financial statements. The accounting standard is required to be followed if consolidated financial statements are presented. The Securities Exchange Board of India (Indian Market Regulator) requires entities whose equity shares or debt are listed or to be listed to present consolidated financial statements.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IFRS 10 Consolidated Financial Statements — definition of Control	An investor controls an investee if and only if the investor has all the following: (a) power over the investee (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns	AS 21, Consolidated Financial Statements	Control is: (a) The ownership, directly or indirectly through a subsidiary (or subsidiaries) of more than one-half of the voting power of an enterprise; or (b) Control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise so as to obtain economic benefits from its activities.
IFRS 10 Consolidated Financial Statements — Potential voting rights	The existence and effect of substantive potential voting rights including potential voting rights held by another entity, are considered when assessing control.	AS 21, Consolidated Financial Statements	Potential voting rights are not considered in assessing control.
IFRS 10 Consolidated Financial Statements — Exclusion of subsidiaries, associates and joint ventures	If the acquisition of a subsidiary meets the criteria to be classified as held for sale in accordance with IFRS 5, it is included in the consolidation but is accounted for under that standard.	AS 21, Consolidated Financial Statements	Excluded from consolidation, if the subsidiary was acquired with intent to dispose of it within twelve months or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent.
IFRS 10 Consolidated Financial Statements — Reporting dates	The difference between the reporting date of the subsidiary and that of the parent shall be no more than three months.	AS 21, Consolidated Financial Statements	The difference between the reporting date of the subsidiary and that of the parent shall be no more than six months.
IFRS 10 Consolidated Financial Statements — Uniform accounting policies	Consolidated financial statements are prepared using uniform accounting policies. No exception is provided.	AS 21, Consolidated Financial Statements	Similar to IFRS except if it is impracticable to use uniform accounting policies, that fact should be disclosed together with the proportions of the items in the consolidated financial statements to which different accounting policies have been applied.
IFRS 10 Consolidated Financial Statements — Non-controlling interests	Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.	AS 21, Consolidated Financial Statements	Minority interests are presented in the consolidated balance sheet separately from liabilities and the equity of the parent's shareholders.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IFRS 10 Consolidated Financial Statements — Allocation of losses to non-controlling interests	Total comprehensive income/net income or loss, if presented separately is allocated to owners of the parent and the non-controlling interest even though this results in non-controlling interest having a deficit balance.	AS 21, Consolidated Financial Statements	Excess of loss applicable to minority over the minority interest in the equity of the subsidiary and any further losses applicable to minority are adjusted against minority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses.
IFRS 10 Consolidated Financial Statements — Disposals	Partial disposal of subsidiary where control is retained is accounted for as an equity transaction, and gain or loss is not recognized. Partial disposal of subsidiary resulting in loss of control triggers re-measurement of the residual holding to fair value. Any difference between the fair value and the carrying value is recognized as gain or loss in profit or loss.	AS 21, Consolidated Financial Statements	No specific guidance.
IFRS 11, Joint Arrangements — Form	A joint arrangement is either a joint operation or a joint venture. Such classification of joint arrangement depends upon the rights and obligations of the parties to the arrangement and disregards the legal structure. The accounting for joint ventures in the consolidated financial statements is guided by IAS 28, Investments in Associates and Joint Ventures	AS 27, Financial reporting of interests in joint venture	AS 27 recognizes three forms of joint venture namely: a) jointly controlled operations, b) jointly controlled assets and c) jointly controlled entities
IFRS 11, Joint Arrangements — Applicability	Specifies proportionate consolidation for joint operations and equity accounting for joint ventures consolidated financial statements.	AS 27, Financial Reporting of Interests in Joint Ventures	Specifies equity accounting for all types of joint ventures.

Topic	IFRS	Indian Accounting Standards	Indian GAAP
IFRS 12, Disclosure of Interests in Other Entities	IFRS 12 sets out the disclosures required for entities adopting IFRS 10, Consolidated Financial Statements and IFRS 11, Joint Arrangements. It requires entities to disclose information that helps users to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements (JAs) and unconsolidated structured entities.		No specific guidance. However, AS 21 Consolidated Financial Statements, AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 27, Financial reporting of interests in joint venture require certain disclosures to be made.
IFRS 13, Fair Value Measurement	IFRS 13 establishes a single source of guidance for all fair value measurements. It provides guidance on how to measure fair value under IFRS when fair value is required or permitted by IFRS.		There is no equivalent standard in IGAAP.
IFRS 13, Fair Value Measurement — Fair Value definition	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	AS 11, The Effects of Changes in foreign Exchange Rates	Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.
IFRS 13, Fair Value Measurement — Fair value hierarchy	IFRS 13 establishes a fair value hierarchy that categorizes all the financial assets and financial liabilities into three categories (level 1, level 2 and level 3) based on the inputs to valuation techniques used to measure fair value of the financial asset or financial liability.		No specific guidance.

INDEX TO FINANCIAL STATEMENTS AND AUDITORS' REPORTS

INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
JSW STEEL LIMITED

Introduction

We have reviewed the accompanying Condensed Balance Sheet of JSW Steel Limited as on September 30, 2014 and the related Condensed Statement of Profit and Loss and Condensed Cash Flow Statement for the six month period then ended, and Selected Explanatory Notes. Management is responsible for the preparation and fair presentation of this Interim Financial Information in accordance with the Accounting Standard (AS) 25, 'Interim Financial Reporting', notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the Accounting Standard (AS) 25, 'Interim Financial Reporting', notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and other accounting principles generally accepted in India.

Emphasis of matter

We draw attention to Note B(3) to the accompanying Interim Financial Information regarding the Company's assessment of the recoverable value of its investment of Rs. 7,665.4 million relating to JSW Steel USA Inc., a subsidiary of the Company, and recognition of provision of Rs. 1,683.2 million as at September 30, 2014 and that no provision is considered necessary against the loans aggregating to Rs 16,696.3 million and financial guarantees of Rs. 31,299.7 million, relating to the said subsidiary.

Our conclusion is not qualified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. Siddharth
Partner
(Membership No. 31467)

Mumbai, 30 October 2014

JSW STEEL LIMITED

CONDENSED BALANCE SHEET

		(USD Million)			(Rupees in million)
		As at 30.09.2014	As at 30.09.2014	As at 31.03.2014	As at 30.09.2013
I.	EQUITY AND LIABILITIES				
(1)	Shareholders' funds				
	Share capital	173.2	10,671.9	10,671.9	10,671.9
	Reserves and surplus	3,965.4	244,321.1	232,169.9	218,762.8
		4,138.6	254,993.0	242,841.8	229,434.7
(2)	Non-current liabilities				
	Long-term borrowings	3,505.2	215,968.7	210,543.2	215,363.7
	Deferred tax liabilities (Net)	426.0	26,244.6	19,085.1	12,311.7
	Other long term liabilities	57.7	3,558.0	4,664.0	4,117.7
	Long-term provisions	7.3	449.7	406.7	621.3
		3,996.2	246,221.0	234,699.0	232,414.4
(3)	Current liabilities				
	Short-term borrowings	735.4	45,309.4	39,206.6	36,509.2
	Trade payables	1,655.5	101,999.8	99,912.5	136,721.6
	Other current liabilities	1,136.0	69,994.0	64,159.7	66,656.2
	Short-term provisions	-	-	3,437.2	-
		3,526.9	217,303.2	206,716.0	239,887.0
	TOTAL	11,661.7	718,517.2	684,256.8	701,736.1
II	ASSETS				
(1)	Non-current assets				
	Fixed assets				
	Tangible assets	6,233.1	384,041.7	372,251.2	366,825.9
	Intangible assets	10.6	650.1	699.6	559.5
	Capital work-in-progress	1,042.6	64,236.1	67,896.6	60,045.7
	Intangible assets under development	32.0	1,971.2	678.1	155.3
		7,318.3	450,899.1	441,525.5	427,586.4
	Non-current investments	700.4	43,156.6	43,128.5	38,704.1
	Long-term loans and advances	828.9	51,072.0	49,614.7	46,468.5
	Other non-current assets	-	-	-	65.8
		8,847.6	545,127.7	534,268.7	512,824.8
(2)	Current assets				
	Current investments	-	-	677.0	738.0
	Inventories	1,293.0	79,667.8	61,965.7	58,288.0
	Trade receivables	476.7	29,371.5	22,187.4	37,390.6
	Cash and cash equivalents	54.4	3,352.6	4,657.2	7,815.8
	Short-term loans and advances	990.0	60,997.6	60,500.8	84,678.9
		2,814.1	173,389.5	149,988.1	188,911.3
	TOTAL	11,661.7	718,517.2	684,256.8	701,736.1

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For JSW Steel Limited

A Siddharth
Partner

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

RAJEEV PAI
Chief Financial Officer

LANCY VARGHESE
Company Secretary

Place: Mumbai,
Dated: 30 OCTOBER 2014

DELOITTE HASKINS & SELLS LLP ★ CHARTERED ACCOUNTANTS
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013

JSW STEEL LIMITED

CONDENSED STATEMENT OF PROFIT AND LOSS

		(USD Million)			(Rupees in million)
		For the Period Ended 30.09.2014	For the Period Ended 30.09.2014	For the Year Ended 31.03.2014	For the Period Ended 30.09.2013
I	Revenue from operations	4,177.7	257,402.6	492,954.3	228,460.0
	Less: Excise duty	347.4	21,404.4	39,977.1	20,021.8
		3,830.3	235,998.2	452,977.2	208,438.2
II	Other income	35.2	2,171.7	3,310.5	1,930.7
III	Total revenue (I + II)	3,865.5	238,169.9	456,287.7	210,368.9
IV	Expenses:				
	Cost of materials consumed	2,331.1	143,626.5	267,058.2	122,915.8
	Purchases of stock-in-trade	21.8	1,344.9	4,948.1	3,987.6
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(220.0)	(13,555.9)	(2,441.0)	(2,371.6)
	Employee benefits expense	76.8	4,730.2	7,995.8	4,043.8
	Finance costs	234.1	14,426.3	27,401.3	13,307.7
	Depreciation and amortization	221.1	13,625.6	27,258.8	13,291.3
	Other expenses	826.8	50,938.7	87,590.2	40,031.6
	Total expenses	3,491.7	215,136.3	419,811.4	195,206.2
V	Profit before exceptional items and tax (III-IV)	373.8	23,033.6	36,476.3	15,162.7
VI	Exceptional items				
	Exchange loss (net) (refer note 8)	-	-	16,923.0	16,923.0
VII	Profit before tax (V-VI)	373.8	23,033.6	19,553.3	(1,760.3)
VIII	Tax expenses:				
	Current tax	77.5	4,777.2	4,098.0	-
	Deferred tax	120.2	7,403.0	6,208.2	(565.2)
	Less: MAT credit entitlement	(77.5)	(4,777.2)	(4,098.0)	-
		120.2	7,403.0	6,208.2	(565.2)
IX	Profit for the year (VII-VIII)	253.6	15,630.6	13,345.1	(1,195.1)
X	Earnings per equity share: (Refer note 11)				
	Basic	1.0	64.0	53.9	(5.6)
	Diluted	1.0	64.0	53.9	(5.6)

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For JSW Steel Limited

A Siddharth
Partner

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

RAJEEV PAI
Chief Financial Officer

LANCY VARGHESE
Company Secretary

Place: Mumbai,
Dated: 30 OCTOBER 2014

DELOITTE HASKINS & SELLS LLP ★ CHARTERED ACCOUNTANTS
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.

JSW STEEL LIMITED

CONDENSED CASH FLOW STATEMENT

		(USD Million)			(Rupees in million)
		For the Period Ended 30.09.2014	For the Period Ended 30.09.2014	For the Year Ended 31.03.2014	For the Period Ended 30.09.2013
A.	Net cash generated from operating activities	344.6	21,231.6	52,741.8	5,347.6
B.	Net cash generated from/(used in) investing activities	(383.1)	(23,602.3)	(47,375.4)	(16,461.9)
C.	Net cash generated from/(used in) financing activities	12.6	774.1	(3,663.7)	10,180.8
D.	Net increase/(decrease) in cash and cash equivalents	(25.9)	(1,596.6)	1,702.7	(933.5)
E.	Cash and cash equivalents at beginning of period	68.7	4,235.0	2,030.7	2,030.7
F.	Cash and cash equivalents at end of period	42.8	2,638.4	4,235.0	1,598.8

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For JSW Steel Limited

A Siddharth
Partner

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

Place: Mumbai,
Dated: 30 OCTOBER 2014

DELOITTE HASKINS & SELLS LLP ★ CHARTERED ACCOUNTANTS ★
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.

JSW Steel Limited

A) ACCOUNTING POLICY

These condensed financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP), using the same accounting policies that were applied in the preparation of the financial statements for the year ended 31 March 2014, except as described in Note B(7).

B) CONDENSED EXPLANATORY NOTES

1. Contingent liabilities:

				USD in million	Rs in million		
				As at 30-Sept-14	**As at 30-Sept-14**	**As at 31-Mar-14**	**As at 30-Sept-13**
1)	**Contingent liabilities:**						
	a)		Bills Discounted	484.7	29,866.4	32,855.6	29,852.8
	b)		Guarantees provided on behalf of subsidiaries	278.2	17,143.4	13,725.7	14,148.9
	c)		Standby letter of credit facility availed from resident Indian Banks secured / to be secured by specific fixed assets of the company in relation to overseas long term borrowing by				
		(i)	JSW Steel Holding (USA) INC	400.1	24645.4	24039.9	-
		(ii)	JSW Steel (Netherlands) B.V	80.0	4929.1	4808.0	-
	d)		Disputed claims/levies (excluding interest, if any), in respect of:				
		(i)	Excise Duty	85.1	5,246.1	4,419.5	2,083.5
		(ii)	Custom Duty	72.8	4,486.2	4,601.2	6,790.2
		(iii)	Income Tax	51.8	3,194.2	17.4	17.4
		(iv)	Sales tax/ Special entry tax	35.6	2,195.0	2,233.7	2,233.7
		(v)	Service tax	26.1	1,606.9	1,292.5	958.2
		(vi)	Miscellaneous	0	0.5	0.5	0.5
		(vii)	Levies by local authorities	0.5	30.4	30.4	30.4
		(viii)	Claims by suppliers and other parties (including for Forest Development Tax)	165.1	10,171.8	10,396.0	9,908.7
			In 2008, the State of Karnataka levied a Forest Development Tax (FDT) treating iron ore as a forest produce. Writ petitions filed by various stakeholders challenging the levy before Karnataka High Court are pending disposal. The Management of the Company has been legally advised that this is a fairly arguable case from the company's perspective and accordingly, the tax is considered as recoverable. Tax payments made under protest in the earlier years /tax payable are considered as 'contingent liabilities'				
	d)		Arrears of fixed cumulative dividend on preference shares (CPRS)	0.1	4.6	4.6	4.1

2)		**Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)**	665	40,975.4	31,763.6	39,557.0
3)		**Other Commitments:**				
	a)	The Company from time to time provides need based support to subsidiaries and joint ventures entity towards capital and other requirements				
	b)	The Group has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports. Such export obligations aggregate to	129.9	8,003.1	38,171.1	108,807.3

2. On 3rd May 2013 the Bombay High Court sanctioned a Composite Scheme of Amalgamation and Arrangement (Scheme) under sections 391 to 394 of the Companies Act, 1956 amongst JSW Steel Limited, JSW Ispat Steel Limited, JSW Building Systems Limited, JSW Steel Coated Products Limited and their respective shareholders and creditors with 1 July 2012 being the appointed date. The certified copy of the scheme is filed with the Registrar of Companies (RoC) on June 1, 2013. Accordingly, effect of the scheme is considered in the financial statements of 2013-14.

3. In view of the losses for last few years from operations of JSW Steel USA Inc., a subsidiary of the Company, the Company has reassessed the recoverable value of its investment of Rs.7665.4 million, USD 124.4 million relating to the subsidiary as on 30th September 2014 having regard to the latest valuation of its fixed assets carried out by an independent valuer and recognized provision of Rs 1,683.2 million USD 27.3 million during the period ended September 30, 2014, and no provision is considered necessary against the loans aggregating to Rs.16,696.3 million, USD 271 million and the financial guarantees of Rs.31,299.7 million, USD 508 million, relating to the said subsidiary.

4. The carrying amount of investment in equity shares of JSW Severfield, India, a joint venture (JV) of the Company, is Rs 1,084.4 million, USD 17.6 million as at September 14 (31.03.2014 Rs 984.4 million, 30.09.2013: Rs 984.4 million). Having regard to its continued operating losses and current external economic environment, the Management of the Company has assessed whether the decline in the value of the said investment is 'other than temporary' in terms of Accounting Standard (AS) 13, Investments. On a careful evaluation of the business plans of the JV and expected profits based thereon, it has been concluded that the decline is temporary and accordingly, no provision is required.

5. Trade receivable includes Rs. 1,840.2 million, USD 29.86 million (31.03.2014: Rs. 1,840.2 million, 30.09.2013 Rs 1,840.2 million) recoverable from a customer towards supply of steel. The customer has applied for corporate debt restructuring to CDR Cell and mentioned JSW Steel as their "critical and essential supplier" whose dues needs to be paid on priority basis. The scheme was approved by CDR empowered group during the year. Based on these developments, the company is reasonably confident about the recoverability of the said amount.

6. Pursuant to the order of the Honourable Supreme Court dated 24 September 2014 regarding cancellation of the allotment of coal blocks, the Company has made an assessment of recoverable amounts of investments in and loans and advances to the subsidiaries, joint ventures and associates affected by the said order and recognized provision of Rs 212.0 million, USD 3.4 million as at September 30, 2014 considering the principle of conservatism. The Company has filed a Review Petition in the Honourable Supreme Court seeking review of the said order relating to cancellation of allocations of the coal blocks to the aforesaid companies.

7. Pursuant to Companies Act 2013 (the Act), becoming effective from 1 April 2014,the company has re-worked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act or useful life of fixed assets as per technical evaluation. As a result the charge for depreciation is lower by Rs. 1,035.2 million, USD 16.8 million for the Half year ended 30 September 2014 Further based on transitional provision in Note 7 (b) of Schedule II ,an amount of Rs.472.9 million, USD 7.7 million (net of deferred tax) has been adjusted against the retained earnings.

8. Exceptional items represents effect of significant movement and volatility in the value of the Indian rupee against US dollar.

9. Segment reporting:

The company is primarily engaged in the business of manufacture and sale of iron and steel products. The company has identified two primary business segments, namely steel and power (used mainly for captive consumption), which in the context of Accounting Standard 17 on "segment reporting" constitute reportable segments.

Information about primary business segments

Sr. No.	Particulars	Half Year Ended			Year Ended
		USD MIO	(Rs. in Mio)	(Rs. in Mio)	(Rs. in Mio)
		30.09.2014	30.09.2014	30.09.2013	31.03.2014
1	**Revenue by Business Segment :**				
	Steel	3,888.2	239,566.9	213,439.5	463,346.4
	Power	302.3	18,626.7	19,729.3	39,209.5
	Others	19.3	1,187.1	-	489.6
	Total	4,209.8	259,380.7	233,168.8	503,045.5
	Less: Inter segment revenue	379.5	23,382.5	24,730.6	50,068.3
	Total Income	**3,830.3**	**235,998.2**	**208,438.2**	**452,977.2**
2	**Segment results before Finance Costs and tax:**				
	Steel	480.7	29,616.5	19,400.2	46,608.8
	Power	127.3	7,840.9	7,139.5	14,044.9
	Others	2.9	180.3	-	(21.2)
	Total	610.9	37,637.7	26,539.7	60,632.5
	Less: Unallocable items				
	Finance Costs	234.1	14,426.3	13,307.7	27,401.3
	Exceptional Item :Exchange Loss/(Gain) (net)	-	-	16,923.0	16,923.0
	Unallocable expense net of unallocable income	2.9	177.8	(1,930.7)	(3,245.1)
	Profit before Tax	**373.8**	**23,033.6**	**(1,760.3)**	**19,553.3**
3	**Segment Capital Employed :**				
	(Segment assets less Segment liabilities)				
	Steel	7,185.7	442,733.8	384,562.5	421,215.0
	Power	324.2	19,977.7	18,541.0	21,213.4
	Others	25.0	1,542.0	-	1,655.0
	Unallocated	(3,396.3)	(209,260.5)	(173,668.8)	(201,241.6)
	Total	**4,138.6**	**254,993.0**	**229,434.7**	**242,841.8**

Notes:

1. Inter segment transfer from the power segment is measured at the rate at which power is purchased/sold from/to the respective electricity board.
2. Inter segment transfer from the steel segment is measured on the basis of fuel cost.
3. There is only one geographical segment i.e India .

10. Related parties disclosure as per Accounting Standard (AS)-18 :

	Parties with whom the Company has entered into transactions during the period where control exists :
1	**Subsidiaries**
	JSW Steel (Netherlands) B.V.
	JSW Steel (UK) Limited
	Argent Independent Steel (Holdings) Limited
	JSW Steel Service Centre (UK) Limited
	JSW Steel Holding (USA) Inc.
	JSW Steel (USA) Inc.
	Periama Holdings, LLC
	Purest Energy, LLC
	Meadow Creek Minerals, LLC
	Hutchinson Minerals, LLC
	R.C. Minerals, LLC
	Keenan Minerals, LLC
	Peace Leasing, LLC

	Prime Coal, LLC
	Planck Holdings, LLC
	Rolling S Augering, LLC
	Periama Handling, LLC
	Lower Hutchinson Minerals, LLC
	Caretta Minerals, LLC
	JSW Panama Holdings Corporation
	Inversiones Eroush Limitada
	Santa Fe Mining
	Santa Fe Puerto S.A.
	JSW Natural Resources Limited
	JSW Natural Resources Mozambique Limitada
	JSW ADMS Carvo Lda
	JSW Mali Resources SA
	JSW Steel Processing Centres Limited
	JSW Bengal Steel Limited
	JSW Natural Resources India Limited
	Barbil Beneficiation Company Limited
	JSW Jharkhand Steel Limited
	JSW Steel East Africa Limited
	Amba River Coke Limited
	JSW Energy (Bengal) Limited
	JSW Natural Resource Bengal Limited
	JSW Steel Coated Products Limited
	Peddar Realty Pvt Ltd
	Nippon Ispat Singapore (PTE) Limited
	EREBUS Limited
	Arima Holding Limited
	Lakeland Securities Limited
2	**Associates**
	Jindal Praxair Oxygen Company Private Limited
	Dolvi Coke Projects Limited
	Dolvi Minerals & Metals Private Limited
3	**Joint Ventures**
	Vijayanagar Minerals Private Limited
	Rohne Coal Company Private Limited
	JSW Severfield Structures limited
	Gourangdih Coal Limited
	Toshiba JSW Power System Private Limited
	MJSJ Coal Limited
	GEO Steel LLC
	JSW Structural Metal Decking Limited
	JSW MI Steel Service Center Private Limited
	JSW Vallabh Tin Plate Private Limited (w.e.f. from 16.04.2014)

4	**Key Management Personnel (KMP)**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
5	**Relative of Key Managerial Personnel**
	Mr. Parth Jindal
6	**Enterprises over which Key Management Personnel and Relatives of such personnel exercise significant influence.**
	JSW Energy Limited
	Jindal Stainless Limited
	JSW Realty & Infrastructure Private Limited
	Jindal Saw Limited
	Jindal Steel & Power Limited
	JSOFT Solutions Limited
	Jindal Industries Limited
	JSW Cement Limited
	JSW Jaigarh Port Limited
	Reynold Traders Private Limited
	Raj West Power Limited
	JSW Power Trading Company Limited
	JSW Aluminim Limited (ceased from 15.10.2013)
	O P Jindal Foundation
	JSW Infrastructure Limited
	South West Port Limited
	JSW Techno Projects Management Limited
	South West Mining Limited
	JSL Architecture Limited
	JSW Projects Limited
	Sapphire Technologies Limited
	Jindal Technologies & Management Services Private Limited
	JITF Shipping & Logistics (Singapore) PTE Limited
	JSW Foundation
	JSW Investment Private Limited
	AVH Private Limited
	JSW Bengaluru Football Club Private Limited
	JSW International Trade Corp PTE Limited
	Shadeed Iron & Steel Co LLC

(Rs in Milion)

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
1.Transactions with Related Parties which are in Ordinary course of Business and on Arm's Length Basis							
Purchase of Goods / Power & Fuel / Services	**10,734.30**	**1,027.40**	**2.40**	**-**	**-**	**26,958.20**	**38,722.30**
	6,488.00	1,935.90	3.40	-	-	24,061.10	32,488.40
Material Taken on Loan Given Back	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	318.00	318.00
Reimbursement of Expenses incurred on our behalf by	**51.70**	**-**	**-**	**-**	**-**	**18.10**	**69.80**
	7.40	-	1.10	-	-	15.50	24.00
Sales of Goods/Power & Fuel	**32,670.20**	**28.50**	**1,616.70**	**-**	**-**	**9,446.70**	**43,762.10**
	61,780.20	80.40	450.70	-	-	19,150.50	81,461.80
Other Income/ Other Operating Income	**1,021.30**	**373.80**	**13.60**	**-**	**-**	**266.00**	**1,674.70**
	2,499.80	23.90	0.30	-	-	439.60	2,963.60
Purchase of Assets/ Project Materials	**87.60**	**-**	**421.90**	**-**	**-**	**778.50**	**1,288.00**
	180.70	-	988.00	-	-	2,734.90	3,903.60
Sale of Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	0.40	-	-	-	-	-	0.40
Security /Lease deposits received	**39.10**	**-**	**-**	**-**	**-**	**-**	**39.10**
	-	-	-	-	-	-	-
Advance Received Back	-	-	-	-	-	-	-
	380.00	-	-	-	-	-	380.00
Lease and Other Advances refunded	**-**	**-**	**-**	**-**	**-**	**165.60**	**165.60**
	-	-	-	-	-	289.50	289.50
Loan given Received back	**74.40**	**-**	**-**	**-**	**-**	**-**	**74.40**
	27,699.80	-	-	-	-	-	27,699.80
Loan given	**4,132.80**	**-**	**-**	**-**	**-**	**-**	**4,132.80**
	9,770.70	-	-	-	-	-	9,770.70
Donation/CSR Expenses	**-**	**-**	**-**	**-**	**-**	**6.60**	**6.60**
	-	-	-	-	-	95.20	95.20

(Rs in Milion)

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Recovery of Expenses incurred by us on their behalf	**319.10**	**-**	**-**	**-**	**-**	**10.30**	**329.40**
	784.80	-	0.60	-	-	46.80	832.20
Investments / Share Application Money given during the Period	**1,568.10**	**-**	**473.50**	**-**	**-**	**-**	**2,041.60**
	6,108.20	-	347.40	-	-	-	6,455.60
Investments / Share Application Money refunded during the Period	**-**	**-**	**40.50**	**-**	**-**	**-**	**40.50**
	-	-	-	-	-	-	-
Remuneration to key managerial personnel	**-**	**-**	**-**	**216.50**	**0.70**	**-**	**217.20**
	-	-	-	268.10	1.20	-	269.30
Interest Paid	**-**	**-**	**-**	**-**	**-**	**25.80**	**25.80**
	-	**-**	**-**	**-**	**-**	**431.60**	**431.60**
Guarantees and collaterals provided by the Company on behalf	**3,256.80**	**-**	**-**	**-**	**-**	**-**	**3,256.80**
	30,072.90	-	-	-	-	-	30,072.90
2. Closing balance of related parties							
Trade payables	**2,650.80**	**91.10**	**14.30**	**-**	**-**	**4,311.70**	**7,067.90**
	425.80	114.40	4.80	-	-	2,286.80	2,831.80
Advance received from Customers	**-**	**-**	**-**	**-**	**-**	**199.50**	**199.50**
	-	-	-	-	-	5.20	5.20
Lease & Other deposit received	**57.20**	**38.30**	**130.00**	**-**	**-**	**206.90**	**432.40**
	18.20	38.30	130.00	-	-	206.90	393.40
Lease & Other deposit given	**-**	**-**	**-**	**-**	**-**	**2.90**	**2.90**
	-	-	-	-	-	-	-
Trade receivables	**9,219.90**	**-**	**130.10**	**-**	**-**	**1,133.10**	**10,483.10**
	4,706.80	-	21.50	-	-	1,423.40	6,151.70
Share Application Money Given	**69.00**	**-**	**155.10**	**-**	**-**	**-**	**224.10**
	-	-	146.30	-	-	-	146.30
Capital / Revenue Advance	**2,233.40**	**-**	**367.00**	**-**	**-**	**5,450.80**	**8,051.20**
	3,282.80	-	262.60	-	-	5,275.50	8,820.90
Loan and Advances given	**31,320.60**	**0.30**	**3.80**	**-**	**-**	**238.90**	**31,563.60**
	25,609.60	-	3.80	-	-	73.60	25,687.00

(Rs in Milion)

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Investments held by the Company	**40,041.90**	**272.70**	**2,156.20**	**-**	**-**	**4,376.20**	**46,847.00**
	38,543.20	272.70	1,732.00	-	-	4,376.20	44,924.10
Loans/Advances/Deposits Taken	**-**	**-**	**-**	**-**	**-**	**2,043.20**	**2,043.20**
	-	-	-	-	-	2,223.00	2,223.00
Guarantees and collaterals provided by the Company on behalf	**46,717.90**	**-**	**-**	**-**	**-**	**-**	**46,717.90**
	42,573.70	-	-	-	-	-	42,573.70

11. Earnings per share (EPS):

		Sept-14	Sept-14	March-14	Sept-13
		USD Million	Rs in Million		
Profit after tax		253.7	15,630.6	13,345.1	(1,195.1)
Less: dividend on preference shares (including corporate dividend tax)		2.7	167.4	326.5	163.2
Profit after tax for equity share holders (numerator)- basic / diluted (A)		2,509.7	154,63.2	13,018.6	(1,358.3)
Weighted average number of equity shares for basic EPS (denominator) (B)	Nos.		241,722,044	241,722,044	241,722,044
Weighted average number of equity shares for diluted EPS (denominator) (C)	Nos.		241,722,044	241,722,044	241,722,044
Earning per share – basic (A/B)	Rs./USD	1.0	64.0	53.9	(5.6)
Earning per share – diluted (A/C)	Rs./USD	1.0	64.0	53.9	(5.6)
Nominal value per share	Rs./USD		10	10	10

12. For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the period ended 30 September 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on 30 September 2014.

13. Figures of the previous year/period are regrouped and reclassified wherever necessary to correspond to figures of the current year. Figures of the previous year are not comparable on account of Composite Scheme of Amalgamation and Arrangement as referred to in note above

For JSW Steel Limited

SESHAGIRI RAO M.V.S
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

Place: Mumbai
Date: 30 OCTOBER 2014

DELOITTE HASKINS & SELLS ★ CHARTERED ACCOUNTANTS
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.

INDEPENDENT AUDITORS' REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF
JSW STEEL LIMITED

Introduction

We have reviewed the accompanying Condensed Consolidated Balance Sheet of JSW Steel Limited as on September 30, 2014 and the related Condensed Consolidated Statement of Profit and Loss and Condensed Consolidated Cash Flow Statement for the six month period then ended, and Selected Explanatory Notes.

Management is responsible for the preparation and fair presentation of this Interim Consolidated Financial Information in accordance with the Accounting Standard (AS) 25, 'Interim Financial Reporting', notified under the Companies Act, 1956 (which continue to be applicable as per section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on this Interim Consolidated Financial Information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Consolidated Financial Information are not prepared, in all material respects, in accordance with the Accounting Standard (AS) 25, 'Interim Financial Reporting', notified under the Companies Act, 1956 which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and other accounting principles generally accepted in India.

Emphasis of matter

We draw attention to Note B(3) to the accompanying Interim Consolidated Financial Information regarding the Company's assessment that no provision for impairment of Fixed Assets (Carrying amount as at September 30, 2014 – Rs. 47,294.8 million) is presently necessary pertaining to Steel Operations of JSW Steel (USA), Inc., in terms of Accounting Standard (AS) 28, Impairment of Asset, for the reasons stated in the note.

Our conclusion is not qualified in respect of this matter.

Other matters

We did not review the interim financial information of sixteen subsidiaries, whose interim financial information reflect total assets (net) of Rs.105,026.6 million as at September 30, 2014, total revenues of Rs.59,244.2 million and net cash flows amounting to Rs. (299.3) million for the six month period ended on that date as considered in the Interim Consolidated Financial Information. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

The Interim Consolidated Financial Information include the interim financial information of twenty six subsidiaries and eight jointly controlled entities which have not been reviewed by their auditors, whose interim financial information reflect total assets (net) of Rs.26,658.4 million as at September 30, 2014, total revenue of Rs.5,611.3 million and net cash flows amounting to Rs.143.9 million for the six month period ended on that date, as considered in the Interim Consolidated Financial Information. The Interim Consolidated Financial Information also includes the Group's share of net profit of Rs.15.9 million for the period ended September 30, 2014, as considered in the Interim Consolidated Financial Information, in respect of an associate, based on its interim financial information which has not been reviewed by its auditor. Our conclusion, in so far as it relates to the amounts included in respect of these subsidiaries, jointly controlled entities and an associate, is based solely on such unaudited interim financial information.

Our conclusion is not qualified in respect of these matters.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. Siddharth
Partner
(Membership No. 31467)

Mumbai, 30 October 2014

JSW STEEL LIMITED

CONDENSED CONSOLIDATED BALANCE SHEET

	USD in million	Rupees in million		
	As at 30.09.2014	As at 30.09.2014	As at 31.03.2014	As at 30.09.2013
I. EQUITY AND LIABILITIES				
(1) Shareholders' funds				
Share capital	173.2	10,671.9	10,671.9	10,671.9
Reserves and surplus	3,532.2	2,17,633.3	2,08,711.5	1,98,885.5
	3,705.4	2,28,305.2	2,19,383.4	2,09,557.4
Minority interest	24.1	1,487.1	1,670.1	2,010.6
(2) Non-current liabilities				
Long-term borrowings	4,479.9	2,76,019.5	2,67,026.2	2,37,126.2
Deferred tax liabilities (net)	459.6	28,318.0	21,234.2	14,212.3
Other long term liabilities	129.1	7,954.5	9,100.4	8,926.0
Long-term provisions	10.7	658.2	595.6	968.0
	5,079.3	3,12,950.2	2,97,956.4	2,61,232.5
(3) Current liabilities				
Short-term borrowings	873.1	53,797.1	48,870.9	43,941.5
Trade payables	2,022.3	1,24,601.8	1,16,993.2	1,54,149.9
Other current liabilities	1,465.0	90,261.9	87,900.3	87,717.7
Short-term provisions	1.4	87.0	3,624.6	94.3
	4,361.8	2,68,747.8	2,57,389.0	2,85,903.4
TOTAL	13,170.6	8,11,490.3	7,76,398.9	7,58,703.9
II ASSETS				
(1) Non-current assets				
Fixed assets				
Tangible assets	7,957.9	4,90,312.3	4,53,864.9	4,52,510.7
Intangible assets	15.0	922.6	975.9	854.6
Capital work-in-progress	1,114.0	68,637.3	93,289.7	75,896.7
Intangible assets under development	32.5	2,002.0	707.8	185.0
	9,119.4	5,61,874.2	5,48,838.3	5,29,447.0
Goodwill on consolidation	258.5	15,929.4	15,618.6	16,251.3
Non-current investments	90.2	5,557.4	5,947.3	5,200.6
Deferred tax assets (net)	0.4	25.8	-	1,243.2
Long-term loans and advances	851.1	52,440.1	51,317.0	53,217.9
Other non-current assets	2.9	179.7	175.0	250.5
	10,322.5	6,36,006.6	6,21,896.2	6,05,610.5
(2) Current assets				
Current investments	-	-	680.1	741.2
Inventories	1,679.4	1,03,472.1	81,551.2	77,924.8
Trade receivables	444.2	27,371.5	22,924.4	29,018.6
Cash and cash equivalents	82.0	5,050.5	6,629.7	10,222.3
Short-term loans and advances	642.5	39,589.6	42,717.3	35,186.5
	2,848.1	1,75,483.7	1,54,502.7	1,53,093.4
TOTAL	13,170.6	8,11,490.3	7,76,398.9	7,58,703.9

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

A SIDDHARTH
Partner

For JSW Steel Limited

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

Place: Mumbai,
Dated: 30 OCTOBER 2014

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.

JSW STEEL LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	USD million	Rupees in million		
	For the period Ended 30.09.2014	For the period Ended 30.09.2014	For the Year Ended 31.03.2014	For the period Ended 30.09.2013
I. Revenue from operations	4,772.0	2,94,018.3	5,54,315.1	2,53,380.7
Less: Excise duty	365.7	22,529.7	42,118.9	20,836.3
	4,406.3	2,71,488.6	5,12,196.2	2,32,544.4
II. Other income	13.0	801.5	858.1	702.5
III. Total revenue (I + II)	4,419.3	2,72,290.1	5,13,054.3	2,33,246.9
IV. Expenses:				
Cost of materials consumed	2,660.1	1,63,899.4	3,02,217.9	1,39,959.5
Purchases of stock-in-trade	23.9	1,473.6	2,155.8	1,113.5
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(236.6)	(14,579.5)	(1,921.8)	(4,667.3)
Cost of construction	2.5	156.4	887.9	327.2
Employee benefits expense	123.6	7,613.8	12,982.4	6,488.8
Finance costs	275.7	16,985.1	30,478.6	14,743.0
Depreciation and amortization	267.2	16,463.0	31,826.1	15,528.9
Other expenses	955.9	58,896.4	1,04,219.4	47,048.3
Total expenses	4,072.3	2,50,908.2	4,82,846.3	2,20,541.9
V. Profit before exceptional items and tax (III-IV)	347.0	21,381.9	30,208.0	12,705.0
VI Exceptional items				
Exchange loss (net)	-	-	17,127.5	17,127.5
VII Profit before tax (V-VI)	347.0	21,381.9	13,080.5	(4,422.5)
VIII Tax expenses:				
Current tax	82.0	5,051.1	4,441.2	129.4
Deferred tax	118.3	7,291.6	9,043.3	776.5
Less: MAT credit entitlement	(77.6)	(4,778.6)	(4,283.7)	(37.1)
	122.7	7,564.1	9,200.8	868.8
IX Profit after taxation but before minority interests and share of profits/loss of associates (VII-VIII)	224.3	13,817.8	3,879.7	(5,291.3)
X Share of (losses) / profit of minority	(3.6)	(218.8)	(504.4)	(240.4)
XI Share of (losses) / profit from associates (net)	0.3	15.9	135.4	77.2
XII Profit for the year (IX-X+XI)	228.2	14,052.5	4,519.5	(4,973.7)
X Earnings per equity share:				
(1) Basic	0.93	57.44	17.35	(21.25)
(2) Diluted (see note)	0.93	57.44	17.35	(21.25)

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

A SIDDHARTH
Partner

For JSW Steel Limited

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

Place: Mumbai,
Dated: 30 OCTOBER 2014

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.

JSW STEEL LIMITED

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	USD in million	Rupees in million		
	period Ended 30.09.2014	period Ended 30.09.2014	Year Ended 31.03.2014	period Ended 30.09.2013
A. Net cash generated from operating activities	509.8	31,408.9	25,935.2	21,799.9
B. Net cash used in investing activities	(499.5)	(30,777.7)	(56,712.6)	(34,587.4)
C. Net cash (used in)/generated from financing activities	(39.2)	(2,412.4)	33,004.6	12,830.4
D. Net (decrease)/increase in cash and cash equivalents	(28.9)	(1,781.2)	2,227.2	42.9
E. Cash and cash equivalents at beginning of period	93.4	5,756.0	3,023.8	3,023.8
F. Cash and cash equivalents at end of period	64.5	3,974.8	5,756.0	3,571.7

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

A SIDDHARTH
Partner

For JSW Steel Limited

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

Place: Mumbai,
Dated: 30 OCTOBER 2014

DELOITTE HASKINS & SELLS LLP
Indiabulls Finance Centre,
Tower 3, 27th - 32nd Floor,
Senapati Bapat Marg,
Elphinstone (West),
Mumbai - 400 013.
CHARTERED ACCOUNTANTS

JSW Steel Limited (Consolidated)

A) ACCOUNTING POLICY

These condensed consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP), using the same accounting policies that were applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2014, except as described in Note B(6).

B) CONDENSED EXPLANATORY NOTES

				USD in million	Rs in million		
				As at 30-Sept-14	As at 30-Sept-14	As at 31-Mar-14	As at 30-Sept-13
1)	**Contingent liabilities:**						
	a)		Bills Discounted	562.2	34,640.6	35,951.9	30,898.8
	b)		Guarantees	24.0	1,480.5	1,458.3	218.5
	c)		Disputed claims/levies (excluding interest, if any), in respect of:				
		(i)	Excise Duty	98.3	6,057.5	5,125.9	2,703.1
		(ii)	Custom Duty	74.2	4,574.0	4,689.0	6,872.7
		(iii)	Income Tax	51.8	3,194.2	17.4	17.4
		(iv)	Sales tax/ Special entry tax	41.8	2,572.5	2,461.5	2,461.5
		(v)	Service tax	31.2	1,921.8	1,561.0	1,260.8
		(vi)	Miscellaneous	0.0	0.5	10.5	11.8
		(vii)	Levies by local authorities	0.5	30.4	30.4	559.4
		(viii)	Claims by suppliers and other parties (including for Forest Development Tax)	198.3	12,217.7	12,159.8	10,059.8
			In 2008, the State of Karnataka levied a Forest Development Tax (FDT) treating iron ore as a forest produce. Writ petitions filed by various stakeholders challenging the levy before Karnataka High Court are pending disposal. The Management of the Company has been legally advised that this is a fairly arguable case from the company's perspective and accordingly, the tax is considered as recoverable. Tax payments made under protest in the earlier years/tax payable are considered as 'contingent liabilities'.				
	d)		Arrears of fixed cumulative dividend on preference shares (CPRS)	0.1	4.6	4.6	1.9
2)	**Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)**			719.6	44,338.0	37,792.6	47,046.5
3)	**Other Commitments:**						
	The Group has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports. Such export obligations at year end aggregate to			132.2	8,144.4	39,735.1	118,657.4

2. On 3rd May 2013 the Bombay High Court sanctioned a Composite Scheme of Amalgamation and Arrangement (Scheme) under sections 391 to 394 of the Companies Act, 1956 amongst JSW Steel Limited, JSW Ispat Steel Limited, JSW Building Systems Limited, JSW Steel Coated Products Limited and their respective shareholders and creditors with 1 July 2012 being the appointed date. The certified copy of the scheme is filed with the Registrar of Companies (RoC) on June 1, 2013. Accordingly, effect of the scheme is considered in the financial statements of 2013-14.

3. As at 30th September, 2014, the carrying amounts of the fixed assets (the cash generating unit) of Rs. 47,294.8 million (equivalent USD 767.6 million) pertain to steel operations at JSW Steel (USA) Inc, a subsidiary of the Company. In view of the losses from operations of the subsidiary in last few years, the Management of the Company has considered valuations of its fixed assets carried out by an independent external valuer and concluded that there is no provision for impairment is presently necessary with respect to carrying amounts of the CGU in terms of Accounting Standard (AS) 28, Impairment of Asset.

4. Trade receivable include Rs. 1840.2 million (equivalent USD 29.9 million) (as at 31 March 2014 – Rs 1840.2 million, As at 30 September 2013 – Rs. 1840.2 million) recoverable from a customer towards supply of steel. The customer has applied for corporate debt restructuring to CDR Cell and mentioned JSW Steel as their "critical and essential supplier" whose dues needs to be paid on priority basis. The scheme was approved by CDR empowered group during the year. Based on these developments, the company is reasonably confident about the recoverability of the said amount.

5. Pursuant to the order of the Honourable Supreme Court dated 24 September 2014 regarding cancellation of the allotment of coal blocks, the Group has made an assessment of recoverable amounts of investments in and loans and advances to the subsidiaries, joint ventures and associates affected by the said order and recognized provision of Rs 212.0 million (equivalent USD 3.4 million) as at 30 September 2014, considering the principle of conservatism. The Company has filed a Review Petition in the Honourable Supreme Court seeking review of the said order relating to cancellation of allocations of the coal blocks to the aforesaid companies.

6. Pursuant to Companies Act 2013 (the Act), becoming effective from 1 April 2014,the Group has re-worked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act or useful life of fixed assets as per technical evaluation. As a result the charge for depreciation is lower by Rs. 1,035.2 million (equivalent USD 16.8 million) for the half year ended 30 September 2014 Further based on transitional provision in Note 7 (b) of Schedule II ,an amount of Rs.475.5 million (equivalent USD 7.7 million) (net of deferred tax) has been adjusted against the retained earnings.

7. **Segment reporting:**

The group is primarily engaged in the business of manufacture and sale of iron and steel products. The group has identified primary business segments, namely steel, power (used mainly for captive consumption) and others, which in the context of Accounting Standard 17 on "Segment Reporting" constitute reportable segments.

Particulars	USD in million	Rs is million		
	For the period ended 30.09.2014	For the period ended 30.09.2014	For the year ended 31.03.2014	For the period ended 30.09.2013
Revenue by Business Segment :				
Steel	4396.8	270,899.9	515,320.4	234,278.0
Power	312.4	19,247.2	40,783.3	20,393.4
Others	85.1	5,241.3	7,635.8	3,228.6
Total	4794.3	295,388.4	563,739.5	257,900.0
Less: Inter segment revenue	387.9	23,899.8	51,543.3	25,355.6
Total Income	**4406.4**	**271,488.6**	**512,196.2**	**232,544.4**
Segment results before Finance Costs and tax:				
Steel	500.5	30,836.1	46,288.1	20,086.3
Power	128.4	7,912.9	14,393.6	6,992.6
Others	(7.2)	(444.5)	(142.4)	58.4
Total	621.7	38,304.5	60,539.3	27,137.3
Less: Unallocable items				
Finance Costs	275.7	16,985.1	30,478.6	14,743.0
Exceptional Item :Exchange Loss (net)	-	-	17,127.5	17,127.5
Unallocable expense net of unallocable income	(4.8)	(297.2)	(787.1)	(628.3)
Profit / (Loss) before Tax and after Share of Profit/(Loss) of Minority and Share of Profits / (Losses) of Associates (Net)	**350.8**	**21,616.6**	**13,720.3**	**(4,104.9)**
Segment Capital Employed :				
(Segment assets less Segment liabilities)				
Steel	8706.0	536,409.9	513,309.5	462,846.8
Power	335.0	20,638.0	21,936.0	18,967.7
Others	260.8	16,069.3	15,226.4	133,69.7
Unallocated	(5,572.2)	(343,324.9)	(329,418.4)	(283,616.2)
Total	**3,729.6**	**229,792.3**	**221,053.5**	**211,568.0**

1. Inter segment transfer from the power segment is measured at the rate at which power is purchased from/sold to the respective electricity board.
2. Inter segment transfer from the steel segment is measured on the basis of fuel cost.
3. Other business segment represents cement, mining and construction activities.

8. **Related Parties disclosure as per Accounting Standard (AS) – 18:**

A) List of Related Parties:

	Parties with whom the group has entered into transactions during the year / where control exists :
1	**Associates**
	Jindal Praxair Oxygen Company Private Limited
2	**Joint ventures**
	Vijayanagar Minerals Private Limited
	Rohne Coal Company Private Limited
	Gourangdih Coal Limited
	Toshiba JSW Turbine and Generator Private Limited
	JSW Severfield Structures Limited
	Geo Steel LLC
	MJSJ Coal Limited
	JSW Structural Metal Decking Limited
	JSW MI Steel Service Center Private Limited
	JSW Vallabh Tinplate Private Limited
3	**Key management personnel**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
4	**Relative of key management personnel**
	Mr. Parth Jindal
5	**Enterprises over which key management personnel and relatives of such personnel exercise significant influence**
	JSW Energy Limited
	JSL Limited
	JSW Realty & Infrastructure Private Limited
	Jindal Saw Limited
	Jindal Saw USA LLC
	Jindal Steel & Power Limited
	JSOFT Solutions Limited
	Jindal Industries Limited
	JSW Cement Limited
	JSW Jaigarh Port Limited
	Reynold Traders Private Limited
	Raj West Power Limited
	JSW Power Trading Company Limited
	JSW Aluminim Limited

	Parties with whom the group has entered into transactions during the year / where control exists :
	O P Jindal Foundation
	JSW Infrastructure Limited
	South West Port Limited
	JSW Techno Projects Management Limited
	Sapphire Technologies Limited
	St . James Invetsment Limited
	South West Mining Limited
	JSL Architecture Limited
	JSW Projects Limited
	JSW Bengaluru Football Club Private Limited
	JSW Foundation
	Jindal Technologies & Management Services Private Limited
	JITF Shipping & Logistics (Singapore) PTE Limited
	M/S Shadeed Iron & Steel Co. LLC
	JSW International Tradecorp PTE Limited
	Dolvi Coke Projects Limited
	Dolvi Minerals & Metals Private Limited
	AVH Private Limited
	Jindal Stainless Steelway Ltd
	Windsor Residency Private Limited

Rupees in million

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
B) Transactions with Related Parties						
Purchase of Goods / Power & Fuel / Services	**1,027.4**	**1.2**	**-**	**-**	**27,456.6**	**28,485.2**
	1,935.9	175.8	-	-	25,486.8	27,598.5
Material Taken on Loan given back	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	318.0	318.0
Reimbursement of Expenses incurred on our behalf by	**-**	**-**	**-**	**-**	**18.1**	**18.1**
	-	0.7	-	-	15.5	16.2
Interest Expenses	**-**	**-**	**-**	**-**	**0.7**	**0.7**
	-	-	-	-	82.4	82.4
Sales of Goods/Power & Fuel	**28.5**	**830.8**	**-**	**-**	**9,535.3**	**10,394.6**
	80.4	251.0	-	-	19,391.2	19,722.6
Other Income/ Other Operating Income	**373.8**	**0.4**	**-**	**-**	**266.0**	**640.2**
	23.9	0.2	-	-	452.2	476.3
Purchase of Assets/ Project Materials	**-**	**211.0**	**-**	**-**	**778.5**	**989.5**
	-	494.0	-	-	2,734.9	3,228.9

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Lease and Other Advances refunded	**-**	**-**	**-**	**-**	**165.6**	**165.6**
	-	-	-	-	289.5	289.5
Donation/CSR Expenses	**-**	**-**	**-**	**-**	**6.6**	**6.6**
	-	-	-	-	95.2	95.2
Recovery of Expenses incurred by us on their behalf	**-**	**-**	**-**	**-**	**10.4**	**10.4**
	-	4.7	-	-	47.8	52.5
Investments / Share Application Money given during the Period	**-**	**236.8**	**-**	**-**	**-**	**236.8**
	-	258.1	-	-	-	258.1
Investments / Share Application Money refunded during the Period	**-**	**24.3**	**-**	**-**	**-**	**24.3**
	-	-	-	-	-	-
Remuneration to key managerial personnel	**-**	**-**	**195.1**	**0.6**	**-**	**195.7**
	-	-	268.2	1.2	-	269.4
Interest Paid	**-**	**-**	**-**	**-**	**25.8**	**25.8**
	-	-	-	-	431.6	431.6
C) Closing balance of related parties						
Trade payables	**91.1**	**7.7**	**-**	**-**	**5,033.1**	**5,131.9**
	114.4	21.8	-	-	2,910.8	3,047.0
Notes Payable	**-**	**-**	**-**	**-**	**2,649.4**	**2,649.4**
	-	-	-	-	2,584.3	2,584.3
Advance recieved from Customers	**-**	**-**	**-**	**-**	**208.7**	**208.7**
	-	-	-	-	12.6	12.6
Lease & Other deposit received	**38.3**	**65.0**	**-**	**-**	**206.9**	**310.2**
	38.3	65.0	-	-	206.9	310.2
Lease & Other deposit given	**-**	**-**	**-**	**-**	**2.9**	**2.9**
	-	-	-	-	-	-
Trade receivables	**-**	**65.1**	**-**	**-**	**1,139.6**	**1,204.7**
	-	10.8	-	-	1,427.6	1,438.4
Share Application Money Given	**-**	**41.7**	**-**	**-**	**-**	**41.7**
	-	77.2	-	-	-	77.2
Capital / Revenue Advance	**-**	**186.8**	**-**	**-**	**5,395.0**	**5,581.8**
	-	131.3	-	-	5,148.1	5,279.4
Loan and Advances given	**0.3**	**-**	**-**	**-**	**298.8**	**299.1**
	-	-	-	-	208.2	208.2
Investments held by the Company	**272.7**	**279.1**	**-**	**-**	**4,376.2**	**4,928.0**
	272.7	272.0	-	-	4,504.3	5,049.0
Loans/Advances/Deposits Taken	**-**	**-**	**-**	**-**	**2,043.2**	**2,043.2**
	-	-	-	-	2,223.0	2,223.0

Figures in bold represent current period numbers

9. **Earnings per share (EPS):**

		USD in million	Rs is million		
		For the period ended	For the period ended	For the year ended	For the period ended
		30.09.2014	30.09.2014	31.03.2014	30.09.2013
Profit after tax		228.2	14,052.5	4,519.5	(4,973.7)
Less: Dividend on preference shares (including corporate dividend tax)		2.7	167.4	326.5	163.2
Profit after tax for equity share holders (numerator)- basic / diluted (A)		225.5	13,885.1	4,193.0	(5,136.9)
Weighted average number of equity shares for basic EPS (denominator) (B)	Nos.	241,722,044	241,722,044	241,722,044	241,722,044
Weighted average number of equity shares for diluted EPS (denominator) (C)	Nos.	241,722,044	241,722,044	241,722,044	241,722,044
Earnings per share - basic (A/B)	USD/Rs.	0.93	57.44	17.35	(21.25)
Earnings per share - diluted (A/C)	USD/Rs.	0.93	57.44	17.35	(21.25)
Nominal value per share	Rs.		10	10	10

10. For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the period ended 30 September 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on 30 September 2014.

11. Figures of the previous year/period are regrouped and reclassified wherever necessary to correspond to figures of the current period.

For JSW Steel Limited

SESHAGIRI RAO M.V.S
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

Place: Mumbai
Date: 30 OCTOBER 2014

Deloitte Haskins & Sells LLP ★ Chartered Accountants ★ Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.

REPORT OF THE INDEPENDENT AUDITOR ON
NON-CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of
JSW Steel Limited

1) The accompanying Non-consolidated Financial Statements of **JSW STEEL LIMITED**, which comprise the Balance Sheets as at March 31, 2014, March 31, 2013 and March 31, 2012, and also the Statements of Profit and Loss and the Cash Flow Statements for the years then ended on these dates, and a summary of the significant accounting policies and other explanatory information are derived from the Audited Non-consolidated Financial Statements of the Company for the respective years audited by us as detailed in paragraph 2(a) to 2(d) below.

2) (a) We expressed our unmodified opinions on the Audited Non-consolidated Financial statements of the Company for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 vide our reports dated May 27, 2014, May 23, 2013 and May 14, 2012 respectively. Refer paragraph 2 (b) to 2 (d) below for the emphasis of matter paragraph of these Audited Non-consolidated Financial Statements.

(b) Our report on the Audited Non-consolidated Financial Statements of the Company for the year ended March 31, 2014 included an emphasis of matter which drew reference to Note 26(5) to the Audited Non-consolidated Financial Statements, relating to the Company's assessment that no provision was necessary against the carrying amounts of investments and loans aggregating to Rs.20,074.6 million and with respect to financials guarantees of Rs.27,525.7 million relating to JSW Steel (USA) Inc., a subsidiary of the Company, for the reasons stated in the note.

(c) Our report on the Audited Non-consolidated Financial Statements of the Company for the year ended March 31, 2013, Included following emphasis of matter which drew reference to:

i) Note 26(4) relating to the Scheme of Amalgamation and Arrangement sanctioned by the Bombay High Court on 3rd May 2013. "The certified copy of the Court Order is awaited, on receipt of which the Company will initiate requisite formalities to give effect to the Scheme. Accordingly therefore, the accounting treatment laid out in the Scheme and consequential adjustments that would arise will be dealt with by the Company in the Financial Statements, once the Scheme is implemented."

ii) Note 26(5) relating to the Company's assessment that no provision against the carrying amounts of its long term strategic investment and loans relating to its subsidiary, JSW Steel (USA) Inc., of Rs.31,556.5 million was necessary, for the reasons stated in the note.

(d) Our report on the Audited Non-consolidated Financial Statements of the Company for the year ended March 31, 2012, included an emphasis of matter which drew reference to Note 26(4) relating to the Company's assessment that no provision against the carrying amounts of its long term strategic investment and loans extended to its subsidiary, JSW Steel (USA) Inc. of Rs.19,484.1 million was necessary, for the reasons stated in the note.

3) The Non-consolidated Financial Statements, do not reflect the effect of events that occurred subsequent to the date of our reports on the respective years referred to in paragraph 2(a) above.

4) The amounts for the year ended and as at March 31,2014 expressed in U.S. Dollars, provided as supplementary information solely for convenience of the reader, have been translated on the basis set forth in Note 26(20) to the Non-consolidated Financial Statements.

5) **Management's Responsibility for the Non-consolidated Financial Statements**

Management is responsible for the preparation of a Non-consolidated Financial Statements from the Audited Non-consolidated Financial Statements of the respective years ended March 31, 2014, March 31, 2013 and March 31, 2012 on the basis described in Note 1(1) to the Non-consolidated Financial Statements.

6) **Auditor's Responsibility**

Our responsibility is to express an opinion on the Non-consolidated Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

7) **Opinion**

In our opinion, the Non-consolidated Financial Statements derived from the Audited Non-consolidated Financial Statements of the Company for the respective years are a compilation of those Audited Non-consolidated Financial Statements on the basis described in Note 1(1) to the Non-consolidated Financial Statements.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. Siddharth
Partner
(Membership No. 31467)

Mumbai, 30 October 2014

JSW STEEL LIMITED

BALANCE SHEET

		Note No.	(USD Million) As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	(Rupees in Million) As at 31.03.2012
I.	**EQUITY AND LIABILITIES**					
(1)	**Shareholders' funds**					
	Share capital	2	173.2	10,671.9	5,631.8	5,631.8
	Reserves and surplus	3	3,768.2	232,169.9	193,741.9	179,343.1
			3,941.4	242,841.8	199,373.7	184,974.9
(2)	**Non-current liabilities**					
	Long-term borrowings	4	3,417.2	210,543.2	154,342.6	115,280.9
	Deferred tax liabilities (Net)	5	309.8	19,085.1	34,502.3	30,120.9
	Other long term liabilities	6	75.7	4,664.0	1,940.6	827.2
	Long-term provisions	7	6.6	406.7	395.1	329.0
			3,809.3	234,699.0	191,180.6	146,558.0
(3)	**Current liabilities**					
	Short-term borrowings	8	636.4	39,206.6	11,095.3	7,741.3
	Trade payables	9	1,621.6	99,912.5	92,743.6	91,844.5
	Other current liabilities	10	1,041.2	64,159.7	48,739.8	71,825.2
	Short-term provisions	11	55.8	3,437.2	3,020.5	2,269.2
			3,355.0	206,716.0	155,599.2	173,680.2
	TOTAL		11,105.7	684,256.8	546,153.5	505,213.1
II	**ASSETS**					
(1)	**Non-current assets**					
	Fixed assets	12				
	Tangible assets		6,041.7	372,251.2	276,044.7	270,716.9
	Intangible assets		11.4	699.6	343.2	188.9
	Capital work-in-progress		1,102.0	67,896.6	50,339.7	24,767.7
	Intangible assets under development		11.0	678.1	405.7	270.4
			7,166.1	441,525.5	327,133.3	295,943.9
	Non-current investments	13	700.0	43,128.5	44,956.1	42,122.0
	Long-term loans and advances	14	805.2	49,614.7	30,839.9	26,514.4
	Other non-current assets	15	-	-	0.8	15.8
			8,671.3	534,268.7	402,930.1	364,596.1
(2)	**Current assets**					
	Current investments	16	11.0	677.0	1,404.5	2,012.2
	Inventories	17	1,005.8	61,965.7	47,991.0	51,790.8
	Trade receivables	18	360.1	22,187.4	18,622.0	12,846.2
	Cash and cash equivalents	19	75.6	4,657.2	14,017.9	29,560.2
	Short-term loans and advances	14	981.9	60,500.8	61,188.0	44,407.6
			2,434.4	149,988.1	143,223.4	140,617.0
	TOTAL		11,105.7	684,256.8	546,153.5	505,213.1

Significant Accounting Policies 1

The accompanying Notes 1 to 26 are an integral part of the financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For JSW Steel Limited

A Siddharth
Partner

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai,
Dated: 30 OCTOBER 2014

LANCY VARGHESE
Company Secretary

DELOITTE HASKINS & SELLS LLP ★ CHARTERED ACCOUNTANTS ★
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.

JSW STEEL LIMITED

STATEMENT OF PROFIT AND LOSS

		Note no.	(USD Million) For the Year Ended 31.03.2014	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013	(Rupees in Million) For the Year Ended 31.03.2012
I	Revenue from operations	20	8,000.8	492,954.3	388,675.9	347,206.7
	Less: Excise duty		648.8	39,977.1	33,757.8	25,980.1
			7,352.0	452,977.2	354,918.1	321,226.6
II	Other income	21	53.8	3,310.5	2,608.8	1,793.0
III	Total revenue (I + II)		7,405.8	456,287.7	357,526.9	323,019.6
IV	Expenses:					
	Cost of materials consumed		4,334.4	267,058.2	225,903.7	209,601.1
	Purchases of stock-in-trade		80.3	4,948.1	100.0	775.0
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(39.7)	(2,441.0)	(1,724.6)	(2,978.1)
	Employee benefits expense	23	129.8	7,995.8	6,709.7	6,258.7
	Finance costs	24	444.7	27,401.3	17,244.8	11,864.1
	Depreciation and amortization	12	442.4	27,258.8	19,738.9	17,081.7
	Other expenses	25	1,421.6	87,590.2	60,841.1	51,261.9
	Total expenses		6,813.5	419,811.4	328,813.6	293,864.4
V	Profit before exceptional items and tax (III-IV)		592.3	36,476.3	28,713.3	29,155.2
VI	Exceptional items					
	Exchange loss (net)	26(8)	274.7	16,923.0	3,672.1	8,209.6
VII	Profit before tax (V-VI)		317.6	19,553.3	25,041.2	20,945.6
VIII	Tax expenses:					
	Current tax		66.5	4,098.0	5,014.0	4,023.9
	Deferred tax		100.8	6,208.2	4,956.0	7,538.0
	Less: MAT credit entitlement		(66.5)	(4,098.0)	(2,941.0)	(6,874.9)
			100.8	6,208.2	7,029.0	4,687.0
IX	Profit for the year (VII-VIII)		216.8	13,345.1	18,012.2	16,258.6
X	Earnings per equity share:	26(15)				
	Basic		0.90	53.86	79.28	71.42
	Diluted (see note)		0.90	53.86	79.28	71.42

Significant Accounting Policies 1

The accompanying Notes 1 to 26 are an integral part of the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

For JSW Steel Limited

A Siddharth
Partner

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai,
Dated: 30 OCTOBER 2014

LANCY VARGHESE
Company Secretary

DELOITTE HASKINS & SELLS LLP ★ CHARTERED ACCOUNTANTS ★
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.

JSW STEEL LIMITED

CASH FLOW STATEMENT

			(USD Million)						(Rupees in Million)
			For the year ended 31.03.2014		For the year ended 31.03.2014		For the year ended 31.03.2013		For the year ended 31.03.2012
A.	CASH FLOW FROM OPERATING ACTIVITIES								
	NET PROFIT BEFORE TAX		317.6		19,553.3		25,041.2		20,945.6
	Adjustments for :								
	Depreciation and amortisation	442.4		27,258.8		19,738.9		17,081.7	
	Loss on sale of fixed assets	0.7		44.6		23.0		(0.8)	
	Income from current investments	(2.8)		(171.5)		(167.9)		(149.0)	
	Profit on sale of long term investment	(1.1)		(65.6)		(157.9)		(164.5)	
	Interest income	(39.8)		(2,451.6)		(2,224.1)		(1,384.6)	
	Dividend income	(3.6)		(222.3)		(58.9)		(86.7)	
	Interest expenses	344.9		21,249.2		12,706.8		8,003.7	
	Unrealised exchange loss / (gain)	32.0		1,970.6		(1,419.7)		2,538.5	
	Amortisation of employees share payments	-		-		57.0		102.8	
	Provision for diminution in value of investments	-		-		5.8		13.7	
			772.7		47,612.2		28,503.0		25,954.8
	Operating profit before working capital changes		1,090.3		67,165.5		53,544.2		46,900.4
	Adjustments for :								
	(Increase) / Decrease in inventories	(134.6)		(8,290.5)		3,799.8		(10,406.7)	
	Decrease/ (Increase) in trade receivables*	80.1		4,936.2		(5,775.8)		(5,233.8)	
	Decrease/ (Increase) in loans and advances*	250.5		15,436.6		(6,431.7)		(29,664.2)	
	Increase in liabilities*	(368.9)		(22,752.6)		(1,133.2)		23,725.2	
	(Decrease)/Increase in provisions*	(3.7)		(225.5)		66.1		43.4	
			(176.6)		(10,895.8)		(9,474.8)		(21,536.1)
	Cash flow from Operations		913.7		56,269.7		44,069.4		25,364.3
	Direct Taxes Paid		(57.3)		(3,527.9)		(4,822.8)		(3,971.1)
	NET CASH GENERATED FROM OPERATING ACTIVITIES		856.4		52,741.8		39,246.6		21,393.2
B.	CASH FLOW FROM INVESTING ACTIVITIES								
	Purchase of fixed assets including capital advances		(715.8)		(44,100.7)		(45,568.9)		(37,744.1)
	Proceeds from sale of fixed assets		1.8		109.3		75.3		47.6
	Investment in subsidiaries and joint ventures including advances		(104.8)		(6,455.5)		(2,682.0)		(3,650.2)
	Purchase of other long term investments (net)		(9.1)		(560.6)		-		(2.9)
	Purchase/Sale of current investments (net)		15.0		927.2		775.6		806.8
	Interest received		40.3		2,482.6		2,828.8		1,174.8
	Dividend received		3.6		222.3		58.9		86.7
	NET CASH USED IN INVESTING ACTIVITIES		(769.0)		(47,375.4)		(44,512.3)		(39,281.3)
C	CASH FLOW FROM FINANCING ACTIVITIES								
	Proceeds from long term borrowings		629.7		38,798.1		52,378.7		58,717.3
	Repayment of long term borrowings		(692.6)		(42,673.6)		(38,723.0)		(14,318.9)
	Short term borrowings (net)		416.2		25,646.4		3,367.1		(11,391.1)
	Interest paid		(361.6)		(22,280.1)		(13,513.8)		(9,830.4)
	Dividend paid (including corporate dividend tax)		(51.2)		(3,154.5)		(2,269.2)		(3,500.9)
	NET CASH GENERATED FROM FINANCING ACTIVITIES		(59.5)		(3,663.7)		1,239.8		19,676.0
	NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)		27.9		1,702.7		(4,025.9)		1,787.9
	CASH AND CASH EQUIVALENTS - OPENING BALANCE		33.0		2,030.7		6,056.6		4,268.7
	On Account of Composite Scheme of Amalgamation and Arrangement (refer note 26(4))		8.1		501.6		-		-
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE #		69.0		4,235.0		2,030.7		6,056.6
	Add : Other Cash and Bank Balances		3.1		190.8		11,793.9		23,295.2
	Add : Balance in debenture interest/ installments/dividend payment accounts		3.8		231.4		193.3		208.4
	CASH AND CASH EQUIVALENTS (As per Note 19)		75.9		4,657.2		14,017.9		29,560.2
	# Cash and cash equivalents (refer note 19)		72.6		4,466.4		5,882.4		12,594.7
	Less : Earmarked balances included above		3.6		231.4		3,851.7		6,538.1
	Cash and cash equivalents considered for cash flow		69.0		4,235.0		2,030.7		6,056.6

* Includes current and non current

Note

The cash flow statement is prepared using the "indirect method" set out in Accounting Standard 3 "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the cash flow statement consist of cash on hand and unencumbered, highly liquid bank balances.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

A Siddharth
Partner

RAJEEV PAI
Chief Financial Officer

For JSW Steel Limited

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

Place: Mumbai,
Dated: 30 OCTOBER 2014

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of accounting**

   The accompanying financial statements have been prepared under the historical cost convention on an accrual basis except for the assets and liabilities acquired under the composite scheme of Amalgamation and Arrangement which are recorded at respective fair values, in accordance with Indian Generally Accepted Accounting Principles (GAAP), Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") {which continues to be applicable in respect of section 133 of the Companies Act, 2013 ("the 2013 Act) in terms of general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs} and the relevant provisions of the 1956 Act / 2013 Act, as applicable.

2. **Use of estimates**

   The preparation of financial statements requires estimates and assumptions to be made that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions in the estimates are recognized in the periods in which the results are known/materialize.

3. **Tangible Assets**

   Tangible Assets are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses, if any.

   Cost of acquisition comprise all costs including purchase price net of trade discounts and rebates, non-recoverable taxes, levies and duties and directly attributable costs to bring the asset to its present location and working condition up to the date the assets are put to use . Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to specific assets up to the date the assets are put to use. Borrowing costs incurred for qualifying assets (i.e. the assets that take substantial period of time to get ready for its intended use) is capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

4. Intangible Assets

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

5. Depreciation and amortisation

Depreciation on assets is provided, pro-rata for the period of use, by the Straight Line Method (SLM) at the rates prescribed in Schedule XIV to the Act.

Depreciation on assets, acquired under the Composite Scheme of Amalgamation and Arrangement, is provided, pro-rata for the period of use, by the SLM at the rates prescribed in Schedule XIV to the Act or at the SLM rates derived per independent, technical estimate of useful life, whichever is higher.

Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.

Intangible assets are amortised over the best estimate of their useful lives, subject to a rebuttable presumption that such useful lives will not exceed ten years. Software is depreciated over an estimated useful life of 3 to 5 years.

6. Impairment

The carrying values of assets /cash generating units at each balance sheet date are reviewed for impairment in accordance with Accounting Standard 28 "Impairment of Assets". If any indication of impairment exists, the recoverable amount (i.e. the higher of the asset's net selling price and value in use) of such assets is estimated and impairment is recognized if the carrying amount of these assets exceeds their recoverable amount. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount but limited to the carrying amount that would have been determined (net of depreciation / amortisation) had no impairment loss been recognised in prior accounting periods.

7. Investments

Investments are classified as current or long-term in accordance with Accounting Standard (AS) 13, Accounting for Investments.

Long term investments are carried at cost or at fair value of investments acquired under the Composite Scheme of Amalgamation and Arrangement. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments. Current investments are carried at lower of cost and fair value.

8. Revenue recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

Sale of Goods

Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained by the Company. Revenue from sale of goods is recognised gross of excise duty, and net of rebates and discounts, and sales tax and value added tax. Excise duty recovered is presented as a reduction from gross turnover. Export turnover includes related export benefits.

Gain arising on pre-payment of deferred Value Added Tax (VAT)/Sales Tax at discounted rate are accounted on payment of VAT to authority.

9. Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for, when the right to receive income is established.

10. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by the weighted average cost method.

Excise duty related to finished goods stock is included under changes in inventories of finished goods, work-in-progress and stock-in-trade (Refer note 22).

11. Borrowing costs

Borrowing costs not attributable to the acquisition or construction of qualifying assets are expensed as incurred.

12. Employee benefits

Employee benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense in the statement of profit and loss in the period in which the service is rendered.

Employee benefits under defined benefit plans, such as gratuity and compensated absences which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The company's obligations recognized in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

13. Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.
ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized in the statement of profit and loss over the balance life of the long-term monetary item, however that the period of amortization does not extend beyond 31 March 2020.

All other exchange differences are dealt with in the statement of profit and loss.

Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction- also refer note 1(7).

14. Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date.

The Company designates certain derivatives as either hedges of the fair value of recognized assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). The Company does not enter into derivative contracts for trading or speculative purposes.

A derivative is presented under "Short term loans and advances (Note14) or "Other Current Liabilities" (Note 10).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the same line of the statement of profit and loss relating to the hedged item.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a "Hedging Reserve Account". The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit and loss. Amounts deferred in the Hedging Reserve Account are recycled in the statement of profit and loss in the periods when the hedged item is recognized in the statement of profit and loss, in the same line as the hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In case of fair value hedges the adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized in the statement of profit and loss from that date. In case of cash flow hedges any cumulative gain or loss deferred in the Hedging Reserve Account at that time is retained and is recognized when the forecast transaction is ultimately recognized in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred is recognized immediately in the statement of profit and loss.

15. **Income taxes**

Tax expenses comprises of current and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the revenue authorities, using the applicable tax rates and tax laws. Minimum Alternate Tax (MAT) credit entitlement available under the provisions of Section 115 JAA of the Income Tax Act, 1961 is recognized to the extent that the credit will be available for discharge of future normal tax liability.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or a deferred tax liability. They are measured using the substantively enacted tax rates and tax laws as on the balance sheet date. Deferred tax assets are recognised only when there is a reasonable certainty that sufficient future taxable income will be available against which they will be realised. Where there is a carry forward of losses or unabsorbed depreciation, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence of availability of taxable income against which such deferred tax assets can be realised in future.

The carrying amount of MAT credit and deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the assets can be realized.

Where certain expenses or credits which are otherwise required to be charged in the statement of profit and loss are adjusted directly to reserves in accordance with a court order or as permitted by law/accounting standards, the tax benefits or charge, arising from the admissibility or taxability of such expenses or income for tax purpose is also recognized in the reserves.

Tax on distributed profits payable in accordance with the provisions of section 115O of the Income Tax Act, 1961 which is accounted for in accordance with the Guidance Note on Accounting for Corporate Dividend Tax is regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

16. **Earnings per share**

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

17. Leases:

(i) Finance lease

Assets acquired under finance leases are recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the assets and the present value of minimum lease payments. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

(ii) **Operating Leases**

Operating lease receipts and payments are recognized as income or expense in the statement of profit and loss on a straight-line basis over the lease term.

18. Securities' expenses

Premium payable on redemption of bonds is provided for over the life of the bonds. The Securities Premium Account is applied in providing for premium on redemption in accordance with Section 78 of the 1956 Act. On conversion of the bonds to equity the provision for the redemption premium is reversed.

Expenses on issue of securities are written off to the Securities Premium Account in accordance with Section 78 of the 1956 Act.

19. Stock based compensation

The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. The compensation expense is amortized uniformly over the vesting period of the option.

20. Provision, Contingent liabilities, Contingent Assets and Commitments

A provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Contingent liabilities are not recognised; but disclosed unless the probability of an outflow of resources is remote. Contingent Assets are neither recognised nor disclosed.

	(USD Million) As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	(Rupees in million) As at 31.03.2012
Note 2				
Share capital				
a **Authorised :**				
6,01,50,00,000 (Previous year 2,00,00,00,000) Equity Shares of the par value of Rs.10 each	976.2	60,150.0	20,000.0	20,000.0
3,00,00,00,000 (Previous year 1,00,00,00,000) Preference Shares of the par value of Rs.10 each	486.9	30,000.0	10,000.0	10,000.0
	1,463.1	90,150.0	30,000.0	30,000.0
b **Issued and Subscribed:**				
24,17,22,044 (Previous Year 22,31,17,200) Equity Shares fully paid up	39.2	2,417.2	2,231.2	2,231.2
27,90,34,907 10% Cumulative Redeemable Preference Shares fully paid up	45.3	2,790.3	2,790.3	2,790.3
48,54,14,604 (Previous year nil) 0.01% Cumulative Redeemable Preference Shares fully paid up	78.8	4,854.1	-	-
	163.3	10,061.6	5,021.5	5,021.5
c Equity Shares Forfeited (Amount originally paid-up)	9.9	610.3	610.3	610.3
	173.2	10,671.9	5,631.8	5,631.8

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

	31.03.2014	31.03.2013	31.03.2012
Equity :			
Outstanding at the beginning of the year	223,117,200	223,117,200	223,117,200
Issued during the year (on Account of Composite Scheme of Amalgamation and Arrangement) (refer note 26 (4))	18,604,844	-	-
Outstanding at the end of the year	241,722,044	223,117,200	223,117,200
Preference :			
10% Cumulative Redeemable Preference Shares			
Outstanding at the beginning and at the end of the year	279,034,907	279,034,907	279,034,907
0.01% Cumulative Redeemable Preference Shares			
Outstanding at the beginning of the year	-	-	-
Issued during the year (on Account of Composite Scheme of Amalgamation and Arrangement) (refer note 26(4))	485,414,604	-	-
Outstanding at the end of the year	485,414,604	-	-

e **Rights, preferences and restrictions attached to Equity shares**

The company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

f **Rights, preferences and restrictions attached to Preference shares**

The Company has two classes of preference shares i.e. 10% Cumulative Redeemable Preference Shares (CRPS1) of Rs 10 per share and 0.1% Cumulative Redeemable Preference Shares (CRPS2) of Rs 10 per share.
CRPS1 are redeemable at par in four equal 'quarterly installments commencing from 15 December 2017. The shares carry a right to receive 10% dividend every year till redemption.
Each holder of CRPS2 is entitled to one vote per share, in proportion to the amount paid on CRPS2 held, only on resolutions placed before the Company which directly affect the rights attached to CRPS2. It carries dividend @ 0.01% p.a., when declared. CRPS2 is redeemable at par in eight quarterly installments commencing from 15th June 2018.
In the event of liquidation, the preference shareholders are eligible to receive the outstanding amount including dividend after distribution of all other preferential amounts, in proportion to their shareholding.
In the event of winding-up of the Company before redemption of preference shares, the holders of CRPS1 and CRPS2 will have priority over equity shares in the payment of dividend and repayment of capital.

g **Shareholders holding more than 5% shares in the company is set out below:**

		31.03.2014	31.03.2013	31.03.2012
Equity				
JFE Steel International Europe B.V	No of Shares	36,258,307	36,068,518	-
	%	15.00%	16.17%	-
JFE Steel Corporation	No of Shares	-	-	33,467,580
	%	-	-	15.00%
JSW Holdings Limited	No of Shares	17,284,923	17,284,923	17,284,923
	%	7.15%	7.75%	7.75%
JSW Investment Private Limited	No of Shares	12,599,601	7,284,261	8,258,061
	%	5.21%	3.26%	3.70%
JSW Energy Investments Private Limited	No of Shares	6,184,200	13,764,364	13,764,364
	%	2.56%	6.17%	6.17%
Preference				
10% Cumulative Redeemable Preference Shares				
ICICI Bank Limited	No of Shares	125,707,730	125,707,730	125,707,730
	%	45.05%	45.05%	45.05%
IDBI Bank Limited	No of Shares	69,734,847	69,734,847	69,734,847
	%	24.99%	24.99%	24.99%
Life Insurance Corporation of India	No of Shares	36,348,783	36,348,783	36,348,783
	%	13.03%	13.03%	13.03%
IFCI Limited	No of Shares	21,262,362	21,262,362	21,262,362
	%	7.62%	7.62%	7.62%
0.01% Cumulative Redeemable Preference Shares				
JSW Logistics Infrastructure Private. Limited	No of Shares	338,586,951	-	-
	%	69.75%	-	-

h **Shares alloted as fully paid-up pursuant to contracts without payment being received in cash during the period of five years immediate preceding the date of the Balance Sheet are as under:**
1,86,04,844 equity shares to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a Composite Scheme of Amalgamation and Arrangement.
48,54,14,604 0.01% Cumulative Redeemable Preference Shares fully paid up to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a Composite Scheme of Amalgamation and Arrangement.
(refer note 26 (4))

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(USD Million)			(Rupees in Million)
		As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
	Note 3				
	Reserve and surplus				
a	**Capital reserve**				
	As per last Balance Sheet	85.9	5,293.8	5,293.8	-
	Money received against equity share warrants forfeited, option not exercised by warrant holders	-	-	-	5,293.8
	Addition on Account of Composite Scheme of Amalgamation and Arrangement (Refer note 26(4))	495.9	30,551.2	-	-
		581.8	35,845.0	5,293.8	5,293.8
b	**Capital redemption reserve**				
	As per last Balance Sheet	1.6	99.0	99.0	99.0
		1.6	99.0	99.0	99.0
c	**Securities premium reserve**				
	As per last Balance Sheet	879.1	54,166.3	55,362.5	56,675.3
	Less : Provision for premium on redemption of FCCBs	-	-	(1,196.2)	(1,312.8)
		879.1	54,166.3	54,166.3	55,362.5
d	**Debenture redemption reserve**				
	As per last Balance Sheet	1.9	118.6	40.4	1,290.4
	Add /(less) : Transfer from surplus in Statement of Profit and Loss	8.8	541.6	78.2	(1,250.0)
		10.7	660.2	118.6	40.4
e	**Share options outstanding**				
	Share options outstanding	-	-	236.7	238.4
	Less: Deferred compensation	-	-	-	(59.6)
		-	-	236.7	178.8
	Less : Transfer to General Reserve	-	-	(236.7)	-
		-	-	-	178.8
f	**Hedging reserve account**				
	As per last Balance Sheet	(1.4)	(88.3)	(144.6)	(83.4)
	Addition on Account of Composite Scheme of Amalgamation and Arrangement (refer note 26(4))	-	0.5	-	-
	Movement during the year	39.5	2,436.8	56.3	(61.2)
		38.1	2,349.0	(88.3)	(144.6)
g	**General Reserve**				
	As per last Balance Sheet	1,634.2	100,686.9	98,640.2	75,390.2
	Add : Transfer from surplus in Statement of Profit and Loss	21.7	1,340.0	1,810.0	23,250.0
	Transfer from share options outstanding	-	-	236.7	-
	Less:As per the Composite Scheme of Amalgamation and Arrangement (refer note 26(4))	(0.4)	(24.7)	-	-
		1,655.5	102,002.2	100,686.9	98,640.2
h	**Foreign currency monetary item translation difference account (FCMITDA)**				
	As per last Balance Sheet	6.6	405.4	-	-
	Movement during the year	(13.1)	(806.5)	405.4	-
		(6.5)	(401.1)	405.4	-
i	**Surplus in Statement of Profit and Loss**				
	As per last Balance Sheet	536.6	33,060.2	19,873.0	27,883.6
	Add : Profit for the year	216.6	13,345.1	18,012.2	16,258.6
	Transfer from Debenture Redemption Reserve	-	-	-	1,250.0
	Less : Pursuant to the Composite Scheme of Amalgamation and Arrangement (refer note 26(4))	55.5	3,419.5	-	-
	Less: Appropriations :		-	-	-
	Dividend on additonal equity shares issued (refer note 26(4))	3.5	217.7	-	-
	Transfer to debenture redemption reserve	8.8	541.6	78.2	-
	Dividend on Preference Shares (Re 1 per share (previous year Re 1 per share))	4.5	279.0	279.0	279.0
	Proposed final dividend on Equity Shares (Rs 11 per share (previous year Rs 10 per share))	43.2	2,658.9	2,231.2	1,673.4
	Corporate Dividend Tax on proposed dividend	8.1	499.3	426.6	316.8
	Transfer to General Reserve	21.7	1,340.0	1,810.0	23,250.0
		607.9	37,449.3	33,060.2	19,873.0
		3,768.2	232,169.9	193,741.9	179,343.1

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(USD Million)			(USD Million)	(USD Million)			(Rupees in million)
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
			Non Current				Current (Refer note 10)	
Note 4								
Long Term Borrowings								
Bonds / Debentures								
Bonds (Unsecured)								
2,744 Zero Coupon Foreign Currency Convertible Bonds (FCCB) of USD 1,00,000 each	-	-	-	-	-	-	-	14,037.3
Debentures (Secured)								
10.55 % Non Convertible Debentures of Rs. 1 million each	24.3	1,500.0	-	-	-	-	-	-
10.50 % Non Convertible Debentures of Rs. 1 million each	24.3	1,500.0	-	-	-	-	-	-
10.55 % Non Convertible Debentures of Rs. 1 million each	162.3	10,000.0	-	-	-	-	-	-
10.02 % Non Convertible Debentures of Rs. 1 million each	162.3	10,000.0	-	-	-	-	-	-
10.34 % Non Convertible Debentures of Rs. 1 million each	162.3	10,000.0	10,000.0	-	-	-	-	-
11 % Non Convertible Debentures of Rs. 1 million each	162.3	10,000.0	10,000.0	10,000.0	-	-	-	-
10.25 % Non Convertible Debentures of Rs. 1 million each	81.2	5,000.0	5,000.0	5,000.0	-	-	-	-
10.60 % Non Convertible Debentures of Rs. 1 million each	56.8	3,500.0	3,500.0	3,500.0	-	-	-	-
10.10 % Non Convertible Debentures of Rs. 1 million each	116.7	7,187.5	9,687.5	10,000.0	40.6	2,500.0	312.5	-
11.93 % Non Convertible Debentures of Rs. 1 million each	-	-	62.8	146.6	1.0	62.8	83.8	83.8
11.93 % Non Convertible Debentures of Rs. 1 million each	1.6	97.5	175.5	253.5	1.3	78.0	78.0	78.0
	954.1	58,785.0	38,425.8	28,900.1	42.9	2,640.8	474.3	161.8
Term loans								
(Secured)								
Rupee term loans from banks	1,482.6	91,347.7	61,725.3	50,734.5	146.8	9,045.6	6,487.8	3,908.8
Foreign currency term loans from banks	98.0	6,037.0	6,956.0	10,617.2	149.4	9,205.5	4,324.4	4,895.4
Rupee term loans from financial institution	0.5	30.0	142.3	254.5	1.8	112.2	112.2	121.6
(Unsecured)	-	-	-	-	-	-	-	-
Rupee Term Loans from Banks	-	-	-	-	-	-	-	9,000.0
Foreign currency term loans from banks	865.5	53,326.5	45,985.5	22,373.3	16.2	999.7	953.3	1,874.0
	2,446.6	150,741.2	114,809.1	83,979.5	314.2	19,363.0	11,877.7	19,799.8
Long term advance from a customer	-	-	-	1,284.8	-	-	1,284.9	2,279.1
Deferred payment liabilities								
Deferred sales tax loan (unsecured)	16.5	1,017.0	1,107.7	1,116.5	1.5	90.7	8.8	-
	3,417.2	210,543.2	154,342.6	115,280.9	358.6	22,094.5	13,645.7	36,278.0

Details of Security as at 31st March 2014

(i) 10.34% NCDs aggregating to Rs. 10,000 millions , USD 162.3 millions are secured by way of first pari passu charge on fixed assets related to 2.8 mtpa expansion project located at Vijaynagar works, Karnataka and a flat at Vasind, Maharashtra.

(ii) 11% NCDs aggregating to Rs. 10,000 millions , USD 162.3 millions are secured by way of first pari passu charge on fixed assets related to 2.8 mtpa expansion project located at Vijayanagar works, Karnataka and a flat at Vasind, Maharashtra.

(iii) 10.25% NCDs aggregating to Rs. 5,000 millions , USD 81.2 millions are secured by way of mortgage in respect of all immovable and movable properties of a subsidiary located at Tarapur Works and Vasind Works in the State of Maharashtra both present and future. Security shall be released pursuant to realignment of Security being undertaken, post demerger of Vasind, Tarapur and Kalmeshwar Works pursuant to the Composite Scheme of Amalgamation and Arrangement between JSW Steel Limited and JSW Ispat Steel Limited subject to necessary approvals as may be required. Post realignment the NCD's will be secured by the fixed assets located at Salem works, Tamil Nadu

(iv) 10.60% NCDs aggregating to Rs.3,500 millions , USD 56.8 millions are secured by:
- pari passu first charge by way of legal mortgage on land situated in the State of Gujarat
- pari passu first charge by way of equitable mortgage on fixed assets of the new 5 mtpa Hot Strip Mill at Vijaynagar works, Karnataka.

(v) 10.10 % NCDs aggregating to Rs. 9,687.5 millions , USD 157.2 millions are secured by:
- pari passu first charge by way of legal mortgage on all immovable properties of a subsidiary located at Tarapur Works and Vasind Works in the State of Maharashtra both present and future. Security shall be released pursuant to realignment of Security being undertaken, post demerger of Vasind, Tarapur and Kalmeshwar Works pursuant to the Composite Scheme of Amalgamation and Arrangement between JSW Steel Limited and JSW Ispat Steel Limited subject to necessary approvals as may be required.
- pari passu first charge on all immovable properties and movable assets both present and future located at Salem Works in the State of Tamil Nadu.

(vi) 10.02 % NCDs aggregating to Rs. 10,000 millions , USD 162.3 millions are secured by:
- first pari passu charge on 3.8 mtpa fixed assets located at Vijaynagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

(vii) 11.93% NCDs aggregating to Rs.62.8 millions , USD 1 million are secured by:
- First charge on land situated in the State of Gujarat.
- First charge on movable and immovable assets related to power plant situated at Salem Works,Tamilnadu.

(viii) 11.93 % NCDs aggregating to Rs 175.5 millions , USD 2.9 millions are secured by:
- pari passu first charge by way of legal mortgage on a flat situated at Mumbai, in the State of Maharashtra.
- pari passu first charge by way of equitable mortgage of the Company's immovable properties relating to the 100MW and 130MW Power Plants located at Vijaynagar works, Karnataka.

(ix) 10.55% NCDs aggregating to Rs. 10,000 millions , USD 162.3 millions are secured/to be secured by pari passu first charge by way of equitable mortgage on fixed assets of the new 5 mtpa Hot Strip Mill at Vijaynagar works, Karnataka.

(x) 10.50% NCDs aggregating to Rs.1,500 millions , USD 24.4 millions are secured/to be secured by first pari passu charge on specific fixed assets of the company.

(xi) 10.55% NCDs aggregating to Rs.1,500 millions , USD 24.4 millions are secured/to be secured by first pari passu charge on specific fixed assets of the company.

(x) Rupee Term Loans from Banks/Foreign Currency Term Loan from Bank are secured / to be secured as under :

- Foreign Currency Term Loans aggregating to Rs.399.2 millions , USD 6.5 millions are secured by a first charge by an equitable/ registered Mortgage of movable and immovable properties of assets situated at Salem Works,Tamilnadu and a second pari passu charge on the current assets at Salem Works,Tamilnadu.
- Foreign Currency Term Loans aggregating to Rs. 1,464.9 millions , USD 23.8 millions by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties of Cold Rolling Mill Complex (CRM I) at Vijaynagar works, Karnataka.
- Rupee Term Loans aggregating to Rs. 165 millions , USD 2.7 millions and Foreign Currency Term Loans aggregating to Rs. 563.4 millions , USD 9.1 millions by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties both present and future of 2.8 mtpa expansion project at Vijaynagar works, Karnataka.
- Foreign Currency Term Loans aggregating to Rs. 5,506.3 millions , USD 89.4 millions by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties of Hot Strips Mill at Vijaynagar works, Karnataka.
- Rupee Term Loans aggregating to Rs. 40,767.4 millions , USD 661.7 millions by pari passu first charge by way of mortgage in respect of all movable and immovable properties both present and future, first charge/Assignment of all the assets and first charge on all the Bank Accounts of 3.2 mtpa expansion project at Vijaynagar works, Karnataka.
- Rupee Term Loan aggregating to Rs. 2,887.5 millions , USD 46.9 millions by exclusive first mortgage and charge on all movable and immovable properties both present and future, and first charge on the Bank Accounts of the 300 MW Power Plant - CPP IV at Vijaynagar works, Karnataka.
- Rupee Term Loan aggregating to Rs. 7,071.4 millions , USD 114.8 millions by first mortgage and charge of all immovable properties both present and future, and a first charge by way of hypothecation of all movable properties both present and future of the Beneficiation Plant (6 x 500 tph) and Pellet Plant (4.2 mtpa) at Vijaynagar works, Karnataka.
- Rupee Term Loan aggregating to Rs. 10,000 millions , USD 162.3 millions by first pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijaynagar works, Karnataka.
- Rupee Term Loan aggregating to Rs. 12,000 millions , USD 194.8 millions secured/to be secured by first pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijaynagar works, Karnataka.
- Rupee Term Loans aggregating to Rs. 27,501 millions , USD 446.4 millions and Foreign Currency Term Loans aggregating to Rs. 7,308.6 millions , USD 118.6 millions by first charge on fixed assets situated at Dolvi works, Maharashtra.

(xi) Rupee Term Loan from Financial Institution aggregating to Rs. 142.3 millions , USD 2.3 millions are secured by exclusive first charge by way of hypothecation of Bombardier Challenger 300 aircraft.

Terms of Repayment/ Redemption/ Conversion

1. **Terms of Conversion/ Redemption of Bonds/ Non-Convertible Debentures (NCDs)**

(i) 10.55% Secured NCDs of Rs. 1 million each aggregating Rs. 1,500 millions , USD 24.4 millions is redeemable on 20.03.2017.

(ii) 10.50% Secured NCDs of Rs. 1 million each aggregating Rs. 1,500 millions , USD 24.4 millions is redeemable as Under

- Rs 750 millions , USD 12.2 millions on 26.03.2016
- Rs 750 millions , USD 12.2 millions on 18.05.2016

(iii) 10.55% Secured NCDs of Rs. 1 million each aggregating Rs. 10,000 millions , USD 162.3 millions is redeemable on 10.02.2017.

(iv) 10.02% Secured NCDs of Rs. 1 million each aggregating Rs. 5,000 millions , USD 81.2 millions is redeemable on 20.05.2023.

(v) 10.02% Secured NCDs of Rs. 1 million each aggregating Rs. 5,000 millions , USD 81.2 millions is redeemable on 19.07.2023

(vi) 10.34% Secured NCDs of Rs. 1 million each aggregating Rs. 10,000 millions , USD 162.3 millions are redeemable in three tranches as under :
- Rs. 3,300 millions , USD 53.6 millions on 18.1.2022
- Rs. 3,300 millions , USD 53.6 millions on 18.1.2023
- Rs. 3,400 millions , USD 55.2 millions on 18.1.2024

(vii) 11% Secured NCDs of Rs. 1 million each aggregating Rs. 10,000 millions , USD 162.3 millions are redeemable with call and put option excersiable on 16.03.17 and 16.03.19 as under:
- Rs. 3,300 millions , USD 53.6 millions each on 16.3.2021
- Rs. 3,300 millions , USD 53.6 millions each on 16.3.2022
- Rs. 3,400 millions , USD 55.2 millions each on 16.3.2023

(viii) 10.25% Secured NCDs of Rs. 1 million each aggregating Rs. 5,000 millions , USD 81.2 millions are redeemable in 3 equal annual instalments of Rs.1,666.7 millions , USD 27.1 millions each from 17.02.2016 to 17.02.2018.

(ix) 10.60% Secured NCDs of Rs. 1 million each aggregating Rs. 3,500 millions , USD 56.8 millions are redeemable in two tranches
- 8 half yearly instalments of Rs.218.75 millions , USD 3.6 millions each from 02.01.2016 to 02.07.2019
- 8 half yearly instalments of Rs.218.75 millions , USD 3.6 millions each from 02.08.2016 to 02.02.2020.

(x) 10.10% Secured NCDs of Rs. 1 million each aggregating Rs. 9,687.5 millions , USD 157.2 millions are redeemable in two tranches as under :
- 15 quarterly instalments of Rs. 312.5 millions , USD 5.1 millions each from 04.05.2014 to 04.11.2017
- 16 quarterly instalments of Rs. 312.5 millions , USD 5.1 millions each from 15.06.2014 to 15.03.2018.

(xi) 11.93% Secured NCDs of Rs. 1 million each aggregating Rs. 62.8 millions , USD 1 million are redeemable in 3 quarterly instalments of Rs.20.9 millions , USD 0.3 millions each from 1.07.2014 to 01.01.2015.

(xii) 11.93% Secured NCDs of Rs. 1 million each aggregating Rs. 175.5 millions , USD 2.9 millions are redeemable in 9 quarterly instalments of Rs.19.5 millions , USD 0.3 millions each from 15.04.2014 to 15.04.2016.

2. **Terms of Repayment of Secured Term Loans**

(A) Rupee Term Loans from Banks of :

(i) Rs. 165 millions , USD 2.7 millions is repayable in 8 quarterly instalments of Rs. 20.6 millions , USD 0.3 millions each from 30.4.2014 to 31.1.2016.

(ii) Rs. 25,593.5 millions , USD 415.4 millions is repayable as under :
- 4 quarterly instalments of Rs. 752.8 millions , USD 12.2 millions from 30.6.2014 - 31.3.2015
- 8 quarterly instalments of Rs. 1,881.9 millions , USD 30.5 millions from 30.6.2015 - 31.3.2017
- 2 quarterly instalments of Rs. 2,509.1 millions , USD 40.7 millions from 30.6.2017 - 30.9.2017
- 1 quarterly instalments ofRs. 2,509.4 millions , USD 40.7 millions on 31.12.2017

(iii) Rs. 11,875 millions , USD 197.6 millions is repayable as under :
- 8 quarterly instalments of Rs. 312.5 millions , USD 5.1 millions each from 30.6.2014 - 31.3.2016
- 12 quarterly instalments of Rs. 781.3 millions , USD 12.7 millions each from 30.6.2016 - 31.3.2019.

(iv) Rs. 3,298.8 millions , USD 53.5 millions is repayable as under :
- 3 quarterly instalments of Rs. 100 millions , USD 1.6 millions each from 1.7.2014 - 1.1.2015
- 8 quarterly instalments of Rs. 250 millions , USD 4.1 millions each from 1.4.2015 - 1.1.2017
- 3 quarterly instalments of Rs. 333.3 millions , USD 5.4 millions each from 1.4.2017 - 1.10.2017.

(v) Rs. 7,071.4 millions , USD 114.8 millions is repayable in 22 quarterly instalments of Rs. 321.4 millions , USD 5.2 millions each from 1.7.2014 to 1.10.2019.

(vi) Rs. 2,887.5 millions , USD 46.9 millions is repayable in 7 quarterly instalment of Rs. 412.5 millions , USD 6.7 millions each from 1.7.2014 to 1.1.2016.

(vii) Rs. 10,000 millions , USD 162.3 millions is repayable as under :
- 16 quarterly instalments of Rs. 125 millions , USD 2 millions each from 30.6.2014 - 31.3.2018
- 12 quarterly instalments of Rs. 375 millions , USD 6.1 millions each from 30.6.2018 - 31.3.2021
- 4 quarterly instalments of Rs. 437.5 millions , USD 7.1 millions each from 30.6.2021 - 31.3.2022
- 2 quarterly instalments of Rs. 875 millions , USD 14.2 millions each from 30.6.2022 - 30.9.2022

(viii) Rs. 12,000 millions , USD 194.8 millions is repayable as under :
- 16 quarterly instalments of Rs. 125 millions , USD 2 millions each from 31.3.2015 - 31.12.2018
- 12 quarterly instalments of Rs. 375 millions , USD 6.1 millions each from 31.3.2019 - 31.12.2021
- 4 quarterly instalments of Rs. 437.5 millions , USD 7.1 millions each from 31.3.2022 - 31.12.2022
- 2 quarterly instalments of Rs. 1,875 millions , USD 30.4 millions each from 31.3.2023 - 30.6.2023

(ix) Rs. 27,501 millions , USD 446.4 millions is repayable as under :
- 4 quarterly instalments of Rs. 288.2 millions , USD 4.7 millions from 30.6.2014 - 31.3.2015
- 4 quarterly instalments of Rs. 1,002.4 millions , USD 16.3 millions from 30.6.2015 - 31.3.2016
- 4 quarterly instalments of Rs. 1,290.6 millions , USD 21 millions from 30.6.2016 - 31.3.2017
- 12 quarterly instalments of Rs. 1,431.3 millions , USD 23.2 millions from 30.6.2017 - 31.3.2020

(B) Foreign Currency Term Loan from Banks of :

(i) Rs. 315.5 millions , USD 5.1 millions is repayable in 3 half yearly instalments of Rs. 105.2 millions , USD 1.7 millions each from 16.6.2014 to 16.6.2015.

(ii) Rs. 1,149.4 millions , USD 18.7 millions is repayable in 3 half yearly instalments of Rs. 383.1 millions , USD 6.2 millions each from 7.4.2014 to 7.4.2015.

(iii) Rs. 563.4 millions , USD 9.1 millions is repayable on 7.7.2014.

(iv) Rs. 5,506.3 millions , USD 89.4 millions is repayable on 27.5.2014

(v) Rs. 399.2 millions , USD 6.5 millions is repayable in 4 half yearly instalments of Rs. 99.8 millions , USD 1.6 millions each from 9.9.2014 to 9.3.2016.

(vi) Rs 7,308.6 millions , USD 118.6 millions is repayable as Under
-Rs. 3,836 millions , USD 62.3 millions is repayable in 35 Monthly instalments of Rs 109.6 millions , USD 1.8 millions each from 28.04.2014 to 28.02.2017
-Rs. 87.4 millions , USD 1.4 millions is repayable in 1 Instalment of Rs. 87.4 millions , USD 1.4 millions on 28.03.2017.
-Rs. 2,740.4 millions , USD 44.5 millions is repayable in 17 quarterly instalments of Rs. 161.2 millions , USD 2.6 millions each from 02.4.2014 to 01.4.2018.
-Rs. 644.8 millions , USD 10.5 millions is repayable in 8 quarterly instalments of Rs. 80.6 millions , USD 1.3 millions each from 01.7.2018 to 01.4.2020.

(C) Rupee Term Loan from Financial Institutions of :

(i) Rs. 57.1 millions , USD 0.9 millions is repayable in 15 monthly instalments of Rs. 3.8 millions , USD 0.1 millions each from 11.4.2014 to 11.6.2015.

(ii) Rs. 28.2 millions , USD 0.5 millions is repayable in 15 monthly instalments of Rs. 1.9 millions , USD 0.03 millions each from 20.4.2014 to 20.6.2015.

(iii) Rs. 31.2 millions , USD 0.5 millions is repayable in 16 monthly instalments of Rs. 2 millions , USD 0.03 millions each from 2.4.2014 to 02.7.2015.

(iv) Rs. 25.7 millions , USD 0.4 millions is repayable in 15 monthly instalments of Rs. 1.7 millions ,USD 0.03 millions each from 15.4.2014 to 15.6.2015.

3 **Terms of Repayment of Unsecured Term Loans**

(A) Foreign Currency Term Loan from Banks of :

(i) Rs. 16,827.9 millions , USD 273.1 millions is repayable in 5 half yearly instalments of Rs. 3,365.6 millions , USD 54.6 millions each from 28.8.2015 to 27.8.2017.

(ii) Rs. 7,497.5 millions , USD 121.7 millions is repayable in 15 half yearly instalments of Rs. 499.8 millions , USD 8.1 millions each from 30.5.2014 to 31.3.2021.

(iii) Rs. 5,224.4 millions , USD 84.8 millions is repayable in 16 half yearly instalments of Rs. 320.8 millions , USD 5.2 millions each from 31.10.2014 to 30.4.2022 & last instalment of Rs. 91.6 millions , USD 1.5 millions on 31.10.2022

(iv) Rs. 883.2 millions , USD 14.3 millions is repayable in 16 half yearly instalments of Rs. 53.7 millions , USD 0.9 millions each from 1.12.2014 to 1.6.2022 and last instalment of Rs.24 millions , USD 0.4 millions on 1.12.2022.

(v) Rs. 13,522.5 millions , USD 219.5 millions is repayable on 26.6.2017.

(vi) Rs. 2,429.7 millions , USD 39.4 millions is repayable in 3 yearly instalments of Rs. 809.9 millions , USD 13.1 millions each from 26.7.2016 to 26.7.2018.

(vi) Rs. 1,020.8 millions , USD 16.6 millions is repayable in 17 half yearly instalments of Rs. 58.9 millions , USD 1 million each from 28.08.2014 to 28.08.2022 and & final instalment of Rs. 19.5 millions , USD 0.3 millions on 28.02.2023

(vii) Rs. 3,242.9 millions , USD 52.6 millions is repayable in 16 half yearly instalments of Rs. 191.5 millions , USD 3.1 millions each from 19.7.2014 to 19.1.2022 and 1 half yearly instalment of Rs. 178.9 millions , USD 2.9 millions on 19.7.2022.

(viii) Rs. 2,463.9 millions , USD 40 millions is repayable in 16 half yearly instalments of Rs. 152.1 millions , USD 2.5 millions each from 19.7.2014 to 19.1.2022 and 1 half yearly instalment of Rs.30.3 millions , USD 0.5 millions on 19.7.2022.

(ix) Rs.403.4 millions , USD 6.6 millions is repayable in 13 half yearly instalments of Rs.29 millions , USD 0.5 millions each from 31.7.2014 to 31.7.2021 and final Instalment of Rs 26.4 millions , USD 0.4 millions on 31.01.2022

(x) Rs.215.4 millions , USD 3.5 millions is repayable in 4 equal semi annual instalments of Rs.53.4 millions , USD 0.9 millions each from 09.07.2015 to 09.01.2017 and 1 semi annual instalment of Rs.1.7 millions , USD 0.03 millions on 09.07.2017

(xi) Rs.594.3 millions , USD 9.6 millions is repayable in 5 equal semi annual instalments of Rs.103.7 millions , USD 1.7 millions each from 09.07.2015 to 09.07.2017 and 1 semi annual instalment of Rs.75.8 millions , USD 1.2 millions on 09.01.2018

4 Deferred Sales tax loan (unsecured) of Rs.1,107.7 millions , USD 18 millions is repayable in 89 varying monthly instalments starting from 30.4.2014 to 31.8.2021.

(Repayments stated above are rounded off to the nearest million)

Details of Security as at 31st March 2013

(i) The 10.34% NCDs aggregating to Rs. 10,000 million are secured / to be secured by way of first pari passu charge on fixed assets related to 2.8 mtpa expansion project located at Vijaynagar works and a flat at Vasind situated in the state of Maharashtra.

(ii) The 11% NCDs aggregating to Rs. 10,000 million are secured by way of first pari passu charge on movable and immovable properties of 2.8 mtpa expansion project located at Vijayanagar works and a flat at Vasind situated in the state of Maharashtra.

(iii) The 10.25% NCDs aggregating to Rs. 5,000 million are secured by way of mortgage in respect of all immovable and movable properties both present and future located at Tarapur Works and Vasind Works in the State of Maharashtra.

(iv) The 10.60% NCDs aggregating to Rs.3,500 million are secured by:
- pari passu first charge by way of legal mortgage on land situated in the State of Gujarat
- pari passu first charge by way of equitable mortgage on fixed assets of the new 5 mtpa Hot Strip Mill at Toranagallu village in the State of Karnataka.

(v) The 10.10 % NCDs aggregating to Rs 10,000 million are secured by:
- pari passu first charge by way of legal mortgage on all immovable properties both present and future located at Tarapur Works and Vasind Works in the State of Maharashtra.
- pari passu first charge on all immovable properties and movable assets both present and future located at Salem Works in the State of Tamil Nadu.

(vi) The 11.82% NCDs aggregating to Rs.146.6 million are secured by:
- First charge on land situated in the State of Gujarat
- First charge on Fixed Assets situated at Salem Works in the state of Tamilnadu.

(vii) The 11.82 % NCDs aggregating to Rs 253.5 million are secured by:
- pari passu first charge by way of legal mortgage on a flat situated at Mumbai, in the State of Maharashtra
- pari passu first charge by way of equitable mortgage of the Company's immovable properties relating to the 100MW and 130MW Power Plants at Toranagallu village in the State of Karnataka.

(viii) Rupee Term Loans from Banks/Foreign Currency Term Loan from Bank are secured / to be secured as under :

- Rupee Term Loans aggregating to Rs. 67,6 million and Foreign Currency Term Loans aggregating to Rs. 813.9 million are secured by a first charge supported by an equitable/ registered Mortgage of movable and immovable properties and assets situated at Salem Works in the state of Tamilnadu and a second pari passu charge on the current assets at Salem Works.

- Foreign Currency Term Loans aggregating to Rs. 2,209.6 million by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties of Cold Rolling Mill Complex at Toranagallu village in the State of Karnataka.

- Rupee Term Loans aggregating to Rs. 247.5 million and Foreign Currency Term Loans aggregating to Rs. 1,594.2 million by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties both present and future of 2.8 mtpa expansion project at Toranagallu village, in the State of Karnataka.

- Foreign Currency Term Loans aggregating to Rs. 6,662.7 million by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties of Hot Strips Mill at Toranagallu village in the State of Karnataka.

- Rupee Term Loans aggregating to Rs. 44,590.9 million by pari passu first charge by way of mortgage in respect of all movable and immovable properties both present and future, first charge/Assignment of all the assets and first charge on all the Bank Accounts of 3.2 mtpa expansion project at Toranagallu village in the State of Karnataka.

- Rupee Term Loan aggregating to Rs. 4,950 million by exclusive first mortgage and charge on all movable and immovable properties both present and future, and first charge on the Bank Accounts of the 300 MW Power Plant - CPP IV at Toranagallu village in the State of Karnataka.

- Rupee Term Loan aggregating to Rs. 8,357.1 million by first mortgage and charge of all immovable properties both present and future, and a first charge by way of hypothecation of all movable properties both present and future of the Beneficiation Plant (6 x 500 tph) and Pellet Plant (4.2 mtpa) at Toranagallu village in the State of Karnataka.

- Rupee Term Loan aggregating to Rs. 10,000 million by first pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijaynagar works, Toranagallu village in the State of Karnataka.

(ix) Rupee Term Loan from Financial Institution aggregating to Rs. 254.5 million are secured by exclusive first charge by way of hypothecation of Bombardier Challenger 300 aircraft.

Terms of Repayment/ Redemption/ Conversion

1. **Terms of Conversion/ Redemption of Bonds/ Non-Convertible Debentures (NCDs)**

(i) The 10.34% Secured NCDs of Rs. 1 million each aggregating Rs. 10,000 million are redeemable in three tranches as under :

- Rs. 3,300 million on 18.1.2022
- Rs. 3,300 million on 18.1.2023
- Rs. 3,400 million on 18.1.2024

(ii) The 11% Secured NCDs of Rs. 1 million each aggregating Rs 10,000 million are redeemable with call and put option excersiable on 16.03.17 and 16.03.19 as under:

- Rs. 3,300 million each on 16.3.2021
- Rs. 3,300 million each on 16.3.2022
- Rs. 3,400 million each on 16.3.2023

(iii) The 10.25% Secured NCDs of Rs. 1 million each aggregating Rs. 5,000 million are redeemable in 3 equal annual installments of Rs.1,666.7 million each from 17.02.2016 to 17.02.2018.

(iv) The 10.60% Secured NCDs of Rs. 1 million each aggregating Rs. 3,500 million are redeemable in two tranches as under :

- 8 half yearly installments of Rs.218.8 million each from 02.01.2016 to 02.07.2019
- 8 half yearly installments of Rs.218.8 million each from 02.08.2016 to 02.02.2020.

(v) The 10.10% Secured NCDs of Rs. 1 million each aggregating Rs. 10,000 million are redeemable in two tranches as under :

- 16 quarterly installments of Rs. 312.5 million each from 04.02.2014 to 04.11.2017
- 16 quarterly installments of Rs. 312.5 million each from 15.06.2014 to 15.03.2018.

(vi) The 11.82% Secured NCDs of Rs. 1 million each aggregating Rs. 146.6 million are redeemable in 7 quarterly installments of Rs.20.9 million each from 01.07.2013 to 01.01.2015.

(vii) The 11.82% Secured NCDs of Rs. 1 million each aggregating Rs. 253.5 million are redeemable in 13 quarterly installments of Rs.19.5 million each from 15.04.2013 to 15.04.2016.

2. **Terms of Repayment of Secured Term Loans**

(A) Rupee Term Loan from Banks of :

(i) Rs. 247.5 million is repayable in 12 quarterly installments of Rs. 20.6 million each from 30.4.2013 to 31.1.2016.

(ii) Rs. 44.6 million is repayable in 3 quarterly installment of Rs. 10.9 million each from 30.6.2013 to 31.12.2013 and 1 quarterly installment of Rs. 11.7 million on 31.3.2014.

(iii) Rs. 23 million is repayable in 3 quarterly installments of Rs. 5.7 million each from 30.6.2013 to 31.12.2013 and 1 quarterly installment of Rs. 5.9 million on 31.3.2014.

(iv) Rs. 28,604.6 million is repayable as under :
- 8 quarterly installments of Rs. 752.8 million from 30.6.2013 - 31.3.2015
- 8 quarterly installments of Rs.1,881.9 million from 30.6.2015 - 31.3.2017
- 2 quarterly installments of Rs.2,509.1 million from 30.6.2017 - 30.9.2017
- 1 quarterly installments of Rs.2,509.4 million on 31.12.2017

(v) Rs. 1,218.75 million is repayable as under :
- 4 quarterly installments of Rs. 78.1 million each from 30.6.2013 - 31.3.2014
- 8 quarterly installments of Rs. 312.5 million each from 30.6.2014 - 31.3.2016
- 12 quarterly installments of Rs. 781.3 million each from 30.6.2016 - 31.3.2019.

(vi) Rs. 379.88 million is repayable as under :
- 8 quarterly installments of Rs. 100 million each from 1.4.2013 - 1.1.2015
- 8 quarterly installments of Rs. 250 million each from 1.4.2015 - 1.1.2017
- 3 quarterly installments of Rs. 333.2 million each from 1.4.2017 - 1.10.2017.

(vii) Rs. 8,357.1 million is repayable in 26 quarterly installments of Rs. 321.4 million each from 1.7.2013 to 1.10.2019.

(viii) Rs. 4,950 million is repayable in 12 quarterly installment of Rs. 412.5 million each from 1.4.2013 to 1.1.2016.

(ix) Rs. 10,000 million is repayable as under :
- 16 quarterly installments of Rs. 125 million each from 30.6.2014 - 31.3.2018
- 12 quarterly installments of Rs. 375 million each from 30.6.2018 - 31.3.2021
- 4 quarterly installments of Rs. 437.5 million each from 30.6.2021 - 31.3.2022
- 2 quarterly installments of Rs. 875 million each from 30.6.2022 - 30.9.2022

(B) Foreign Currency Term Loan from Banks of :

(i) Rs. 475.9 million is repayable in 5 half yearly installments of Rs. 95.2 million each from 16.6.2013 to 16.6.2015.

(ii) Rs. 1,733.7 million is repayable in 5 half yearly installments of Rs. 346.7 million each from 8.4.2013 to 7.4.2015.

(iii) Rs. 1,529.7 million is repayable in 3 half yearly installments of Rs. 509.9 million each from 8.7.2013 to 6.7.2014.

(iv) Rs. 64.5 million is repayable on 23.9.2013.

(v) Rs. 6,662.7 million is repayable in 2 half yearly installments of Rs. 951.8 million each from 29.5.2013 to 27.11.2013 and 1 half yearly installment of Rs. 4,759.1 million on 27.5.2014

(vi) Rs. 271.9 million is repayable on 8.6.2013.

(vii) Rs. 542 million is repayable in 6 half yearly installments of Rs. 90.3 million each from 9.9.2013 to 9.3.2016.

(C) Rupee Term Loan from Financial Institutions of :

(i) Rs. 102.9 million is repayable in 27 monthly installments of Rs. 3.8 million each from 11.4.2013 to 11.6.2015.

(ii) Rs. 50.8 million is repayable in 27 monthly installments of Rs. 1.9 million each from 20.4.2013 to 20.6.2015.

(iii) Rs. 54.6 million is repayable in 28 monthly installments of Rs. 2 million each from 2.4.2013 to 02.7.2015.

(iv) Rs. 46.2 million is repayable in 27 monthly installments of Rs. 1.7 million each from 15.4.2013 to 15.7.2015.

3 **Terms of Repayment of Unsecured Term Loans**

(A) Foreign Currency Term Loan from Banks of :

(i) Rs. 15,229 million is repayable in 5 half yearly installments of Rs. 3,045.8 million each from 28.8.2015 to 27.8.2017.

(ii) Rs. 7,689.8 million is repayable in 17 half yearly installments of Rs. 452.3 million each from 30.5.2013 to 31.3.2021.

(iii) Rs. 4,096.4 million is repayable as under :
- Rs. 582.5 million on 30.4.2014
- Rs. 3,495.6 million is repayable in 12 half yearly installments of Rs. 291.3 million each from 30.10.2014 to 30.4.2020

- Rs. 18.3 million on 30.10.2020

(iv) Rs. 229.8 million is repayable in 4 half yearly installments of Rs. 48.6 million each from 3.1.2014 to 3.7.2015 and last installment of Rs. 35.4 million on 3.1.2016.

(v) Rs. 12,237.6 million is repayable in on 26.6.2017.

(vi) Rs. 2,385.5 million is repayable in 3 yearly installments of Rs. 795.2 million each from 26.7.2016 to 26.7.2018

(vi) Rs. 863.1 million is repayable in 16 half yearly installments of Rs. 53.4 million each & final installment of Rs. 8.7 million falling due every 6 months after the actual commissioning date.

(vii) Rs. 2,022.8 million is repayable in 11 half yearly installments of Rs. 173.3 million each from 19.7.2014 to 19.7.2019 and 1 half yearly installment of Rs.116.5 million on 19.1.2020.

(viii) Rs. 2,184.7 million is repayable in 14 half yearly installments of Rs. 149.3 million each from 19.7.2014 to 19.1.2021 and 1 half yearly installment of Rs.94.5 million on 19.7.2021.

4 Long Term Advance from a Customer of Rs. 1,284.9 million is repayable as under :
- 5 monthly installments of Rs. 214.7 million each from 30.4.2013 to 31.8.2013.
- 1 monthly installment of Rs. 211.4 million on 1.9.2013.

5 Deferred Sales tax of Rs. 1,116.5 million is repayable in 101 varying monthly installments starting from 30.4.2013 to 31.8.2021.

(Repayments stated above are rounded off to the nearest million)

Details of Security as at 31st March 2012

(i) The 11% NCDs aggregating to Rs. 10,000 million are secured / to be secured by way of first pari passu charge on fixed assets related to 2.8 mtpa expansion project located at Upstream division and a flat at Vasind situated in the state of Maharashtra.

(ii) The 10.25% NCDs aggregating to Rs. 5,000 million are secured by way of mortgage in respect of all immovable and movable properties both present and future located at Tarapur Works and Vasind Works in the State of Maharashtra.

(iii) The 10.60% NCDs aggregating to Rs.3,500 million are secured by:
- pari passu first charge by way of legal mortgage on land situated in the State of Gujarat
- pari passu first charge by way of equitable mortgage on fixed assets of the new 5 mtpa Hot Strip Mill at Toranagallu village in the State of Karnataka.

(iv) The 10.10 % NCDs aggregating to Rs 10,000 million are secured by:
- pari passu first charge by way of legal mortgage on all immovable properties both present and future located at Tarapur Works and Vasind Works in the State of Maharashtra.
- pari passu first charge on all immovable properties and movable assets both present and future located at Salem Works in the State of Tamil Nadu.

(v) The 11.82% NCDs aggregating to Rs.230.4 million are secured by:
- First charge on land situated in the State of Gujarat
- Second charge on Fixed Assets situated at Salem Works in the state of Tamilnadu.

(vi) The 11.82 % NCDs aggregating to Rs 331.5 million are secured by:
- pari passu first charge by way of legal mortgage on a flat situated at Mumbai, in the State of Maharashtra
- pari passu first charge by way of equitable mortgage of the Company's immovable properties relating to the 100MW and 130MW Power Plants at Toranagallu village in the State of Karnataka.

(vii) Rupee Term Loans from Banks aggregating to Rs. 187.5 million, Rupee Term Loan from financial Institution aggregating to Rs. 11.3 million and Foreign Currency Term Loans from Banks aggregating to Rs. 511.6 million are secured by:

- pari passu first charge by way of equitable mortgage in respect of immovable properties of Upstream Division situated at Vaddu, Kurekuppe and Toranagallu villages in the State of Karnataka and
- pari passu first charge by way of hypothecation of movable properties of Upstream Division both present and future excluding inventories and book debts.

(viii) Rupee Term Loans from Banks/Foreign Currency Term Loan from Bank are secured / to be secured as under :

- Rupee Term Loans aggregating to Rs 134.2 million and Foreign Currency Term Loans aggregating to Rs. 1,454.3 million are secured by a first charge supported by an equitable/ registered Mortgage of movable and immovable properties and assets situated at Salem Works in the state of Tamilnadu and a second pari passu charge on the current assets at Salem Works.

- Rupee Term Loans aggregating to Rs. 1,760 million and Foreign Currency Term Loans aggregating to Rs.2,909.5 million by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties of Cold Rolling Mill Complex at Toranagallu village in the State of Karnataka.

- Rupee Term Loans aggregating to Rs. 280.5 million and Foreign Currency Term Loans aggregating to Rs. 2,580 million by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties both present and future of 2.8 mtpa expansion project at Toranagallu village, in the State of Karnataka.

- Foreign Currency Term Loans aggregating to Rs. 8,057.1 million by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties of Hot Strips Mill at Toranagallu village in the State of Karnataka.

- Rupee Term Loans aggregating to Rs. 45,731.2 million by pari passu first charge by way of mortgage in respect of all movable and immovable properties both present and future, first charge/Assignment of all the assets and first charge on all the Bank Accounts of 3.2 mtpa expansion project at Toranagallu village in the State of Karnataka.

- Rupee Term Loan aggregating to Rs. 400 million by exclusive first mortgage and charge on all movable and immovable properties both present and future, and first charge on the Bank Accounts of the 300 MW Power Plant - CPP IV at Toranagallu village in the State of Karnataka.

- Rupee Term Loan aggregating to Rs. 6,150 million by first mortgage and charge of all immovable properties both present and future, and a first charge by way of hypothecation of all movable properties both present and future of the Beneficiation Plant (6 x 500 tph) and Pellet Plant (4.2 mtpa) at Toranagallu village in the State of Karnataka.

(ix) Rupee Term Loan from Financial Institution aggregating to Rs. 364.8 million are secured by exclusive first charge by way of hypothecation of Bombardier Challenger 300 aircraft.

Terms of Repayment/ Redemption/ Conversion

1. **Terms of Conversion/ Redemption of Bonds/ Non-Convertible Debentures (NCDs)**

(i) The FCCB's are convertible into Equity Shares at the option of the bondholders at any time on or after 7 August 2007 and prior to the close of business on 21 June, 2012 at Rs. 40.28 = 1 USD$

(ii) The 11% Secured NCDs of Rs. 1 million each aggregating Rs 10,000 million are redeemable as under with call and put option excersiable on 16.03.17 and 16.03.19 :
- Rs. 3300 million each from 16.3.2021
- Rs. 3300 million each from 16.3.2022
- Rs. 3400 million each from 16.3.2023

(iii) The 10.25% Secured NCDs of Rs. 1 million each aggregating Rs. 5,000 million are redeemable in 3 equal annual installments of Rs.1666.7 million each from 17.02.2016 to 17.02.2018.

(iv) The 10.60% Secured NCDs of Rs. 1 million each aggregating Rs. 3,500 million are redeemable in two tranches as under :

- 8 half yearly installments of Rs.218.8 million each from 02.01.2016 to 02.07.2019
- 8 half yearly installments of Rs.218.8 million each from 02.08.2016 to 02.02.2020.

(v) The 10.10% Secured NCDs of Rs. 1 million each aggregating Rs. 10,000 million are redeemable in two tranches as under :

- 16 quarterly installments of Rs. 312.5 million each from 04.02.2014 to 04.11.2017
- 16 quarterly installments of Rs. 312.5 million each from 15.06.2014 to 15.03.2018.

(vi) The 11.82% Secured NCDs of Rs. 1 million each aggregating Rs. 230.4 million are redeemable in 11 quarterly installments of Rs.20.9 million each from 01.07.2012 to 01.01.2015.

(vii) The 11.82% Secured NCDs of Rs. 1 million each aggregating Rs. 331.5 million are redeemable in 17 quarterly installments of Rs.19.5 million each from 15.04.2012 to 15.04.2016.

2. **Terms of Repayment of Secured Term Loans**

(A) Rupee Term Loan from Banks of :

(i) Rs. 187.5 million is repayable in 4 monthly installments of Rs. 46.9 million each from 28.4.2012 to 28.7.2012

(ii) Rs. 1,760 million is repayable in 11 monthly installment of Rs. 160 million each from 1.5.2012 to 1.3.2013.

(iii) Rs. 280.4 million is repayable in 4 quarterly installment of Rs. 8.3 million each from 30.4.2012 to 31.1.2013 and of 12 quarterly installments of Rs. 20.6 million each from 30.4.2013 to 31.1.2016.

(iv) Rs. 88.4 million is repayable in 7 quarterly installment of Rs. 10.9 million each from 30.6.2012 to 31.12.2013 and 1 quarterly installment of Rs. 11.7 million on 31.3.2014.

(v) Rs. 45.8 million is repayable in 7 quarterly installments of Rs. 5.7 million each from 30.6.2012 to 31.12.2013 and 1 quarterly installment of Rs. 5.9 million on 31.3.2014.

(vi) Rs. 29,357.4 million is repayable as under :
- 4 quarterly installments of Rs. 188.2 million from 30.6.2012 - 31.3.2013
- 8 quarterly installments of Rs. 752.8 million from 30.6.2013 - 31.3.2015
- 8 quarterly installments of Rs.1,881.9 million from 30.6.2015 - 31.3.2017
- 2 quarterly installments of Rs.2,509.1 million from 30.6.2017 - 30.9.2017
- 1 quarterly installments of Rs.2,509.4 million on 31.12.2017

(vii) Rs. 12,500 million is repayable as under :
- 2 quarterly installments of Rs. 156.3 million each from 31.12.2012 - 31.3.2013
- 4 quarterly installments of Rs. 78.1 million each from 30.6.2013 - 31.3.2014
- 8 quarterly installments of Rs. 312.5 million each from 30.6.2014 - 31.3.2016
- 12 quarterly installments of Rs. 781.3 million each from 30.6.2016 - 31.3.2019.

(viii) Rs. 3,873.8 million is repayable as under :
- 3 quarterly installments of Rs. 25 million each from 1.7.2012 - 1.1.2013
- 8 quarterly installments of Rs. 100 million each from 1.4.2013 - 1.1.2015
- 8 quarterly installments of Rs. 250 million each from 1.4.2015 - 1.1.2017
- 3 quarterly installments of Rs. 333.2 million each from 1.4.2017 - 1.10.2017.

(ix) Rs. 6,150 million is repayable in 19 quarterly installments of Rs. 321.4 million each from 1.1.2013 to 1.7.2017 and 1 quarterly installment of Rs. 42.9 million on 1.10.2017.

(x) Rs. 400 million is repayable in 1 quarterly installment of Rs. 275 million each on 1.10.2012 and 1 quarterly installment of Rs. 125 million on 1.1.2013.

(B) Foreign Currency Term Loan from Banks of :

(i) Rs. 511.6 million is repayable in 2 half yearly installments of Rs. 255.8 million each from 17.8.2012 to 17.2.2013.

(ii) Rs. 626.6 million is repayable in 7 half yearly installments of Rs. 89.5 million each from 16.6.2012 to 16.6.2015

(iii) Rs. 2,282.8 million is repayable in 7 half yearly installments of Rs. 326.1 million each from 7.4.2012 to 7.4.2015

(iv) Rs. 2,397.9 million is repayable in 5 half yearly installments of Rs. 47.96 million each from 6.7.2012 to 6.7.2014.

(v) Rs. 182.1 million is repayable in 3 half yearly installments of Rs. 60.7 million each from 21.9.2012 to 23.9.2013.

(vi) Rs. 8,057.1 million is repayable in 4 half yearly installments of Rs. 895.2 million each from 29.5.2012 to 27.11.2013 and 1 half yearly installment of Rs. 4,476.2 million on 27.5.2014

(vii) Rs. 767.4 million is repayable in 3 quarterly installments of Rs. 255.8 million each from 7.6.2012 to 7.6.2013.

(viii) Rs. 686.9 million is repayable in 8 half yearly installments of Rs. 85.9 million each from 10.9.2012 to 9.3.2016.

(C) Rupee Term Loan from Financial Institutions of :

(i) Rs. 11.3 million is repayable in 5 monthly installments of Rs. 2.2 million each from 28.4.2012 to 28.8.2012.

(ii) Rs. 148.6 million is repayable in 39 monthly installments of Rs. 3.8 million each from 11.4.2012 to 11.6.2015.

(iii) Rs. 73.4 million is repayable in 39 monthly installments of Rs. 1.9 million each from 20.4.2012 to 20.6.2015.

(iv) Rs. 76.0 million is repayable in 39 monthly installments of Rs. 2 million each from 2.5.2012 to 02.7.2015.

(v) Rs. 66.8 million is repayable in 39 monthly installments of Rs. 1.7 million each from 15.4.2012 to 15.7.2015.

3 **Terms of Repayment of Unsecured Term Loans**

(A) Rupee Term Loan from Banks of Rs. 9,000 million is repayable in 6 monthly installments of Rs. 1,500 million each from 1.8.2012 to 1.1.2013.

(B) Foreign Currency Term Loan from Banks of :

(i) Rs. 14,323.8 million is repayable in 5 half yearly installments of Rs. 2,864.8 million each from 28.8.2015 to 27.8.2017.

(ii) Rs. 8,083.7 million is repayable in 19 half yearly installments of Rs. 425.5 million each from 30.5.2012 to 31.3.2021.

(iii) Rs. 816.7 million is repayable in 20 half yearly installments of Rs. 40.8 million each reckoned 6 months from the date of last drawdown

(iv) Rs. 511.6 million is repayable on 28.6.2012.

(v) Rs. 511.6 million is repayable on 30.9.2012.

4 Long Term Advance from a Customer of Rs. 3,563.9 million is repayable as under :
- 6 monthly installments of Rs. 181.7 million each from 30.4.2012 to 30.9.2012.
- 6 monthly installments of Rs. 198.2 million each from 31.10.2012 to 31.3.2013.
- 5 monthly installments of Rs. 214.7 million each from 30.4.2013 to 31.8.2013.
- 1 monthly installment of Rs. 211.4 million on 1.9.2013.

5 Deferred Sales tax of Rs. 1,116.5 million is repayable in 101 varying monthly installments starting from 30.4.2013 to 31.8.2021.

(Repayments stated above are rounded off to the nearest million)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(USD Million)			(Rupees in Million)
	As at 31.03.2014	**As at 31.03.2014**	**As at 31.03.2013**	**As at 31.03.2012**
Note 5				
Deferred tax liabilities (Net)				
Deferred tax liability comprises of timing differences on account of				
Difference between book balance and tax balance of fixed assets	783.7	48,286.3	35,268.8	30,684.0
	783.7	48,286.3	35,268.8	30,684.0
Deferred tax asset comprises of timing differences on account of				
Expenses allowable on payment basis (43B)	7.4	456.3	258.0	186.3
Provision for doubtful debts / advances	30.3	1,867.7	387.5	355.6
Business Loss / Unabsorbed depreciation	435.9	26,856.6	-	-
Others	0.3	20.6	121.0	21.2
	473.9	29,201.2	766.5	563.1
Net Deferred Tax Liability	309.8	19,085.1	34,502.3	30,120.9

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(USD Million)			(Rupees in million)	(USD Million)			(Rupees in million)
	As at 31.03.2014	**As at 31.03.2014**	**As at 31.03.2013**	**As at 31.03.2012**	**As at 31.03.2014**	**As at 31.03.2014**	**As at 31.03.2013**	**As at 31.03.2012**
	Non -Current				**Current** (Refer note 10)			
Note 6								
Other long term liabilities								
Rent and other deposits	37.6	2,316.8	485.2	425.4	12.1	747.7	22.9	22.8
Retention money for capital projects	36.0	2,218.4	1,300.3	385.1	22.8	1,402.4	2,449.3	1,739.4
Other payables	2.1	128.8	155.1	16.7	-	-	-	-
Premium payable on redemption of FCCBs	-	-	-	-	-	-	-	5,653.6
	75.7	4,664.0	1,940.6	827.2	34.9	2,150.1	2,472.2	7,415.8
Note 7								
Long term provisions								
Compensated absences	6.6	406.7	395.1	329.0	1.1	70.8	53.3	285.6
Gratuity provision	-	-	-	-	8.2	504.8	370.9	-
	6.6	406.7	395.1	329.0	9.3	575.6	424.2	285.6

	(USD Million)			(Rupees in million)
	As at 31.03.2014	**As at 31.03.2014**	**As at 31.03.2013**	**As at 31.03.2012**
Note 8				
Short term borrowings				
Working capital loans from banks (secured)	173.0	10,656.6	2,666.1	1,628.9
Foreign Currency Loan from Bank (secured)	-	-	-	1,534.6
Foreign currency loan from bank (unsecured)	-	-	8,429.2	4,577.8
Rupee term loans from banks (unsecured)	301.1	18,550.0	-	-
Commercial papers (unsecured)	162.3	10,000.0	-	-
	636.4	39,206.6	11,095.3	7,741.3

Details of Security
Working capital loans of Rs 10656.6 million (USD 173 million) are secured by :
- pari passu first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumable stores and spares and book debts / receivables of the company, both present and future.
- pari passu second charge on movable properties and immovable properties forming part of the fixed/blocked assets of the company, both present and future except such properties as may be specifically excluded.

Note 9				
Trade payables				
Acceptances	1,147.0	70,669.9	69,500.7	73,215.7
Other than acceptances (refer note 26(19))	474.6	29,242.6	23,242.9	18,628.8
	1,621.6	99,912.5	92,743.6	91,844.5
Note 10				
Other current liabilities				
Current maturities of long term debt (refer note 4)	358.6	22,094.5	13,645.7	36,278.0
Current dues of other long term liabilities (refer note 6)	34.9	2,150.1	2,472.2	7,415.8
Current dues of long term employee benefits (refer note 7)	9.3	575.6	424.2	285.6
Payables for capital projects	497.0	30,623.9	25,630.1	23,094.6
Advances from customers	28.7	1,770.3	1,929.8	1,710.5
Interest accrued but not due on borrowings	25.8	1,591.5	1,243.1	612.9
Other statutory liabilities	79.0	4,865.8	2,640.1	1,993.9
Others	4.2	256.6	561.3	225.3
Investor education and protection fund shall be credited by :	-	-	-	-
Unclaimed debenture redemption installments	0.1	9.2	12.8	16.1
Unclaimed debenture interest	0.1	5.6	7.7	14.3
Unclaimed dividend	2.4	149.3	135.8	141.1
Unclaimed amount of sale proceeds of fractional shares	1.1	67.3	37.0	37.1
	1,041.2	64,159.7	48,739.8	71,825.2
Note 11				
Short term provisions				
Proposed dividend on preference shares	4.5	279.0	279.0	279.0
Proposed dividend on equity shares	43.2	2,658.9	2,231.2	1,673.4
Corporate dividend tax on proposed dividends	8.1	499.3	426.6	316.8
Provision for tax	-	-	83.7	-
	55.8	3,437.2	3,020.5	2,269.2

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
Note 12
Fixed assets

(Rupees in million)

		Gross Block							Depreciation and Amortization						Net Block	
		As at 01.04.2013	Acquired under Composite Scheme of Amalgamation and Arrangement (refer note 26(4))	Disposals under Composite Scheme of Amalgamation and Arrangement (refer note 26(4))	Additions	Deductions	Other Adjustments	As at 31.03.2014	As at 01.04.2013	Acquired under Composite Scheme of Amalgamation and Arrangement (refer note 26(4))	Disposals under Composite Scheme of Amalgamation and Arrangement (refer note 26(4))	For the year	Deductions	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets																
Freehold Land	USD Million 2013-14	38.4	99.6	10.5	10.9	1.0	-	137.4	3.0	-	-	-	-	3.0	134.4	35.4
	2013-14	2,368.4	6,136.7	648.0	669.5	62.5	-	8,464.1	184.8	-	-	-	-	184.8	8,279.3	2,183.6
	2012-13	2,010.7	-	-	357.7	-	-	2,368.4	184.8	-	-	-	-	184.8	2,183.6	1,825.9
	2011-12	1,817.4	-	-	193.3	-	-	2,010.7	184.8	-	-	-	-	184.8	1,825.8	1,632.6
Leasehold Land	USD Million 2013-14	21.9	-	1.7	-	-	-	20.2	0.1	-	0.1	-	-	-	20.2	21.8
	2013-14	1,347.2	-	106.1	-	-	-	1,241.1	8.2	-	8.2	-	-	-	1,241.1	1,339.0
	2012-13	1,343.7	-	-	3.5	-	-	1,347.2	6.9	-	-	1.3	-	8.2	1,339.0	1,336.8
	2011-12	812.5	-	-	531.2	-	-	1,343.7	5.6	-	-	1.3	-	7.0	1,336.7	806.9
Buildings	USD Million 2013-14	756.2	58.7	24.3	51.0	-	-	841.6	135.2	1.6	5.2	25.7	-	157.3	684.3	621.0
	2013-14	46,594.4	3,619.0	1,498.0	3,144.3	-	-	51,859.7	8,331.2	96.3	318.4	1,586.1	-	9,695.2	42,164.5	38,263.2
	2012-13	45,526.0	-	-	1,111.6	57.6	14.4	46,594.4	6,977.7	-	-	1,376.5	23.0	8,331.2	38,263.2	38,548.3
	2011-12	37,498.1	-	-	7,641.3	0.7	387.3	45,526.0	5,663.0	-	-	1,314.8	0.1	6,977.7	38,548.4	31,835.2
Plant & Machinery[@]	USD Million 2013-14	5,227.6	1,545.2	250.3	383.6	4.7	92.8	6,994.2	1,454.5	73.3	111.7	410.4	3.9	1,822.6	5,171.6	3,773.1
	2013-14	322,093.4	95,203.2	15,422.1	23,636.3	290.7	5,718.8	430,938.9	89,619.1	4,516.8	6,882.1	25,285.4	243.0	112,296.2	318,642.7	232,474.3
	2012-13	298,769.0	-	-	19,601.7	42.7	3,765.4	322,093.4	71,629.3	-	-	18,012.5	22.7	89,619.1	232,474.3	227,139.7
	2011-12	230,996.8	-	-	60,077.1	112.9	7,808.1	298,769.1	56,237.2	-	-	15,494.4	102.2	71,629.3	227,139.8	174,759.6
Furniture & Fixtures	USD Million 2013-14	15.3	0.8	0.3	0.5	0.1	-	16.2	7.5	0.1	0.2	1.0	-	8.4	7.8	7.8
	2013-14	944.6	50.3	21.0	29.9	6.7	-	997.1	464.6	4.5	13.5	60.8	0.8	515.6	481.5	480.0
	2012-13	911.9	-	-	38.8	6.1	-	944.6	404.6	-	-	62.6	2.6	464.6	480.0	507.3
	2011-12	822.1	-	-	90.9	1.0	-	911.9	341.4	-	-	63.5	0.3	404.6	507.4	480.7
Vehicles & Aircrafts	USD Million 2013-14	27.6	0.9	0.2	2.0	0.8	-	29.5	8.8	0.1	0.1	2.1	0.3	10.6	18.9	18.8
	2013-14	1,703.2	57.0	15.2	126.3	52.3	-	1,819.0	544.4	5.8	6.5	126.7	19.8	650.6	1,168.4	1,158.8
	2012-13	1,667.2	-	-	90.5	54.5	-	1,703.2	444.6	-	-	115.1	15.3	544.4	1,158.8	1,222.6
	2011-12	1,632.6	-	-	95.3	60.8	-	1,667.1	358.7	-	-	112.5	26.6	444.6	1,222.6	1,273.9
Office Equipments	USD Million 2013-14	3.1	2.6	0.2	0.5	0.1	-	5.9	0.7	0.4	0.1	0.4	-	1.4	4.5	2.4
	2013-14	190.5	163.1	15.3	29.3	6.2	-	361.4	44.7	22.1	5.9	27.7	0.9	87.7	273.7	145.8
	2012-13	173.0	-	-	19.0	1.5	-	190.5	36.7	-	-	8.5	0.5	44.7	145.8	136.3
	2011-12	131.9	-	-	41.8	0.7	-	173.0	29.7	-	-	7.1	0.1	36.7	136.3	102.2
Tangible Assets Total (A)	USD Million 2013-14	**6,090.1**	**1,707.8**	**287.5**	**448.5**	**6.7**	**92.8**	**8,045.0**	**1,609.8**	**75.5**	**117.4**	**439.6**	**4.2**	**2,003.3**	**6,041.7**	**4,480.3**
	2013-14	**375,241.7**	**105,229.3**	**17,725.7**	**27,635.6**	**418.4**	**5,718.8**	**495,681.3**	**99,197.0**	**4,645.5**	**7,234.6**	**27,086.7**	**264.5**	**123,430.1**	**372,251.2**	**276,044.7**
	2012-13	350,401.5	-	-	21,222.8	162.4	3,779.8	375,241.7	79,684.6	-	-	19,576.5	64.1	99,197.0	276,044.7	270,716.9
	2011-12	273,711.4	-	-	68,670.9	176.1	8,195.4	350,401.6	62,820.4	-	-	16,993.6	129.3	79,684.7	270,716.9	210,891.0
Intangible Assets																
Computer Software	USD Million 2013-14	11.3	-	1.2	7.8	-	-	17.9	6.9	-	-	2.2	-	9.1	8.8	4.4
	2013-14	694.0	-	71.2	481.4	-	-	1,104.2	426.5	-	2.3	133.9	-	558.1	546.1	267.5
	2012-13	460.0	-	-	234.0	-	-	694.0	293.1	-	-	133.4	-	426.5	267.5	166.9
	2011-12	347.3	-	-	112.7	-	-	460.0	224.2	-	-	68.9	-	293.1	166.9	123.1
Licences	USD Million 2013-14	2.1	-	-	1.9	-	-	4.0	0.9	-	-	0.6	-	1.5	2.5	1.2
	2013-14	131.3	-	-	116.0	-	-	247.3	55.6	-	-	38.2	-	93.8	153.5	75.7
	2012-13	48.6	-	-	82.7	-	-	131.3	26.6	-	-	29.0	-	55.6	75.7	22.0
	2011-12	14.8	-	-	33.8	-	-	48.6	7.3	-	-	19.3	-	26.6	22.0	7.5
Intangible Assets Total (B)	USD Million 2013-14	**13.4**	**-**	**1.2**	**9.7**	**-**	**-**	**21.9**	**7.8**	**-**	**-**	**2.8**	**-**	**10.6**	**11.3**	**5.6**
	2013-14	**825.3**	**-**	**71.2**	**597.4**	**-**	**-**	**1,351.5**	**482.1**	**-**	**2.3**	**172.1**	**-**	**651.9**	**699.6**	**343.2**
	2012-13	508.6	-	-	316.7	-	-	825.3	319.7	-	-	162.4	-	482.1	343.2	188.9
	2011-12	362.1	-	-	146.5	-	-	508.6	231.5	-	-	88.2	-	319.7	188.9	130.6
TOTAL (A+B)		**376,067.0**	**105,229.3**	**17,796.9**	**28,233.0**	**418.4**	**5,718.8**	**497,032.8**	**99,679.1**	**4,645.5**	**7,236.9**	**27,258.8**	**264.5**	**124,082.0**	**372,950.8**	**276,387.9**
Previous Year		350,910.1	-	-	21,539.5	162.4	3,779.8	376,067.0	80,004.3	-	-	19,738.9	64.1	99,679.1	276,387.9	270,905.8
		274,073.5	-	-	68,817.4	176.1	8,195.4	350,910.3	63,052.0	-	-	17,081.7	129.3	80,004.4	270,905.9	211,021.5
@ Includes proportionate share of assets jointly owned Plant & Machinery	USD Million 2013-14	5.3	-	-	-	-	-	5.3	3.7	-	-	0.3	-	4.0	1.3	1.6
	2013-14	327.1	-	-	-	-	-	327.1	225.8	-	-	17.3	-	243.1	84.0	101.3
	2012-13	327.1	-	-	-	-	-	327.1	208.5	-	-	17.3	-	225.8	101.3	118.6
	2011-12	327.1	-	-	-	-	-	327.1	208.5	-	-	17.3	-	225.8	101.3	118.6

Notes:

(a) Freehold Land includes Rs 216.0 million, USD 3.51 million (31.03.2013: nil, 31.03.2013:nil) being the cost of 44.763 acres land, which is yet to be registered in the Company's name.

(b) Buildings' include:

(a) Roads not owned by the Company amortised over a period of five years. Gross Block Rs. 31.3 million, USD 0.51 million (31.03.2013: Rs. 31.3 million; 31.03.2012: Rs. 31.3 million)
Net block nil, USD nil (31.03.2013: Rs. 31.3 million; 31.03.2012: Rs. 31.3 million)

(b) Assets given on operating lease for which documents are yet to be executed pending approvals from Lenders and KSIIDC.
Gross Block nil, USD nil (31.03.2013: Rs. 30.8 million; 31.03.2012: Rs 30.8 million); net block Nil (31.03.2013: Rs. 24.2 million; 31.03.2012: Rs 24.7 million)

(c) Execution of Conveyence deed in favour of the Company is pending in respect of a Building acquired in an earlier year, Gross block nil , Net block nil (31.03.2013: Gross block Rs. 240.7 million, Net block Rs. 206.9 million; 31.03.2012: Gross block Rs 240.7 million, Net block Rs 212.2 million).

(c) Other adjustments comprise the following costs capitalised during the year:
(i) Borrowing costs of Rs. 607.2 million, USD 9.85 million (31.03.2013: Rs. 381.5 million; 31.03.2012: Rs 3346.4 million)
(ii) Foreign Exchange Loss of Rs. 5111.6 million, USD 82.95 million (31.03.2013: Rs. 3398.3 million ; 31.03.2012: Rs 4849.0 million)

(d) Freehold Land and Buildings of Rs. 1589.4 million; USD 25.8 million (31.03.2013: Rs. 1583.1 million; 31.03.2012: Rs 1582.1 million) has been/agreed to be hypothecated/mortgaged to lenders of related parties

(e) For details of assets given on operating lease, refer note 26 (15)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 13

Non current investment

	(USD Million)			(Rupees in Million)
	As at 31.03.2014	**As at 31.03.2014**	**As at 31.03.2013**	**As at 31.03.2012**
Long term (at cost or fair value whichever is lower)				
a Equity Instruments				
Trade- Quoted				
Associate				
JSW Ispat Steel Limited				
Nil Equity shares of Rs 10 each fully paid-up	-	-	23,571.1	23,571.1
Others				
JSW Energy Limited	38.7	2,384.7	1,209.0	1,209.0
98,878,500 Equity shares of Rs 10 each fully paid-up				
Trade- Unquoted				
Associates				
Jindal Praxair Oxygen Company Private Limited (JPOCPL)	4.4	272.7	272.7	296.4
23,942,125 Equity shares of Rs 10 each fully paid-up				
(Refer Note e below)				
Joint Ventures				
Gourangdih Coal Limited	0.4	24.5	24.5	24.5
2,450,000 Equity shares of Rs.10 each, fully paid up				
JSW MI Service Centre Private Limited	5.0	305.4	305.4	61.1
30,539,800 Equity shares of Rs 10 each fully paid-up				
JSW Severfield Structures Limited	16.0	984.4	653.0	395.4
98,437,940 Equity shares of Rs.10 each, fully paid up				
MJSJ Coal Limited	1.7	104.6	104.6	77.1
10,461,000 Equity shares of Rs.10 each, fully paid up				
Rohne Coal Company Private Limited	0.1	4.9	4.9	4.9
490,000 Equity shares of Rs.10 each, fully paid up				
Toshiba JSW Power Systems Private Limited	1.8	110.0	110.0	110.0
11,000,000 Equity shares of Rs.10 each, fully paid up				
Vijayanagar Minerals Private Limited	-	-	-	-
4,000 Equity shares of Rs 10 each fully paid-up (Rs. 40,000)				
Other than Trade - Unquoted				
Subsidiaries				
Amba River Coke Limited	107.5	6,622.7	1,740.1	678.7
662,269,806 Equity shares of Rs.10 each, fully paid up				
(304,373,882 shares are pledged to the subsidiary's bankers)				
JSW Bengal Steel Limited	67.3	4,146.3	3,639.0	2,701.2
414,630,000 Equity shares of Rs 10 each fully paid-up				
JSW Building System Limited	-	-	28.1	28.1
Nil Equity shares of Rs 10 each fully paid-up				
JSW Jharkhand Steel Limited	10.5	647.8	427.2	348.7
64,779,910 Equity shares of Rs 10 each fully paid-up				
JSW Natural Resources Limited	10.2	625.9	625.9	625.9
1,365,500 Equity shares of USD 10 each fully paid-up				
JSW Steel Processing Centres Limited	8.1	500.0	500.0	500.0
50,000,000 Equity shares of Rs 10 each fully paid-up				
JSW Steel (Netherlands) B.V.	175.6	10,821.8	10,821.8	10,200.2
174,945,275 Equity shares of Euro 1 each fully paid-up				
JSW Steel Holding (USA) Inc.	0.1	8.9	8.9	8.9
1 Equity Share of USD 0.01 each fully paid-up				
JSW Steel Coated Limited	213.3	13,135.4	-	-
50,050,000 Equity shares of Rs 10 each fully paid-up				
Arima Holdings Limited	3.6	223.2	-	-
50,000 Equity shares of USD 100 each fully paid-up				
Erebus Limited	15.7	969.2	-	-
215,000 Equity shares of USD 100 each fully paid-up				

	(USD Million)			(Rupees in Million)
	As at 31.03.2014	**As at 31.03.2014**	**As at 31.03.2013**	**As at 31.03.2012**
Nippon Ispat Singapore (Pte) Limited 784,502 Equity shares of Singapore Dollar 1 each fully paid-up	0.3	15.7	-	-
Peddar Realty Private Limited 10,000 Equity shares of Rs 10 each fully-paid up	13.4	826.2	-	-
Lakeland Securities Limited 1 Equity share of USD 100 each fully paid-up (Rs 3998)	-	-	-	-
Others				
SICOM Limited 600,000 Equity shares of Rs 10 each fully paid-up	0.8	48.8	48.8	48.8
Steelscape Consultancy Private Limited 100,000 Equity shares of Rs 10 each fully paid-up	-	1.0	0.5	0.5
Tarapur Environment Protection Society 29,116 Equity shares of Rs.100 each, fully paid up	-	2.9	2.9	2.9
Ispat Profiles India Limited 1,500,000 Equity shares of Rs 10 each fully paid-up (Re 1)	-	-	-	-
Kalyani Mukand Limited 480,000 Equity shares of Rs 10 each fully paid-up (Re 1)	-	-	-	-
b Preference Shares				
Trade- Unquoted				
Associates				
Jindal Praxair Oxygen Company Private Limited (JPOCPL)				
4,200,000, 10% Preference Shares of Rs. 10 each fully paid up	-	-	-	42.0
32,310,000, 0.1% Preference Shares of Rs. 10 each fully paid up	-	-	-	323.1
Joint Ventures				
Rohne Coal Company Private Limited 19,822,910 1% Preference shares of Rs. 10 each, fully paid up	3.2	198.2	198.2	198.2
Others				
JSW Realty & Infrastructure Private Limited 19,915,000 10% Preference shares of Rs.100 each, fully paid up	32.3	1,991.5	1,300.0	1,300.0
c Government Securities (Unquoted)				
National Savings Certificates (Pledged with commercial tax department)	-	0.6	0.1	0.1
d Investment in Limited Liability Partnership Firm				
Subsidiaries				
Inversiones Eurosh Limitada 5% Equity Interest in the capital of the Firm	-	0.1	0.1	0.1
	730.0	44,977.4	45,596.8	42,756.9
Less: Provision for diminution in the value of Investments	(30.0)	(1,848.9)	(640.7)	(634.9)
	700.0	**43,128.5**	**44,956.1**	**42,122.0**

e The Company has a 26% stake in Jindal Praxair Oxygen Company Private Limited (JPOCL). Though the Company is entitled to exercise joint control in respect of certain operating and financial matters in terms of the shareholders agreement, on account of certain constraints, it is unable to exercise such joint control. The Company has representation on JPOCL's Board. JPOCL has therefore been considered as an Associate Company.

f SUMMARY				
Quoted				
Aggregate book value	38.7	2,384.7	24,780.1	24,780.1
Aggregate market value	95.1	5,858.6	14,560.7	19,605.2
Unquoted				
Aggregate book value	661.3	40,743.8	20,176.0	17,341.9

	(USD Million)			(Rupees in million)	(USD Million)			(Rupees in million)
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
	Non -Current				Current			
Note 14								
Loans and advances								
(Unsecured)								
Capital advances	212.7	13,105.2	7,084.8	7,634.9	-	-	-	-
Less : Provision for doubtful advances	(14.7)	(904.3)	(894.0)	(867.5)	-	-	-	-
	198.0	12,200.9	6,190.8	6,767.4	-	-	-	-
Other loans and advances								
Loans and advances								
To related parties	36.5	2,251.3	691.5	469.9	434.9	26,798.0	37,719.5	25,613.0
To other body corporate	1.5	91.0	91.0	91.0	-	-	-	-
Advance to suppliers	84.2	5,189.5	85.4	85.4	240.6	14,824.4	6,433.8	6,651.1
Export benefits and entitlements	2.0	124.4	66.9	66.9	36.2	2,231.2	1,374.2	1,088.5
Amount recoverable from ESOP trusts	-	-	3,599.0	2,319.6	42.6	2,623.1	-	-
Deposits	-	-	-	-	-	-	-	-
Security deposits	24.1	1,486.3	1,050.0	1,020.4	21.9	1,352.2	1,505.6	1,176.2
Others	-	-	-	-	-	-	6.1	7.1
Indirect tax balances/recoverables/credits	116.4	7,171.4	973.9	274.3	146.2	9,008.6	13,034.0	8,314.6
Prepayments and others	52.7	3,246.7	3,131.8	2,665.3	59.5	3,663.3	1,114.8	1,557.1
Advance tax and tax deducted at source (Net)	2.2	135.3	-	136.5	-	-	-	-
Minimum alternative tax credit entitlement	335.4	20,662.6	15,034.6	12,093.6	-	-	-	-
Advance towards equity / preference capital	2.4	146.3	132.6	714.8	-	-	-	-
Less : Provision for doubtful loans and advances	(50.2)	(3,091.0)	(207.6)	(190.7)	-	-	-	-
	607.2	37,413.8	24,649.1	19,747.0	981.9	60,500.8	61,188.0	44,407.6
	805.2	49,614.7	30,839.9	26,514.4	981.9	60,500.8	61,188.0	44,407.6
a **Loans and advances constitute:**								
Capital advances								
Considered good	198.0	12,200.9	6,190.8	6,767.4	-	-	-	-
Considered doubtful, provided	14.7	904.3	894.0	867.5	-	-	-	-
Other loans and advances								
Considered good	607.2	37,413.8	24,649.1	19,747.0	981.9	60,500.8	61,188.0	44,407.6
Considered doubtful, provided								
Loans and advances to other body corporate	1.5	91.0	91.0	91.0	-	-	-	-
Advances to suppliers	43.3	2,670.2	85.4	85.4	-	-	-	-
Other deposits	4.1	254.7	7.8	7.8	-	-	-	-
Prepayment and others	1.2	75.1	23.4	6.5	-	-	-	-

b **Details of loans and advances in the nature of loans to subsidiaries (including interest receivable)**

Name of Company	As at 31.03.2014		As at 31.03.2014		As at 31.03.2013		As at 31.03.2013	
	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding
JSW Steel (Netherlands) B.V.	95.7	26.3	5,898.9	1,618.4	11,263.2	4,493.1	9,836.5	9,499.3
JSW Natural Resources Limited	13.3	12.2	819.3	751.6	525.5	525.5	158.6	158.6
Inversiones Eurosh Limitada	90.6	90.6	5,579.8	5,579.5	4,835.6	4,817.4	3,635.6	3,635.6
JSW Steel Holding (USA) Inc.	627.0	279.7	38,628.9	17,235.7	27,826.6	27,826.6	13,896.1	12,234.6

	(USD Million)			(Rupees in million)
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Note 15				
Other non current assets				
Trade Receivables (Refer note 18)	-	-	-	-
Cash and bank balances (refer note 19)	-	-	0.8	15.8
	-	-	0.8	15.8

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 16

CURRENT INVESTMENTS

	(USD Million)			(Rupees in million)
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Mutual funds (at cost or fair value whichever is lower) (unquoted)				
Investment in Mutual Fund	11.0	677.0	1,404.5	2,012.2
Mutual funds	**11.0**	**677.0**	**1,404.5**	**2,012.2**
Summary				
Unquoted				
Aggregate book value	11.0	677.0	1,404.5	2,012.2
Aggregate repurchase value	11.3	695.8	1,434.1	2,013.2

	(USD Million) As at 31.03.2014	(Rupees in million) As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Note 17				
Inventories				
(at lower of cost and net realisable value)				
Raw materials	471.6	29,053.9	16,872.2	23,795.9
Work-in-Progress	91.5	5,638.7	2,872.8	5,071.6
Semi finished/ finished goods	275.1	16,949.6	19,205.4	14,657.8
Production consumables and stores & spares	167.6	10,323.5	9,040.6	8,265.5
	1,005.8	61,965.7	47,991.0	51,790.8
Details of goods-in-transit				
Raw materials	15.4	946.9	1,729.9	4,232.2
Production consumables and stores & spares	4.6	283.5	543.1	290.2

	Non -Current As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	Current As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Note 18								
Trade receivables								
(Unsecured)								
Outstanding for a period exceeding six months from the date they are due for payment								
Considered good	-	-	-	-	33.9	2,087.9	987.9	120.3
Considered doubtful	-	2.1	8.7	6.4	53.3	3,286.3	55.7	79.4
Less: provision for doubtful receivables	-	(2.1)	(8.7)	(6.4)	(53.3)	(3,286.3)	(55.7)	(79.4)
		-	-	-	33.9	2,087.9	987.9	120.3
Other receivables								
Considered good	-	-	-	-	326.2	20,099.5	17,634.1	12,725.9
		-	-	-	360.1	22,187.4	18,622.0	12,846.2
Note 19								
Cash and bank balances		(Refer note 15)						
Cash and cash equivalents								
Balances with banks								
In current accounts	-	-	-	-	41.8	2,574.4	2,165.2	1,981.5
In margin money with maturity less than 3 months at inception	-	-	-	-		-	0.6	-
In term deposit Accounts with maturity less than 3 months at inception	-	-	-	-	30.5	1,876.2	3,711.2	10,606.2
Cheques on hand	-	-	-	-	0.2	10.5	0.4	-
Cash on hand	-	-	-	-	0.1	5.3	5.0	7.0
	-	-	-	-	72.6	4,466.4	5,882.4	12,594.7
						*	*	*
Others								
In margin money with maturity more than 3 months but less than 12 months at inception	-	-	-	-	0.1	9.2	9.7	9.3
In term deposit accounts								
with maturity more than 3 months but less than 12 months at inception	-	-	-	-	2.7	166.6	8,110.8	16,956.2
with maturity more than 12 months at inception	-	-	0.8	15.8	0.2	15.0	15.0	-
	-	-	0.8	15.8	3.0	190.8	8,135.5	16,965.5
	-	-	0.8	15.8	75.6	4,657.2	14,017.9	29,560.2

* Refer Cash Flow Statement

Earmarked balances								
In current accounts		-	-	-	3.8	231.4	193.3	208.4
In term deposit accounts		-	0.8	15.8	-	-	11,783.6	23,285.9
In margin money		-	-	-	1.5	92.0	10.3	9.3

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(USD Million)			(Rupees in million)
	For the Year Ended 31.03.2014	**For the Year Ended 31.03.2014**	**For the Year Ended 31.03.2013**	**For the Year Ended 31.03.2012**
Note 20				
Revenue from operations				
Sale of products				
Domestic turnover	6,417.7	395,417.7	311,664.0	287,696.0
Export turnover	1,458.4	89,854.1	75,970.1	58,888.8
	7,876.1	485,271.8	387,634.1	346,584.8
Less: Excise duty	648.8	39,977.1	33,757.8	25,980.1
	7,227.3	445,294.7	353,876.3	320,604.7
Other operating revenues				
Carbon credits	-	-	170.7	133.7
Gain on prepayment of deferred value added/sales tax	74.8	4,608.5	-	-
Miscellaneous income	49.9	3,074.0	871.1	488.2
	124.7	7,682.5	1,041.8	621.9
	7,352.0	452,977.2	354,918.1	321,226.6
Note 21				
Other income				
Interest income	39.8	2,451.6	2,224.1	1,384.6
Dividend income from long-term investments	3.6	222.3	58.9	86.7
Profit on sale of current investment	2.8	171.5	167.9	149.0
Profit on sale of long term investment	1.1	65.6	157.9	164.5
Provision for doubtful debts/loans/advances written back (net)	1.1	64.9	-	7.4
Profit on sale of fixed assets (net)	-	-	-	0.8
Miscellaneous income	5.4	334.6	-	-
	53.8	3,310.5	2,608.8	1,793.0
Note 22				
Changes in inventories of finished goods, work-in-progress and stock in trade				
Opening stock : *				
Semi finished /finished goods	272.6	16,795.0	14,657.8	13,785.0
Work-in-progress	45.9	2,829.1	5,071.6	2,637.4
Increase on acquisition				
Semi finished /finished goods	0.2	15.4	-	-
Work-in-progress	-	1.2	-	-
	318.7	19,640.7	19,729.4	16,422.4
Closing stock :				
Semi finished /finished goods	275.1	16,949.6	19,205.4	14,657.8
Work-in-progress	91.5	5,638.7	2,872.8	5,071.6
	366.6	22,588.3	22,078.2	19,729.4
	(47.9)	(2,947.6)	(2,348.8)	(3,307.0)
Excise duty on stock of finished goods (net)	8.2	506.6	624.2	328.9
	(39.7)	(2,441.0)	(1,724.6)	(2,978.1)

* Opening stock is after adjustment of Composite Scheme of Amalgamation and Arrangement

	(USD Million)			(Rupees in million)
	For the Year Ended 31.03.2014	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Note 23				
Employee benefits expense				
Salaries and wages	114.7	7,067.8	5,929.8	5,386.8
Contribution to provident and other funds	5.5	336.6	383.8	461.2
Expenses on employees stock option scheme	-	-	57.0	102.8
Staff welfare expenses	9.6	591.4	339.1	307.9
	129.8	7,995.8	6,709.7	6,258.7
Note 24				
Finance costs				
Interest Expense	419.4	25,840.0	16,442.6	11,071.9
Other borrowing costs	25.3	1,561.3	802.2	792.2
	444.7	27,401.3	17,244.8	11,864.1
Note 25				
Other expenses				
Consumption of Stores and Spares	330.4	20,358.4	15,927.5	13,598.6
Power and fuel	537.8	33,136.4	19,640.9	16,838.4
Rent	5.0	305.8	119.1	96.8
Repairs & maintenance	-	-	-	-
Plant & machinery	153.8	9,473.4	7,289.8	6,090.1
Buildings	4.3	262.3	719.8	468.8
Others	3.1	190.8	160.6	145.9
Insurance	11.1	685.9	498.1	551.4
Rates and taxes	6.9	427.0	136.8	139.4
Carriage and freight	234.3	14,436.8	12,228.7	9,199.1
Jobwork and processing charges	39.7	2,448.6	963.6	818.6
Commission on sales	3.3	202.9	225.3	398.2
Exchange loss (net)	43.9	2,702.1	-	-
Donations & contributions	0.6	39.3	31.6	29.7
Miscellaneous expenses	46.7	2,875.9	2,827.1	2,873.2
Provision for doubtful debts/loans/advances (net)	-	-	43.4	-
Loss on sale of fixed assets (net)	0.7	44.6	23.0	-
Provision for diminution in value of investments	-	-	5.8	13.7
	1,421.6	87,590.2	60,841.1	51,261.9

Note 26

1. Contingent liabilities:

				2013-14	2013-14	2012-13	2011-12
e				USD in million	Rs in million		
1)	**Contingent liabilities:**						
	a)		Bills Discounted	533.3	32,855.6	30,129.2	31,171.3
	b)		Guarantees provided on behalf of subsidiaries	222.8	13,725.7	12,239.5	10,962.7
	c)		Standby letter of credit facility availed from resident Indian Banks secured / to be secured by specific fixed assets of the company in relation to overseas long term borrowing by				
		(i)	JSW Steel Holding (USA) INC	390.2	24,039.9	-	-
		(ii)	JSW Steel (Netherlands) B.V	78.0	4,808.0	-	-
	d)		Disputed claims/levies (excluding interest, if any), in respect of:				
		(i)	Excise Duty	71.7	4,419.5	1,998.2	2,002.7
		(ii)	Custom Duty	74.7	4,601.2	6,327.6	4,774.4
		(iii)	Income Tax	0.3	17.4	14.7	14.7
		(iv)	Sales tax/ Special entry tax	36.3	2,233.7	2,269.3	1,703.0
		(v)	Service tax	21.0	1,292.5	981.0	700.8
		(vi)	Miscellaneous	-	0.5	0.5	0.5
		(vii)	Levies by local authorities	0.5	30.4	30.4	30.4
		(viii)	Claims by suppliers and other parties (including for Forest Development Tax)	168.7	10,396.0	8,727.9	5,090.0
			In 2008, the State of Karnataka levied a Forest Development Tax (FDT) treating iron ore as a forest produce. Writ petitions filed by various stakeholders challenging the levy before Karnataka High Court are pending disposal. The Management of the Company has been legally advised that this is a fairly arguable case from the company's perspective and accordingly, the tax is considered as recoverable. Tax payments made under protest in the earlier years (refer note 14)/tax payable are considered as 'contingent liabilities'.				
	d)		Arrears of fixed cumulative dividend on preference shares (CPRS)	0.1	4.6	-	-
2)	**Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)**			515.5	31,763.6	32,174.9	37,291.2
3)	**Other Commitments:**						
	a)	The Company from time to time provides need based support to subsidiaries and joint ventures entity towards capital and other requirements					
	b)	The Group has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports. Such export obligations aggregate to		619.5	38,171.1	109,035.0	169,125.9

2. On 3rd May 2013 the Bombay High Court sanctioned a Composite Scheme of Amalgamation and Arrangement (Scheme) under sections 391 to 394 of the Companies Act, 1956 amongst JSW Steel Limited, JSW Ispat Steel Limited, JSW Building Systems Limited, JSW Steel Coated Products Limited and their respective shareholders and creditors with 1 July 2012 being the appointed date. The certified copy of the scheme is filed with the Registrar of Companies (RoC) on June 1, 2013. Accordingly, effect of the scheme is considered in the financial statements of the current year.

In terms of the scheme, effectively, from July 1, 2012:

- The Vasind and Tarapur units of JSW Steel Limited and the Kalmeshwar unit of JSW Ispat Steel Limited were demerged and their businesses transferred and vested to JSW Steel Coated Products Limited.
- The residual JSW Ispat Steel Limited was merged with JSW Steel Limited.
- JSW Steel Coated Products Limited emerged as a subsidiary of JSW Steel Limited.
- Accordingly, an amount of Rs. 3,419.5 millions, USD 55.5 million for the period July 1, 2012 to March 31, 2013, have been debited to the reserve & surplus under surplus in statement of profit and loss.

This amalgamation is an amalgamation in the nature of purchase as defined by Accounting Standard 14 – Accounting for Amalgamations specified in the Companies (Accounting Standard) Rules 2006. Entries have been passed in the books of account of the Company to give effect to the scheme, as follows:

With effect from the appointed date,

(a) All the assets and liabilities of residual JSW Ispat and JSW Building vest in and are transferred to the Company and recorded at their respective fair values.

(b) 1,86,08,844 equity shares of Rs 10 each at par are issued to the equity shareholders of JSW Ispat in the ratio of 1 equity share of the company for every 72 equity shares of JSW Ispat.

(c) 48,54,14,604 ,0.01% preference shares of Rs 10 each are issued to the preference shareholders of JSW Ispat in the ratio of 1 preference share for every preference share of JSW Ispat.

(d) Inter-company investments and balances, between the company, JSW Building and residual JSW Ispat stand cancelled.

(e) Assets and liabilities related to the Vasind and Tarapur units of the company are transferred to and vested in JSW Steel Coated.

(f) The difference of Rs 30,551.2 million, USD 495.9 million resulting from the above is credited to the capital reserve account.

3. In view of the losses from operations of, JSW Steel USA Inc, a subsidiary of the Company for last few years, the Company has considered valuations of its fixed assets carried out by an independent valuer and concluded that no provision is presently necessary against the carrying amounts of investments and loans and with respect to financials guarantees [included under contingent liabilities – note 26 (1){(b) and(c)}], relating to the said subsidiary.

	2013-14	2013-14	2012-13	2011-12
	USD Millions	Rs in Million		
Carrying amounts of investments and loans	325.8	20,074.6	31,556.5	19,484.1
Financials guarantees	446.8	27,525.7	-	-

4. The carrying amount of investment in equity shares of JSW Severfield, India, a joint venture (JV) of the Company, is Rs 984.4 million, USD 15.98 million as at March 31, 2014. Having regard to its continued operating losses and current external economic environment, the Management of the Company has assessed whether the decline in the value of the said investment is 'other than temporary' in terms of Accounting

Standard (AS) 13, Investments. On a careful evaluation of the business plans of the JV and expected profits based thereon, it has been concluded that the decline is temporary and accordingly, no provision is required.

5. Trade receivable includes Rs. 1,840.2 million, USD 29.86 million (31.03.2013:Rs. 1,840.2 million; 31.03.2012 nil)) recoverable from a customer towards supply of steel. The customer has applied for corporate debt restructuring to CDR Cell and mentioned JSW Steel as their "critical and essential supplier" whose dues needs to be paid on priority basis. The scheme was approved by CDR empowered group during the year. Based on these developments, the company is reasonably confident about the recoverability of the said amount.

6. Exceptional items represents effect of significant movement and volatility in the value of the Indian rupee against US dollar.

7. Details of utilization of funds received on preferential allotment :

(a) **Issue of Fully Convertible Debenture**

Rupees in millions

	2013-14	2012-13	2011-12
Net issue proceeds/Previous Year Balance	Nil	Nil	10,100.0
Less: Utilization			
Debt Repayment / Reduction	Nil	Nil	Nil
Investment in JSW Ispat Steel Limited	Nil	Nil	2,000.0
Working Capital	Nil	Nil	8,100.0
Capital Expenditure	Nil	Nil	Nil
Balance held in Fixed deposits with banks pending utilization	Nil	Nil	Nil

8. Employee share based payment plans:

a) The company operates an employee share-based payments plan, which is described below:

For the year 2013-14

	ESOP 2012	
Particulars	**Initial grant (junior manager & above)**	**1st Subsequent grant (junior manager & above)**
Date of grant	26-Jul-12	26-Jul-12
Outstanding as on 01.04.2013	3,092,830	1,553,086
Transfer on account of Composite Scheme of Amalgamation and Arrangement	330,308	161,627
Transfer arising from transfer of employees to JSW Steel Coated Products Limited	19,531	18,043

Transfer arising from transfer of employees to other group companies	20,724	11,302
Forfeited during the year	90,399	92,082
Exercised during the year	1,113,657	-
Outstanding as on 31.03.2014	1,518,211	1,270,032
Vesting period	30-Sep-13 till 30- Sep-17	30-Sep-14 till 30- Sep-17
Method of settlement	Cash	Cash
Exercise price (Rs)	700	700

For the year 2012-13

	ESOP 2012		ESOP 2010
Particulars	**Initial Grant (Junior Manager & Above)**	**1st Subsequent Grant (Junior Manager & Above)**	**Scheme 1 (Junior Manager & Above)**
Date of grant	26-Jul-12	26-Jul-12	01-Oct-10
Outstanding as on 01.04.2012	-	-	1,712,075
Granted during the year	3,135,744	1,602,480	-
Transfer arising from transfer of employees from group companies	26,069	14,870	-
Forfeited during the year	68,983	64,264	1,712,075
Exercised during the year	-	-	-
Outstanding as on 31.03.2013	3,092,830	1,553,086	-
Vesting Period	30-Sep-13 till 30-Sep-17	30-Sep-13 till 30-Sep-17	Graded vesting over 3 years
Method of settlement	Cash	Cash	Cash
Exercise Price (Rs)	700	700	1,100

For the year 2011-12

Particulars	ESOP 2010 Scheme 1 (Junior Manager & Above)
Date of grant	1-Oct-10
Outstanding as on 01.04.2011	1,692,949
Granted during the year	137,238
Transfer arising from transfer of employees from group companies	7,462
Forfeited during the year	111,947
Transfer arising from transfer of employees from group companies	13,627
Exercised during the year	-
Outstanding as on 31.03.2012	1,712,075
Vesting Period	Graded vesting over 3 years
Method of settlement	Cash
Exercise Price (Rs)	1100

b) Expenses arising from employee's share- based payment plans is :

Rs in millions

	2013-14	2012-13	2011-12
Carrying amounts of investments and loans	-	57.9	106.8

9. Derivatives:

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

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

As at	No. of Contracts	Type	US$ equivalent (Million)	INR Equivalent (millions)
31.03.2014	138	Buy	1,109.6	66,686.6
	56	Sell	751.5	45,164.4
31.03.2013	9	Buy	55.2	3,000.1
	13	Sell	99.4	5,404.6
31.03.2012	25	Buy	144.8	7,406.9
	76	Sell	241.7	12,365.8

b) The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on capital account. Such transactions are governed by the strategy approved by the board of directors, which provide principles on the use of these instruments, consistent with the company's risk management policy. The Company does not use these contracts for speculative purposes.

Notional value of interest rate swaps (IRS) to hedge against fluctuations in interest rate changes are as under:

As at	No. of contracts	US$ equivalent of notional value (million)	MTM of IRS (INR millions)
31.03.2014	7	50	(79.3)
31.03.2013	7	60	(122.6)
31.03.2012	7	70	(139.0)

Currency Swaps to hedge against fluctuations in changes in exchange rate and interest rate:

As at	No. of Contrats	US$ Equivalent of notional value (Million)	MTM of Currency Swap (INR million)
31.03.2014	0	-	-
31.03.2013	0	-	-
31.03.2012	1	25.0	(153.0)

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

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

	2013-14		2012-13		2011-12	
	US$ equivalent	INR Equivalent	US$ equivalent	INR Equivalent	US$ equivalent	INR Equivalent
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)
Trade Receivables	-	-	11.3	612.2	2.6	120.1
Balances with banks						
- in Fixed Deposit Account	-	-	0.0	0.3	0.0	0.4
- in Current Account	0.01	0.4	0.0	0.4	0.0	1.3
Advances/Loans to Subsidiaries	419.6	25,215.1	692.9	37,686.9	500.1	25,585.0

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

	2013-14		2012-13		2011-12	
	US$ equivalent	INR Equivalent	US$ equivalent	INR Equivalent	US$ equivalent	INR Equivalent
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million))
Loans Payable	1,065.9	64,062.4	1,225.4	66,648.3	1,149.0	58,779.0
Advance from Customer	-	-	29.2	1284.9	80.9	3563.9
Acceptances	50.8	3053.6	1,139.9	62,000.3	1,152.4	58,954.1
Trade Payables	167.2	10,046.5	128.8	7006.9	115.1	5885.9
Payable for Capital Projects	380.8	22,887.6	408.0	22,188.7	413.2	21,136.9
Interest Accured but not due on Borrowings	6.4	383.8	10.0	543.2	6.9	355.2
Redemption premium payable on FCCB's	-	-	-	-	110.5	5,653.6

10. Research and development activities

Disclosure as required under section 35(2AB) of the Income Tax Act, 1961

a) Fixed assets include the capital cost of in-house research recognized facility as under:-

Rs in million

Particulars		Buildings	Plant and Machinery	Others	Total
Gross Block at the beginning of the year	USD Million (2013-14)	1.2	20.7	0.1	22.0
	2013-14	76.9	1,277.9	3.7	1,358.5
	2012-13	76.1	1,010.4	2.2	1,088.7
	2011-12	14.7	275.3	-	290.0
Additions during the year	USD Million (2013-14)	1.2	2.8	-	4.0
	2013-14	72.3	172.5	0.3	245.1
	2012-13	0.7	265.6	1.6	267.9
	2011-12	61.4	735.1	2.2	798.7
Gross Block at the end of the year	USD Million (2013-14)	2.4	23.5	0.1	26.0
	2013-14	149.1	1,450.4	3.9	1,603.4
	2012-13	76.8	1,276.0	3.8	1,356.6
	2011-12	76.1	1,010.4	2.2	1,088.7
Capital Work in Progress	USD Million (2013-14)	-	1.5	-	1.5
	2013-14	-	93.2	0.8	94.0
	2012-13	-	179.8	1.1	180.9
	2011-12	-	76.0	0.3	76.3
Capital Expenditure incurred during the year (including CWIP)	USD Million (2013-14)	1.2	1.4	-	2.6
	2013-14	72.3	85.9	-	158.2
	2012-13	0.7	369.4	2.4	372.5
	2011-12	34.6	478.2	2.5	515.3

b) The manufacturing and other expenses and depreciation given below in respect of research and development activities undertaken during the year.

Manufacturing and Other Expenses	USD Million	Rs in million
2013-14	1.5	93.9
2012-13		86.2
2011-12		92.8
Depreciation	USD Million	Rs in million
2013-14	1.5	90.3
2012-13		73.0
2011-12		35.2

11. Employee benefits:

a) Defined contribution plan:

Company's contribution to provident fund for 2013-14 is Rs. 291.0 million, USD 4.7 million for 2012-13 Rs. 256.2 million and for 2011-12 Rs 240 million)

Defined benefit plans –

(i) Gratuity:

a) Liability recognized in the Balance Sheet	2013-14	2013-14	2012-13	2012-13
	USD Million	Rs in Million		
i) Present value of obligation				
Opening Balance	14.6	901.0	736.5	496.0
Service Cost	1.2	75.6	64.8	45.9
Interest Cost	1.2	74.3	62.6	39.7
Actuarial loss on obligation	(1.3)	(80.8)	63.7	182.6
Benefits paid	(0.9)	(53.2)	(26.6)	(27.7)
Liability Transfer Out	3.8	235.8	-	-
Liability Transfer In	(4.1)	(251.8)	-	-
Closing Balance	**14.5**	**900.9**	**901.0**	**736.5**
Less:				
ii) Fair Value of Plan Assets				
Opening Balance	8.6	530.1	499.9	381.0
Expected Return on Plan assets less loss on investments	0.7	46.1	43.0	30.5
Actuarial (loss)/gain on Plan Assets	(0.2)	(10.0)	13.7	(7.8)
Employers' Contribution	-	1.0	0.3	115.4
Asset Transfer	(2.3)	(140.5)	-	-
Benefits paid	(0.5)	(30.6)	(26.8)	(19.2)
Closing Balance	**6.3**	**396.1**	**530.1**	**499.9**
Amount recognized in Balance Sheet	**8.2**	**504.8**	**370.9**	**236.6**
b) Expenses during the year(included in Note 23 under Contribution to Provident and Other Funds)				
Service cost	1.2	75.6	64.8	45.9
Interest cost	1.2	74.3	62.6	39.7
Expected Return on Plan assets	(0.7)	(46.1)	(43.0)	(30.5)
Actuarial Loss	(1.1)	(70.8)	50.0	190.4
Transferred to preoperative expenses	-	(0.9)	(2.3)	(7.8)
Total	**0.6**	**32.1**	**132.1**	**237.7**
c) Actual Return on plan assets	0.6	36.1	56.7	22.8
d) Break up of Plan Assets :				
(i) ICICI Prudential Life Insurance Co. Ltd.				
Balanced Fund	0.5	30.1	27.4	34.0
Group Debt Fund	1.4	89.2	112.3	41.0
Group Short Term Debt Fund	0.1	4.7	0.6	15.2

Endowment Plan	-	-	-	62.0
(ii) HDFC Standard Life Insurance Co. Ltd.	-	-	-	-
Defensive Managed Fund	0.2	12.3	11.4	10.4
Stable Managed Fund	2.2	135.4	125.4	114.6
(iii) SBI Life Insurance Co. Ltd. – Cap Assured Fund	3.2	196.9	180.7	155.2
(iv) LIC of India – Insurer Managed Fund	1.2	75.2	72.3	67.4
v) Asset Fund Transfer	(2.4)	(147.7)	-	-
e) Principal actuarial assumptions				
Rate of Discounting		9.31%p.a.	8.25%p.a.	8.5%p.a.
Expected Return on Plan Assets		8.7%p.a.	8.7%p.a.	8.6%p.a.
Rate of increase in salaries		6%p.a.	6%p.a.	6%p.a.
Attrition Rate		2%p.a.	2%p.a.	2%p.a.

The company expects to contribute Rs 504.8 million. USD 8.2 million (31.03.2013 370.9 million, 31.03.2012 236.6 million) to its gratuity plan for the next year.

In assessing the company's post retirement liabilities, the company monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

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

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Other disclosures:

Particulars	2013-14	2013-14	2012-13	2011-12	2010-11	2009-10
	USD Million	Rs in million				
Defined Benefit Obligation	14.6	900.9	901.0	736.5	496.0	369.1
Plan Assets	6.4	396.1	530.1	499.9	381.0	336.6
Surplus / (Deficit)	(8.2)	(504.8)	(370.9)	(236.6)	(115.0)	(32.5)
Experience Adjustments on Plan Liabilities – Loss/(Gain)	0.6	37.3	38.9	214.0	77.1	14.4
Experience Adjustments on Plan Assets – Gain/(Loss)	(0.2)	(10.0)	13.7	(7.8)	(4.6)	(0.8)

(ii) Provident fund:

The company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the company is required to contribute a specified percentage of the payroll costs to fund the benefits.

In keeping with the guidance on implementing Accounting Standard (AS) 15 (Revised) on employee benefits notified by the Companies (Accounting Standards) Rules, 2006, employer established provident fund trusts are treated as defined benefit plans, since the company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the company as at 31st March, 2014 works out to Rs. nil (31.03.2013: Rs nil, 31.03.2013 Rs nil) and hence no provision is required to be provided for in the books of accounts towards the guarantee given for notified interest rates.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	2013-14	2012-13	2011-12
Rate of discounting	9.31%	8.25%	8.50%
Rate of return on assets	8.95%	9.14%	9.04%
Guaranteed rate of return	8.75%	8.50%	8.25%

12. Segment reporting:

The company is primarily engaged in the business of manufacture and sale of iron and steel products. The company has identified two primary business segments, namely steel and power (used mainly for captive consumption), which in the context of Accounting Standard 17 on "segment reporting" constitute reportable segments.

Information about primary business segments

					USD Million					Rs . Million
Particulars	**Year ended**					**Year ended**				
	31.03.2014					**31.03.2014**				
	Steel	**Power**	**Other**	**Eliminations**	**Total**	**Steel**	**Power**	**Other**	**Eliminations**	**Total**
INCOME :										
External sales	7,254.6	89.7	7.6	-	7,351.9	446,982.7	5,527.3	467.2	-	452,977.2
Inter segment sales	265.6	546.7	0.4	(812.6)	-	16,363.7	33,682.2	22.4	(50,068.3)	-
Total income	**7,520.2**	**636.4**	**7.9**	**(812.6)**	**7,351.9**	**463,346.4**	**39,209.5**	**489.6**	**(50,068.3)**	**452,977.2**
SEGMENT RESULTS										
Segment/ Operating results	756.5	228.0	(0.3)	-	984.1	46,608.8	14,044.9	(21.2)	-	60,632.5
					-					-
Un-allocated Items:										
Income					52.7					3,245.1
Finance costs					(444.7)					(27,401.3)
Exceptional item :Exchange loss (net)					(274.7)					(16,923.0)
Provision for taxation					(100.8)					(6,208.2)
Net profit					216.6					13,345.1
OTHER INFORMATION										
Segment assets	9,161.4	371.2	34.1	-	9,566.6	564,464.0	22,871.8	2,098.5	-	589,434.3
Un-allocated assets					1,539.0					94,822.5
Total assets					11,105.6					684,256.8
Segment liabilities	2,325.0	26.9	7.2	-	2,359.1	143,249.0	1,658.4	443.5	-	145,350.9
Un-allocated liabilities & provisions					4,805.2					296,064.1
Total liabilities					7,164.3					441,415.0

										Rs . Million
Particulars	**31.03.2013**					**31.03.2012**				
	Steel	**Power**	**Others**	**Eliminations**	**Total**	**Steel**	**Power**	**Others**	**Eliminations**	**Total**
INCOME										
External Sales	344,032.8	10,885.3	-	-	354,918.1	317,518.9	3,707.7	-	-	321,226.6
Inter Segment Revenue	16,748.5	30,409.7	-	(47,158.2)	-	13,057.4	23,401.1	-	(36,458.5)	-
Total Income	**360,781.3**	**41,295.0**	**-**	**(47,158.2)**	**354,918.1**	**330,576.3**	**27,108.8**	**-**	**(36,458.5)**	**321,226.6**
SEGMENT RESULTS										
Segment/ Operating Results	32,536.3	10,818.8	-	-	43,355.1	33,892.2	5,356.0	-	-	39,248.2
Un-allocated Items:										
(Expenses) / Income					2,603.0					1,771.1
Finance Costs					(17,244.8)					(11,864.1)
Exceptional Item :Exchange Loss (net)					(3,672.1)					(8,209.6)
Provision for Taxation					(7,029.0)					(4,687.0)
Net Profit					18,012.2					16,258.6
OTHER INFORMATION										
Segment Assets	409,704.5	25,149.3	-	-	434,853.8	372,489.9	22,354.9	-	-	394,844.9
Un-allocated Assets					111,299.7					111,066.2
Total Assets					**546,153.5**					**505,911.1**
Segment Liabilities	123,798.3	5,235.9	-	-	129,034.2	125,165.0	3,761.3	-	-	128,926.3
Un-allocated Liabilities & Provisions					217,745.6					192,009.9
Total Liabilities					**346,779.8**					**320,936.2**

Notes:

1. Inter segment transfer from the power segment is measured at the rate at which power is purchased/sold from/to the respective electricity board.
2. Inter segment transfer from the steel segment is measured on the basis of fuel cost.
3. There is only one geographical segment i.e India .

13. **Related parties disclosure as per Accounting Standard (AS)-18 :**

	Parties with whom the company has entered into transactions during the period where control exists :
1	**Subsidiaries**
	JSW Steel (Netherlands) B.V.
	JSW Steel (UK) Limited
	Argent Independent Steel (Holdings) Limited
	JSW Steel Service Centre (UK) Limited
	JSW Steel Holding (USA) Inc.
	JSW Steel (USA) Inc.
	Periama Holdings, LLC
	Purest Energy, LLC
	Meadow Creek Minerals, LLC
	Hutchinson Minerals, LLC
	R.C. Minerals, LLC
	Keenan Minerals, LLC
	Peace Leasing, LLC
	Prime Coal, LLC
	Planck Holdings, LLC
	Rolling S Augering, LLC
	Periama Handling, LLC
	Lower Hutchinson Minerals, LLC
	Caretta Minerals, LLC
	JSW Panama Holdings Corporation
	Inversiones Eroush Limitada
	Santa Fe Mining
	Santa Fe Puerto S.A.
	JSW Natural Resources Limited
	JSW Natural Resources Mozambique Limitada
	JSW ADMS Carvo Lda
	JSW Mali Resources SA(w.e.f 18.02.13)
	JSW Steel Processing Centres Limited
	JSW Bengal Steel Limited
	JSW Natural Resources India Limited
	Barbil Beneficiation Company Limited
	JSW Jharkhand Steel Limited
	JSW Steel East Africa Limited
	Amba River Coke Limited
	JSW Energy (Bengal) Limited
	JSW Natural Resource Bengal Limited (w.e.f 3.04.2012)
	JSW Steel Coated Products Limited(w.e.f 31.08.2012)
	Peddar Realty Private Limited (w.e.f.16.05.2012)
	Nippon Ispat Singapore (PTE) Limited
	EREBUS Limited
	Arima Holding Limited
	Lakeland Securities Limited

2	**Associates**
	Jindal Praxair Oxygen Company Private Limited
	JSW Ispat Steel Limited (refer note 26(4))
3	**Joint ventures**
	Vijayanagar Minerals Private Limited
	Rohne Coal Company Private Limited
	JSW Severfield Structures limited
	Gourangdih Coal Limited
	Toshiba JSW Power Systems Private Limited
	MJSJ Coal Limited
	GEO Steel LLC
	JSW Structural Metal Decking Limited
	JSW MI Steel Service Center Private Limited
4	**Key management personnel (KMP)**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
5	**Relative of key managerial personnel**
	Mr. Parth Jindal
6	**Enterprises over which key management personnel and relatives of such personnel exercise significant influence.**
	JSW Energy Limited
	Jindal Stainless Limited
	JSW Realty & Infrastructure Private Limited
	Jindal Saw Limited
	Jindal Steel & Power Limited
	JSOFT Solutions Limited
	Jindal Industries Limited
	JSW Cement Limited
	JSW Jaigarh Port Limited
	Reynold Traders Private Limited
	Raj West Power Limited
	JSW Power Trading Company Limited
	JSW Aluminim Limited (ceased from 15.10.2013)
	O P Jindal Foundation
	JSW Infrastructure Limited
	South West Port Limited
	JSW Techno Projects Management Limited
	South West Mining Limited
	JSL Architecture Limited
	JSW Projects Limited
	Sapphire Technologies Limited
	Jindal Technologies & Management Services Private Limited

	JITF Shipping & Logistics (Singapore) PTE Limited.
	JSW Foundation
	JSW Bengaluru Football Club Private Limited
	Shadeed Iron & Steel Co LLC

Related Party Statement from April 2013 - March 2014

USD Million

Particulars	Subsidiaries	Associates	Joint Ventures	Key Mangerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
B.Transactions with related parties							
Party's Name							
Purchase of Goods / Power & Fuel / Services							
JSW Energy Limited	-	-	-	-	-	175.1	175.1
M/s Shadeed Iron & Steel Co LLC	-	-	-	-	-	72.5	72.5
JSW Steel Coated Products Limited	86.3	-	-	-	-	-	86.3
Others	19.0	31.4	0.1	-	-	142.9	193.4
Total	**105.3**	**31.4**	**0.1**	**-**	**-**	**390.5**	**527.3**
Reimbursement of Expenses incurred on our behalf by							
JSW Energy Limited	-	-	-	-	-	0.2	0.2
JSW Steel Coated Products Limited	0.1	-	-	-	-	-	0.1
Others	-	-	-	-	-	-	0.1
Total	**0.1**	**-**	**-**	**-**	**-**	**0.3**	**0.4**
Material Taken on Loan given back							
JSW Energy Limited	-	-	-	-	-	5.2	5.2
Total	**-**	**-**	**-**	**-**	**-**	**5.2**	**5.2**
Sales of Goods/Power & Fuel							
JSW Steel Coated Products Limited	972.4	-	-	-	-	-	972.4
Jindal Saw Limited	-	-	-	-	-	102.8	102.8
Jindal Industriers Limited	-	-	-	-	-	57.2	57.2
JSW Power Trading Company Limited	-	-	-	-	-	83.7	83.7
Others	30.3	1.3	7.3	-	-	67.1	106.0
Total	**1,002.7**	**1.3**	**7.3**	**-**	**-**	**310.8**	**1,322.1**
Other Income /Interest income/Dividend Income							
JSW Steel (Netherlands) B.V.	5.9	-	-	-	-	-	5.9
Inversiones Eurosh Limitada	4.2	-	-	-	-	-	4.2
JSW Steel Holding (USA) Inc.	26.1	-	-	-	-	-	26.1
Others	4.4	0.4	-	-	-	7.1	11.9
Total	**40.6**	**0.4**	**-**	**-**	**-**	**7.1**	**48.1**
Purchase of Assets							
Jindal Steel & Power Limited	-	-	-	-	-	36.2	36.2
JSW Severfield Structures Limited	-	-	16.0	-	-	-	16.0
Others	2.9	-	-	-	-	8.2	11.1
Total	**2.9**	**-**	**16.0**	**-**	**-**	**44.4**	**63.4**
Sale of Assetes							
JSW Steel Coated Products Limited	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loan given Received back							
JSW Steel (Netherlands) B.V	61.2	-	-	-	-	-	61.2
JSW Steel Holding (USA) Inc.	388.4	-	-	-	-	-	388.4
Total	**449.6**	**-**	**-**	**-**	**-**	**-**	**449.6**
Loan given							
JSW Steel (Netherlands) B.V.	10.3	-	-	-	-	-	10.3
JSW Steel Holding (USA) Inc.	144.2	-	-	-	-	-	144.2
Others	4.1	-	-	-	-	-	4.1
Total	**158.6**	**-**	**-**	**-**	**-**	**-**	**158.6**
Donation/CSR Expenses							
O.P. Jindal Foundation	-	-	-	-	-	0.1	0.1
JSW Foundation	-	-	-	-	-	1.4	1.4
Total	**-**	**-**	**-**	**-**	**-**	**1.5**	**1.5**
Advance Received Back							
Peddar Reality Private Limited	6.2	-	-	-	-	-	6.2
Total	**6.2**	**-**	**-**	**-**	**-**	**-**	**6.2**
Advance Taken Refunded							
JSW Infrastructure Limited	-	-	-	-	-	4.7	4.7
Total	**-**	**-**	**-**	**-**	**-**	**4.7**	**4.7**

USD Million

Particulars	Subsidiaries	Associates	Joint Ventures	Key Mangerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Recovery of Expenses incurred by us on their behalf							
JSW Energy Limited	-	-	-	-	-	0.2	0.2
JSW Steel Coated Products Limited	9.6	-	-	-	-	-	9.6
Amba River Coke Limited	2.8	-	-	-	-	-	2.8
Others	0.3	-	-	-	-	0.6	0.9
Total	**12.7**	**-**	**-**	**-**	**-**	**0.8**	**13.5**
Investments / Share Application Money given during the year							
Amba River Coke Limited	79.2	-	-	-	-	-	79.2
JSW Bengal Steel Limited	8.2	-	-	-	-	-	8.2
Others	11.7	-	5.6	-	-	-	17.3
Total	**99.1**	**-**	**5.6**	**-**	**-**	**-**	**104.8**
Interset Paid							
JSW Energy Limited	-	-	-	-	-	7.0	7.0
Total	**-**	**-**	**-**	**-**	**-**	**7.0**	**7.0**
Remuneration							
Mr. Sajjan Jindal	-	-	-	2.9	-	-	2.9
Mr. Seshagiri Rao M V S	-	-	-	0.6	-	-	0.6
Dr. Vinod Nowal	-	-	-	0.4	-	-	0.4
Mr. Jayant Acharya	-	-	-	0.4	-	-	0.4
Mr. Parth Jindal	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**4.4**	**-**	**-**	**4.4**
Guarantees and collaterals provided by the Company on behalf of							
JSW Steel Holding (USA) Inc.	390.2	-	-	-	-	-	390.2
JSW Steel (Netherlands) B.V.	78.0	-	-	-	-	-	78.0
Others	19.9	-	-	-	-	-	19.9
Total	**488.1**	**-**	**-**	**-**	**-**	**-**	**488.1**
C. Closing balance of related parties							
Trade payables							
JSW Energy Limited	-	-	-	-	-	26.6	26.6
South West Mining Limited	-	-	-	-	-	3.1	3.1
Others	6.9	1.9	0.1	-	-	7.5	16.3
Total	**6.9**	**1.9**	**0.1**	**-**	**-**	**37.1**	**46.0**
Advance received from Customers							
Raj west Power Limited	-	-	-	-	-	0.1	0.1
Total	**-**	**-**	**-**	**-**	**-**	**0.1**	**0.1**
Lease & Other deposit received							
Jindal Praxair Oxygen Company Private Limited	-	0.6	-	-	-	-	0.6
JSW Energy Limited	-	-	-	-	-	1.7	1.7
Jindal Saw Limited	-	-	-	-	-	0.8	0.8
JSW Severfield Structures Limited	-	-	2.1	-	-	-	2.1
Others	0.3	-	-	-	-	0.9	1.2
Total	**0.3**	**0.6**	**2.1**	**-**	**-**	**3.4**	**6.4**
Trade receivables							
JSW Power Trading Company Limited	-	-	-	-	-	9.6	9.6
JSW Steel Coated Products Limited	75.8	-	-	-	-	-	75.8
Others	0.6	-	0.3	-	-	13.5	14.4
Total	**76.4**	**-**	**0.3**	**-**	**-**	**23.1**	**99.8**
Share Application Money Given							
Vijayanagar Minerals Private Limited	-	-	0.7	-	-	-	0.7
Rohne Coal Company Limited	-	-	1.7	-	-	-	1.7
Others	-	-	-	-	-	-	-
Total	**-**	**-**	**2.4**	**-**	**-**	**-**	**2.4**
Capital /Revenue Advances							
JSW Projects Limited	-	-	-	-	-	76.9	76.9
Peddar Realty Private Limited	36.0	-	-	-	-	-	36.0
Amba River Coke Limited	17.3	-	-	-	-	-	17.3
Others	-	4.3	-	1.6	-	7.1	13.0
Total	**53.3**	**4.3**	**-**	**1.6**	**-**	**84.0**	**143.2**

USD Million

Particulars	Subsidiaries	Associates	Joint Ventures	Key Mangerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Loan and Advances given							
JSW Steel (Netherlands) B.V.	28.3	-	-	-	-	-	28.3
JSW Steel Holding (USA) Inc.	283.1	-	-	-	-	-	283.1
Inversiones Eurosh Limitada	90.6	-	-	-	-	-	90.6
Others	13.7	-	0.1	-	-	1.2	14.9
Total	**415.6**	**-**	**0.1**	**-**	**-**	**1.2**	**416.9**
Investments held by the Company							
JSW Steel (Netherlands) B.V.	175.6	-	-	-	-	-	175.6
Amba River Coke Limited	107.5	-	-	-	-	-	107.5
JSW Steel Coated Products Limited	213.2	-	-	-	-	-	213.2
Others	129.2	4.4	28.1	-	-	71.0	232.8
Total	**625.6**	**4.4**	**28.1**	**-**	**-**	**71.0**	**729.1**
Loan and Advances taken							
JSW Infrastructure Limited	-	-	-	-	-	36.1	36.1
Total	**-**	**-**	**-**	**-**	**-**	**36.1**	**36.1**
Guarantees and collaterals provided by the Company on							
JSW Steel (Netherlands) B.V.	224.4	-	-	-	-	-	224.4
JSW Steel Holding (USA) Inc.	446.7	-	-	-	-	-	446.7
Others	19.9	-	-	-	-	-	19.9
Total	**691.0**	**-**	**-**	**-**	**-**	**-**	**691.0**

Related Party Statement from April 2013 - March 2014

Rs in million

Particulars	Subsidiaries	Associates	Joint Ventures	Key Mangerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
B.Transactions with related parties							
Party's Name							
Purchase of Goods / Power & Fuel / Services							
JSW Energy Limited	-	-	-	-	-	10,786.4	10,786.4
M/s Shadeed Iron & Steel Co LLC	-	-	-	-	-	4,467.6	4,467.6
JSW Steel Coated Products Limited	5,316.4	-	-	-	-	-	5,316.4
Others	1,171.6	1,935.9	3.4	-	-	8,807.1	11,918.0
Total	**6,488.0**	**1,935.9**	**3.4**	**-**	**-**	**24,061.1**	**32,488.4**
Reimbursement of Expenses incurred on our behalf by							
JSW Energy Limited	-	-	-	-	-	12.8	12.8
JSW Steel Coated Products Limited	6.0	-	-	-	-	-	6.0
Others	1.4	-	1.1	-	-	2.7	5.2
Total	**7.4**	**-**	**1.1**	**-**	**-**	**15.5**	**24.0**
Material Taken on Loan given back	**-**	**-**	**-**	**-**	**-**	**-**	**-**
JSW Energy Limited	-	-	-	-	-	318.0	318.0
Total	**-**	**-**	**-**	**-**	**-**	**318.0**	**318.0**
Sales of Goods/Power & Fuel							
JSW Steel Coated Products Limited	59,911.7	-	-	-	-	-	59,911.7
Jindal Saw Limited	-	-	-	-	-	6,332.5	6,332.5
Jindal Industriers Limited	-	-	-	-	-	3,526.6	3,526.6
JSW Power Trading Company Limited	-	-	-	-	-	5,159.4	5,159.4
Others	1,868.5	80.4	450.7	-	-	4,132.0	6,531.6
Total	**61,780.2**	**80.4**	**450.7**	**-**	**-**	**19,150.5**	**81,461.8**
Other Income /Interest income/Dividend Income							
JSW Steel (Netherlands) B.V.	360.8	-	-	-	-	-	360.8
Inversiones Eurosh Limitada	256.3	-	-	-	-	-	256.3
JSW Steel Holding (USA) Inc.	1,610.3	-	-	-	-	-	1,610.3
Others	272.4	23.9	0.3	-	-	439.6	736.2
Total	**2,499.8**	**23.9**	**0.3**	**-**	**-**	**439.6**	**2,963.6**
Purchase of Assets							
Jindal Steel & Power Limited	-	-	-	-	-	2,228.7	2,228.7
JSW Severfield Structures Limited	-	-	988.0	-	-	-	988.0
Others	180.7	-	-	-	-	506.2	686.9
Total	**180.7**	**-**	**988.0**	**-**	**-**	**2,734.9**	**3,903.6**
Sale of Assetes							
JSW Steel Coated Products Limited	0.4	-	-	-	-	-	0.4
Total	**0.4**	**-**	**-**	**-**	**-**	**-**	**0.4**
Loan given Received back							
JSW Steel (Netherlands) B.V	3,770.9	-	-	-	-	-	3,770.9
JSW Steel Holding (USA) Inc.	23,928.9	-	-	-	-	-	23,928.9
Total	**27,699.8**	**-**	**-**	**-**	**-**	**-**	**27,699.8**
Loan given							
JSW Steel (Netherlands) B.V.	635.9	-	-	-	-	-	635.9
JSW Steel Holding (USA) Inc.	8,882.8	-	-	-	-	-	8,882.8
Others	252.0	-	-	-	-	-	252.0
Total	**9,770.7**	**-**	**-**	**-**	**-**	**-**	**9,770.7**
Donation/CSR Expenses							
O.P. Jindal Foundation	-	-	-	-	-	7.0	7.0
JSW Foundation	-	-	-	-	-	88.2	88.2
Total	**-**	**-**	**-**	**-**	**-**	**95.2**	**95.2**
Advance Received Back							
Peddar Reality Private Limited	380.0	-	-	-	-	-	380.0
Total	**380.0**	**-**	**-**	**-**	**-**	**-**	**380.0**
Advance Taken Refunded							
JSW Infrastructure Limited	-	-	-	-	-	289.5	289.5
Total	**-**	**-**	**-**	**-**	**-**	**289.5**	**289.5**

Rs in million

Particulars	Subsidiaries	Associates	Joint Ventures	Key Mangerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Recovery of Expenses incurred by us on their behalf							
JSW Energy Limited	-	-	-	-	-	10.0	10.0
JSW Steel Coated Products Limited	592.2	-	-	-	-	-	592.2
Amba River Coke Limited	175.0	-	-	-	-	-	175.0
Others	17.6	-	0.6	-	-	36.8	55.0
Total	**784.8**	**-**	**0.6**	**-**	**-**	**46.8**	**832.2**
Investments / Share Application Money given during the year							
Amba River Coke Limited	4,882.6	-	-	-	-	-	4,882.6
JSW Bengal Steel Limited	507.3	-	-	-	-	-	507.3
Others	718.3	-	347.4	-	-	-	1,065.7
Total	**6,108.2**	**-**	**347.4**	**-**	**-**	**-**	**6,455.6**
Interset Paid							
JSW Energy Limited	-	-	-	-	-	431.6	431.6
Total	**-**	**-**	**-**	**-**	**-**	**431.6**	**431.6**
Remuneration							
Mr. Sajjan Jindal	-	-	-	180.7	-	-	180.7
Mr. Seshagiri Rao M V S	-	-	-	36.5	-	-	36.5
Dr. Vinod Nowal	-	-	-	27.3	-	-	27.3
Mr. Jayant Acharya	-	-	-	23.6	-	-	23.6
Mr. Parth Jindal	-	-	-	-	1.2	-	1.2
Total	**-**	**-**	**-**	**268.1**	**1.2**	**-**	**269.3**
Guarantees and collaterals provided by the Company on behalf of							
JSW Steel Holding (USA) Inc.	24,039.9	-	-	-	-	-	24,039.9
JSW Steel (Netherlands) B.V.	4,808.0	-	-	-	-	-	4,808.0
Others	1,225.0	-	-	-	-	-	1,225.0
Total	**30,072.9**	**-**	**-**	**-**	**-**	**-**	**30,072.9**
C. Closing balance of related parties							
Trade payables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
JSW Energy Limited	-	-	-	-	-	1,637.1	1,637.1
South West Mining Limited	-	-	-	-	-	188.9	188.9
Others	425.8	114.4	4.8	-	-	460.8	1,005.8
Total	**425.8**	**114.4**	**4.8**	**-**	**-**	**2,286.8**	**2,831.8**
Advance received from Customers							
Raj west Power Limited	-	-	-	-	-	5.2	5.2
Total	**-**	**-**	**-**	**-**	**-**	**5.2**	**5.2**
Lease & Other deposit received							
Jindal Praxair Oxygen Company Private Limited	-	38.3	-	-	-	-	38.3
JSW Energy Limited	-	-	-	-	-	101.9	101.9
Jindal Saw Limited	-	-	-	-	-	50.0	50.0
JSW Severfield Structures Limited	-	-	130.0	-	-	-	130.0
Others	18.2	-	-	-	-	55.0	73.2
Total	**18.2**	**38.3**	**130.0**	**-**	**-**	**206.9**	**393.4**
Trade receivables							
JSW Power Trading Company Limited	-	-	-	-	-	591.8	591.8
JSW Steel Coated Products Limited	4,672.7	-	-	-	-	-	4,672.7
Others	34.1	-	21.5	-	-	831.6	887.2
Total	**4,706.8**	**-**	**21.5**	**-**	**-**	**1,423.4**	**6,151.7**
Share Application Money Given							
Vijayanagar Minerals Private Limited	-	-	40.5	-	-	-	40.5
Rohne Coal Company Limited	-	-	103.7	-	-	-	103.7
Others	-	-	2.1	-	-	-	2.1
Total	**-**	**-**	**146.3**	**-**	**-**	**-**	**146.3**
Capital /Revenue Advances							
JSW Projects Limited	-	-	-	-	-	4,739.5	4,739.5
Peddar Realty Private Limited	2,218.7	-	-	-	-	-	2,218.7
Amba River Coke Limited	1,064.1	-	-	-	-	-	1,064.1
Others	-	262.6	-	101.3	-	434.7	798.6
Total	**3,282.8**	**262.6**	**-**	**101.3**	**-**	**5,174.2**	**8,820.9**

Rs in million

Particulars	Subsidiaries	Associates	Joint Ventures	Key Mangerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Loan and Advances given							
JSW Steel (Netherlands) B.V.	1,744.7	-	-	-	-	-	1,744.7
JSW Steel Holding (USA) Inc.	17,442.4	-	-	-	-	-	17,442.4
Inversiones Eurosh Limitada	5,579.5	-	-	-	-	-	5,579.5
Others	843.0	-	3.8	-	-	73.6	920.4
Total	**25,609.6**	**-**	**3.8**	**-**	**-**	**73.6**	**25,687.0**
Investments held by the Company							
JSW Steel (Netherlands) B.V.	10,821.8	-	-	-	-	-	10,821.8
Amba River Coke Limited	6,622.7	-	-	-	-	-	6,622.7
JSW Steel Coated Products Limited	13,135.4	-	-	-	-	-	13,135.4
Others	7,963.3	272.7	1,732.0	-	-	4,376.2	14,344.2
Total	**38,543.2**	**272.7**	**1,732.0**	**-**	**-**	**4,376.2**	**44,924.1**
Loan and Advances taken							
JSW Infrastructure Limited	-	-	-	-	-	2,223.0	2,223.0
Total	**-**	**-**	**-**	**-**	**-**	**2,223.0**	**2,223.0**
Guarantees and collaterals provided by the Company							
JSW Steel (Netherlands) B.V.	13,823.0	-	-	-	-	-	13,823.0
JSW Steel Holding (USA) Inc.	27,525.7	-	-	-	-	-	27,525.7
Others	1,225.0	-	-	-	-	-	1,225.0
Total	**42,573.7**	**-**	**-**	**-**	**-**	**-**	**42,573.7**

Related Party Statement from April 2012 - March 2013

Rs in million

Particulars	Subsidiaries	Associates	Joint Ventures	Key Mangerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
B.Transactions with related parties							
Party's Name							
Purchase of Goods / Power & Fuel / Services							
JSW Energy Limited	-	-	-	-	-	3,491.6	3,491.6
JSW Ispat Steel Ltd	-	35,399.1	-	-	-	-	35,399.1
Others	635.3	1,882.9	7.3	-	-	6,004.0	8,529.5
Total	**635.3**	**37,282.0**	**7.3**	**-**	**-**	**9,495.6**	**47,420.2**
Reimbursement of Expenses incurred on our behalf by							
JSW Ispat Steel Ltd	-	52.7	-	-	-	-	52.7
JSW Energy Limited	-	-	-	-	-	12.6	12.6
Others	5.0	-	5.1	-	-	1.2	11.3
Total	**5.0**	**52.7**	**5.1**	**-**	**-**	**13.8**	**76.6**
Material Taken on Loan							
JSW Energy Limited	-	-	-	-	-	318.0	318.0
Total	**-**	**-**	**-**	**-**	**-**	**318.0**	**318.0**
Sales of Goods/Power & Fuel							
Jindal Saw Limited	-	-	-	-	-	3,015.2	3,015.2
JSW Energy Limited	-	-	-	-	-	410.9	410.9
Jindal Industriers Limited	-	-	-	-	-	3,625.2	3,625.2
JSW Ispat Steel Ltd	-	4,882.4	-	-	-	-	4,882.4
JSW Power Trading Company Limited	-	-	-	-	-	10,156.6	10,156.6
Others	637.6	87.6	271.6	-	-	2,299.8	3,296.6
Total	**637.6**	**4,970.0**	**271.6**	**-**	**-**	**19,507.7**	**25,386.9**
Other Income /Interest income/Dividend Income							
JSW Steel (Netherlands) B.V.	307.8	-	-	-	-	-	307.8
Inversiones Eurosh Limitada	220.6	-	-	-	-	-	220.6
JSW Steel Holding (USA) Inc.	1,263.5	-	-	-	-	-	1,263.5
Others	17.1	43.8	0.6	-	-	66.6	128.1
Total	**1,809.0**	**43.8**	**0.6**	**-**	**-**	**66.6**	**1,920.0**
Purchase of Assets							
Jindal Steel & Power Limited	-	-	-	-	-	1,822.1	1,822.1
South West Mining Limied	-	-	-	-	-	149.5	149.5
JSW Energy Limited	-	-	-	-	-	159.9	159.9
JSW Severfield Structures Limited	-	-	1,052.5	-	-	-	1,052.5
Others	0.7	136.0	-	-	-	692.4	829.1
Total	**0.7**	**136.0**	**1,052.5**	**-**	**-**	**2,823.9**	**4,013.1**
Loan given Received back							
JSW Steel (Netherlands) B.V	8,465.2	-	-	-	-	-	8,465.2
JSW Steel Holding (USA) Inc.	1,711.0	-	-	-	-	-	1,711.0
JSW Natural resources Limited	7.4	-	-	-	-	-	7.4
Total	**10,183.6**	**-**	**-**	**-**	**-**	**-**	**10,183.6**
Loan given							
JSW Steel (Netherlands) B.V.	2,531.4	-	-	-	-	-	2,531.4
JSW Steel Holding (USA) Inc.	16,208.5	-	-	-	-	-	16,208.5
Others	1,083.1	-	-	-	-	-	1,083.1
Total	**19,823.0**	**-**	**-**	**-**	**-**	**-**	**19,823.0**
Donation Given							
O.P. Jindal Foundation	-	-	-	-	-	5.0	5.0
Total	**-**	**-**	**-**	**-**	**-**	**5.0**	**5.0**
Recovery of Expenses incurred by us on their behalf							
JSW Energy Limited	-	-	-	-	-	27.0	27.0
JSW Ispat Steel Ltd	-	145.9	-	-	-	-	145.9
Others	10.5	-	-	-	-	36.1	46.6
Total	**10.5**	**145.9**	**-**	**-**	**-**	**63.1**	**219.5**
Investments / Share Application Money given during the year							
Amba River Coke Limited	1,071.9	-	-	-	-	-	1,071.9
JSW Bengal Steel Limited	937.8	-	-	-	-	-	937.8
Others	76.6	-	570.5	-	-	-	647.1
Total	**2,086.3**	**-**	**570.5**	**-**	**-**	**-**	**2,656.8**
Investments / Share Application Money refunded during the year.							
Amba River Coke Limited	10.5	-	-	-	-	-	10.5
Total	**10.5**	**-**	**-**	**-**	**-**	**-**	**10.5**

Rs in million

Particulars	Subsidiaries	Associates	Joint Ventures	Key Mangerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Redemption of Shares							
Jindal Praxair Oxygen Company Private Limited	-	546.6	-	-	-	-	546.6
Total	**-**	**546.6**	**-**	**-**	**-**	**-**	**546.6**
Remuneration							
Mr. Sajjan Jindal	-	-	-	202.5	-	-	202.5
Mr. Seshagiri Rao M V S	-	-	-	36.1	-	-	36.1
Dr. Vinod Nowal	-	-	-	27.0	-	-	27.0
Mr. Jayant Acharya	-	-	-	23.3	-	-	23.3
Mr. Parth Jindal	-	-	-	-	0.4	-	0.4
Total	**-**	**-**	**-**	**288.9**	**0.4**	**-**	**289.3**
Guarantees and collaterals provided by the Company on behalf of							
JSW Steel Holding (USA) Inc.	2,171.6	-	-	-	-	-	2,171.6
Total	**2,171.6**	**-**	**-**	**-**	**-**	**-**	**2,171.6**
Guarantees and collaterals released							
JSW Steel Holding (USA) Inc.	2,162.0	-	-	-	-	-	2,162.0
Total	**2,162.0**	**-**	**-**	**-**	**-**	**-**	**2,162.0**
C. Closing balance of related parties							
Trade payables							
JSW Ispat Steel Ltd	-	325.8	-	-	-	-	325.8
Jindal Praxair Oxygen Company Private Limited	-	174.2	-	-	-	-	174.2
South West Port Limited	-	-	-	-	-	269.0	269.0
JSW Steel Processing Centres Limited	258.9	-	-	-	-	-	258.9
JSW Energy Limited	-	-	-	-	-	1,133.0	1,133.0
JSW Energy (Bengal) Limited	153.8	-	-	-	-	-	153.8
South West Mining Limited	-	-	-	-	-	307.1	307.1
Others	-	-	4.0	-	-	361.3	365.3
Total	**412.7**	**500.0**	**4.0**	**-**	**-**	**2,070.4**	**2,987.1**
Advance received from Customers							
JSW Jaigarh Port Limited	-	-	-	-	-	13.0	13.0
Raj west Power Limited	-	-	-	-	-	18.6	18.6
Jindal Steel & Power Limited	-	-	-	-	-	15.1	15.1
Total	**-**	**-**	**-**	**-**	**-**	**46.7**	**46.7**
Lease & Other deposit received							
Jindal Praxair Oxygen Company Private Limited	-	38.3	-	-	-	-	38.3
JSW Energy Limited	-	-	-	-	-	101.9	101.9
Jindal Saw Limited	-	-	-	-	-	50.0	50.0
JSW Severfield Structures Limited	-	-	130.0	-	-	-	130.0
Others	-	-	-	-	-	55.0	55.0
Total	**-**	**38.3**	**130.0**	**-**	**-**	**206.9**	**375.2**
Trade receivables							
JSW Cement Limited	-	-	-	-	-	375.9	375.9
JSW Power Trading Company Limited	-	-	-	-	-	3,643.5	3,643.5
JSW Ispat Steel Ltd	-	548.2	-	-	-	-	548.2
Amba River Coke Limited	380.7	-	-	-	-	-	380.7
Others	-	-	-	-	-	512.1	512.1
Total	**380.7**	**548.2**	**-**	**-**	**-**	**4,531.5**	**5,460.4**
Share Application Money Given							
Vijayanagar Minerals Private Limited	-	-	40.5	-	-	-	40.5
Rohne Coal Company Limited	-	-	87.5	-	-	-	87.5
Others	2.3	-	2.3	-	-	-	4.6
Total	**2.3**	**-**	**130.3**	**-**	**-**	**-**	**132.6**
Capital /Revenue Advances							
JSW Projects Limited	-	-	-	-	-	2,513.1	2,513.1
JSW Severfield structures limited	-	-	165.0	-	-	-	165.0
Others	-	-	-	-	-	23.6	23.6
Total	**-**	**-**	**165.0**	**-**	**-**	**2,536.7**	**2,701.7**
Loan and Advances given							
JSW Steel (Netherlands) B.V.	4,493.1	-	-	-	-	-	4,493.1
JSW Steel Holding (USA) Inc.	27,826.6	-	-	-	-	-	27,826.6
Inversiones Eurosh Limitada	4,817.4	-	-	-	-	-	4,817.4
Others	578.6	-	3.8	-	-	710.9	1,293.3
Total	**37,715.7**	**-**	**3.8**	**-**	**-**	**710.9**	**38,430.4**

Rs in million

Particulars	Subsidiaries	Associates	Joint Ventures	Key Mangerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Investments held by the Company							
JSW Steel (Netherlands) B.V.	10,821.4	-	-	-	-	-	10,821.4
JSW Ispat Steel Ltd	-	23,571.1	-	-	-	-	23,571.1
Others	6,969.3	272.8	1,400.6	-	-	2,509.0	11,151.7
Total	**17,790.7**	**23,843.9**	**1,400.6**	**-**	**-**	**2,509.0**	**45,544.2**
Guarantees and collaterals provided by the							
JSW Steel (Netherlands) B.V. and it's subsidiaries for USA and Chile acquisition	8,158.4	-	-	-	-	-	8,158.4
JSW Steel (USA) Inc.	4,081.1	-	-	-	-	-	4,081.1
Total	**12,239.5**	**-**	**-**	**-**	**-**	**-**	**12,239.5**

Related Party Statement from April 2011 - March 2012

Rs in million

Particulars	Subsidiaries	Associates	Joint Ventures	Key Mangerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
B.Transactions with related parties							
Party's Name							
Purchase of Goods / Power & Fuel / Services							
JSW Energy Limited	-	-	-	-	-	3,885.8	3,885.8
Jindal Praxair Oxygen Company Private Limited	-	1,115.9	-	-	-	-	1,115.9
Ispat Industries Limited	-	27,415.4	-	-	-	-	27,415.4
Others	610.0	-	149.8	-	-	4,117.9	4,877.7
Total	**610.0**	**28,531.3**	**149.8**	**-**	**-**	**8,003.7**	**37,294.8**
Reimbursement of Expenses incurred on our behalf by							
JSW Ispat Steel Ltd	-	33.5	-	-	-	-	33.5
JSW Energy (Bengal) Limited	153.8	-	-	-	-	-	153.8
Others	0.6	-	2.6	-	-	0.3	3.5
Total	**154.4**	**33.5**	**2.6**	**-**	**-**	**0.3**	**190.8**
Sales of Goods/Power & Fuel							
JSW Steel (USA) Inc.	3,695.5	-	-	-	-	-	3,695.5
Jindal Saw Limited	-	-	-	-	-	3,375.5	3,375.5
JSW Energy Limited	-	-	-	-	-	4,683.0	4,683.0
Jindal Industriers Limited	-	-	-	-	-	2,573.0	2,573.0
Ispat Industries Limited	-	12,151.9	-	-	-	-	12,151.9
Others	264.7	82.8	64.2	-	-	5,369.1	5,780.8
Total	**3,960.2**	**12,234.7**	**64.2**	**-**	**-**	**16,000.6**	**32,259.7**
Other Income /Interest income/Dividend Income							
JSW Steel (Netherlands) B.V.	415.5	-	-	-	-	-	415.5
JSW Energy Limited	-	-	-	-	-	86.3	86.3
Inversiones Eurosh Limitada	165.9	-	-	-	-	-	165.9
JSW Steel Holding (USA) Inc.	440.4	-	-	-	-	-	440.4
Others	56.9	19.2	4.2	-	-	7.9	88.2
Total	**1,078.7**	**19.2**	**4.2**	**-**	**-**	**94.2**	**1,196.3**
Purchase of Assets							
JSW Cement Limited	-	-	-	-	-	266.2	266.2
Jindal Steel & Power Limited	-	-	-	-	-	1,287.2	1,287.2
South West Mining Limied	-	-	-	-	-	392.9	392.9
JSW Energy Limited	-	-	-	-	-	280.7	280.7
Jindal Saw Limited	-	-	-	-	-	0.9	0.9
JSW Severfield Structures Limited	-	-	361.8	-	-	-	361.8
Others	-	24.8	-	-	-	101.1	125.9
Total	**-**	**24.8**	**361.8**	**-**	**-**	**2,329.0**	**2,715.6**
Lease & Other deposits given							
JSW Projects Limited	-	-	-	-	-	19.9	19.9
Total	**-**	**-**	**-**	**-**	**-**	**19.9**	**19.9**
Advance given Received back							
JSW Aluminium Limited	-	-	-	-	-	1.6	1.6
Total	**-**	**-**	**-**	**-**	**-**	**1.6**	**1.6**
Loan given Received back							
JSW Steel (Netherlands) B.V	121.2	-	-	-	-	-	121.2
JSW Steel Holding (USA) Inc.	3,333.0	-	-	-	-	-	3,333.0
Inversiones Eurosh Limitada	119.3	-	-	-	-	-	119.3
Total	**3,573.5**	**-**	**-**	**-**	**-**	**-**	**3,573.5**
Loan given							
JSW Steel (Netherlands) B.V.	2,172.9	-	-	-	-	-	2,172.9
JSW Steel Holding (USA) Inc.	10,334.6	-	-	-	-	-	10,334.6
JSW Natural resources Limited	82.0	-	-	-	-	-	82.0
Total	**12,589.5**	**-**	**-**	**-**	**-**	**-**	**12,589.5**
Donation Given							
O.P. Jindal Foundation	-	-	-	-	-	4.9	4.9
Total	**-**	**-**	**-**	**-**	**-**	**4.9**	**4.9**
Recovery of Expenses incurred by us on their behalf							
JSW Cement Limited	-	-	-	-	-	9.5	9.5
JSW Energy Limited	-	-	-	-	-	40.6	40.6
JSW Ispat Steel Ltd	-	-	-	-	-	68.2	68.2
Sapphire Technologies Limited	-	-	-	-	-	3.9	3.9
JSOFT Solutions Limited	-	-	-	-	-	1.3	1.3
Others	0.7	-	0.3	-	-	1.4	2.4

Rs in million

Particulars	Subsidiaries	Associates	Joint Ventures	Key Mangerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Total	**0.7**	**-**	**0.3**	**-**	**-**	**124.9**	**125.9**
Investments / Share Application Money given during the year							
Amba River Coke Limited	674.9	-	-	-	-	-	674.9
JSW Bengal Steel Limited	952.3	-	-	-	-	-	952.3
JSW Steel (Netherlands) B.V.	621.5	-	-	-	-	-	621.5
Others	157.2	-	189.9	-	-	-	347.1
Total	**2,405.9**	**-**	**189.9**	**-**	**-**	**-**	**2,595.8**
Investments / Share Application Money refunded during the year.							
JSW Bengal Steel Limited	34.0	-	-	-	-	-	34.0
JSW Severfield Structures Limited	-	-	3.6	-	-	-	3.6
Total	**34.0**	**-**	**3.6**	**-**	**-**	**-**	**37.6**
Redemption of Shares							
Jindal Praxair Oxygen Company Private Limited	-	263.3	-	-	-	-	263.3
Total	**-**	**263.3**	**-**	**-**	**-**	**-**	**263.3**
Remuneration							
Mrs. Savitri Devi Jindal	-	-	-	-	1.5	-	1.5
Mr. Sajjan Jindal	-	-	-	181.8	-	-	181.8
Mr. Seshagiri Rao M V S	-	-	-	33.9	-	-	33.9
Dr. Vinod Nowal	-	-	-	25.2	-	-	25.2
Mr. Jayant Acharya	-	-	-	22.1	-	-	22.1
Total	**-**	**-**	**-**	**263.0**	**1.5**	**-**	**264.5**
C. Closing balance of related parties							
Trade payables							
Jindal Praxair Oxygen Company Private Limited	-	126.3	-	-	-	-	126.3
South West Port Limited	-	-	-	-	-	143.1	143.1
JSW Steel Processing Centres Limited	202.8	-	-	-	-	-	202.8
JSW Energy Limited	-	-	-	-	-	421.7	421.7
Vijayanagar Minerals Private Limited	-	-	35.0	-	-	-	35.0
JSW Energy (Bengal) Limited	153.8	-	-	-	-	-	153.8
Others	13.8	-	-	-	-	102.5	116.3
Total	**370.4**	**126.3**	**35.0**	**-**	**-**	**667.3**	**1,199.0**
Advance received from Customers							
JSW Jaigarh Port Limited	-	-	-	-	-	0.8	0.8
Jindal Saw Limited	-	-	-	-	-	1.4	1.4
Raj west Power Limited	-	-	-	-	-	8.7	8.7
Total	**-**	**-**	**-**	**-**	**-**	**10.9**	**10.9**
Lease & Other deposit received							
Jindal Praxair Oxygen Company Private Limited	-	38.3	-	-	-	-	38.3
JSW Energy Limited	-	-	-	-	-	101.9	101.9
JSW Projects Limited	-	-	-	-	-	19.9	19.9
JSW Jaigarh Port Limited	-	-	-	-	-	35.0	35.0
Jindal Saw Limited	-	-	-	-	-	50.0	50.0
JSW Severfield Structures Limited	-	-	130.0	-	-	-	130.0
Total	**-**	**38.3**	**130.0**	**-**	**-**	**206.8**	**375.1**
Trade receivables							
JSW Cement Limited	-	-	-	-	-	248.3	248.3
JSW Steel (USA) Inc.	375.7	-	-	-	-	-	375.7
JSW Power Trading Company Limited	-	-	-	-	-	669.1	669.1
JSW Ispat Steel Ltd	-	259.8	-	-	-	-	259.8
Amba River Coke Limited	261.8	-	-	-	-	-	261.8
Others	-	-	4.4	-	-	250.4	254.8
Total	**637.5**	**259.8**	**4.4**	**-**	**-**	**1,167.8**	**2,069.5**
Share Application Money Given							
JSW Steel (Netherlands) B V	621.5	-	-	-	-	-	621.5
Vijayanagar Minerals Private Limited	-	-	40.5	-	-	-	40.5
Rohne Coal Company Limited	-	-	48.1	-	-	-	48.1
Gourangdih Coal Limited	-	-	0.5	-	-	-	0.5
Others	4.2	-	-	-	-	-	4.2
Total	**625.7**	**-**	**89.1**	**-**	**-**	**-**	**714.8**
Capital /Revenue Advances							
Jindal Steel & Power Limited	-	-	-	-	-	147.1	147.1
JSW Severfield structures limited	-	-	108.5	-	-	-	108.5
JSW Realty & Infrastructure Pvt.Ltd. (SWIPL)	-	-	-	-	-	476.3	476.3
Others	-	-	-	-	-	1.7	1.7
Total	**-**	**-**	**108.5**	**-**	**-**	**625.1**	**733.6**

Rs in million

Particulars	Subsidiaries	Associates	Joint Ventures	Key Mangerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Loan and Advances given							
JSW Steel (Netherlands) B.V.	9,499.3	-	-	-	-	-	9,499.3
JSW Steel Holding (USA) Inc.	12,234.6	-	-	-	-	-	12,234.6
Inversiones Eurosh Limitada	3,635.6	-	-	-	-	-	3,635.6
Others	239.6	-	3.8	-	-	0.1	243.5
Total	**25,609.1**	**-**	**3.8**	**-**	**-**	**0.1**	**25,613.0**
Investments held by the Company							
JSW Steel (Netherlands) B.V.	10,200.2	-	-	-	-	-	10,200.2
Ispat Industries Limited	-	23,571.2	-	-	-	-	23,571.2
Others	4,891.3	661.5	871.2	-	-	2,509.0	8,933.0
Total	**15,091.5**	**24,232.7**	**871.2**	**-**	**-**	**2,509.0**	**42,704.4**
Guarantees and collaterals provided by the							
JSW Steel (Netherlands) B.V. and it's subsidiaries for USA and Chile acquisition	1,894.7	-	-	-	-	-	1,894.7
JSW Steel (USA) Inc.	9,068.0	-	-	-	-	-	9,068.0
Total	**10,962.7**	**-**	**-**	**-**	**-**	**-**	**10,962.7**

14. Operating lease

a) As lessor:

i. The company has entered into lease arrangements, for renting :

- 2,279 houses (admeasuring approximately 1,410,997 square feet) at the rate of Rs. 100/- per house per annum, for a period of 120 months.
- 9 houses (admeasuring approximately 9,027 square feet) at the rate of Rs 43/- per square feet per month per house, for a period of 60 months.

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

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

	2013-14	2013-14	2012-13	2012-13
	USD Million	Rs in Million		
Gross Carrying amount of Assets	23.4	1,442.1	1,927.1	1,966.8
Accumulated Depreciation	3.6	220.4	206.8	206.0
Depreciation for the year	0.4	24.9	33.0	31.9

b) As lessee:

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

	2013-14	2013-14	2012-13	2012-13
	USD Million	Rs in Million		
Office Premises, Residential Flats etc.	5.0	305.80	119.10	96.80
Total:	5.0	305.80	119.10	96.80

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

The agreement for certain plant and equipment is on non-cancellable basis for a period of 10-15 years, which are renewable on expiry of the lease period at mutually acceptable terms.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2013-14	2013-14	2012-13	2012-13
	USD Million	Rs in Million		
Not later than one year	2.1	**129.4**	-	-
Later than one year but not later than five years	3.7	**230.5**	-	-
Later than five years	1.8	**109.9**	-	-
Total:	**7.6**	**469.8**	**-**	**-**

15. Earnings per share (EPS):

		2013-14	2013-14	2012-13	2012-13
		USD Million	Rs in Million		
Profit after tax		216.6	13,345.1	18,012.2	16,258.6
Less: dividend on preference shares (including corporate dividend tax)		5.3	326.5	324.3	324.3
Profit after tax for equity share holders (numerator)- basic / diluted (A)		211.3	13,018.6	17,687.9	15,9343
Weighted average number of equity shares for basic EPS (denominator) (B)	Nos.		241,722,044	223,117,200	223,117,200
Weighted average number of equity shares for diluted EPS (denominator) (C)	Nos.		241,722,044	223,117,200	223,117,200
Earning per share – basic (A/B)	USD/Rs.	0.9	53.9	79.3	71.4
Earning per share – diluted (A/C)	USD/Rs.	0.9	53.9	79.3	71.4
Nominal value per share	USD/Rs.		10	10	10

16. The company has the following joint venture interest in India as at 31th Mar 2014:

Interest as venturer

Vijayanagar Minerals Private Limited: Percentage of holding - 40% (previous year 40 %)

Rohne Coal Company Private Limited: Percentage of holding – 49% (previous year 49 %)

JSW Severfield Structures Limited: Percentage of holding - 50 % (previous year 50%)

Gourangdih Coal Limited: Percentage of holding – 50 % (previous year 50 %)

JSW MI Steel Service Center Private Limited: Percentage of holding - 50% (previous year 50%)

Interest as investor

MJSJ Coal Limited: Percentage of holding – 11% (previous year 11 %)

Toshiba JSW Power Systems Private Limited: Percentage of holding – 2.54% (previous year 2.54 %)

The proportionate share of assets, liabilities, income and expenditure of the jointly controlled entities are as under:

		2013-14	**2013-14 (Audited/ Based on financial information/estimates made by the management)**	**2012-13 (Audited/ Based on financial information/estimates made by the management)**	**2011-12 (Audited/ Based on financial information/estimates made by the management)**
		USD Million	Rs in Million		
I	**Assets**				
	Non-Current				
	Fixed Assets (including CWIP and Intangible assets under development)	23.1	1,425.3	1,158.8	1,141.6
	Non-current Investments	0.7	44.8	44.8	36.0
	Deferred Tax Asset (net)	-	-	3.0	2.7
	Long-term loans and advances	1.0	63.3	40.4	11.5
	Other non-current assets	0.1	5.1	7.6	-

		2013-14	2013-14 (Audited/ Based on financial information/estimates made by the management)	2012-13 (Audited/ Based on financial information/estimates made by the management)	2011-12 (Audited/ Based on financial information/estimates made by the management)
	Current Assets				
	Current Investments		-	0.2	0.3
	Inventories	0.6	34.1	32.0	53.0
	Trade Receivables	9.2	563.9	327.8	192.7
	Cash and Cash equivalents	5.3	328.5	370.9	240.5
	Short-term loans and advances	1.5	93.1	120.1	160.4
	Other current assets	-	-	0.1	4.1
	Unbilled Revenue	5.6	343.8	355.6	206.2
II	**Liabilities**				
	Non-current Liabilities				
	Long-term borrowings	11.6	713.4	469.9	608.1
	Other long-term liabilities	0.4	25.0	25.0	25.0
	Long term provisions	-	2.5	2.8	1.0
	Current Liabilities				
	Short-term borrowings	5.2	319.6	267.8	218.1
	Trade Payables	9.1	559.5	414.2	463.7
	Other current liabilities	7.3	447.2	374.9	219.1
	Short Term provisions	0.1	3.2	2.7	3.0
III	**Income**				
	Revenue from operations	21.0	1,296.9	1,294.3	891.3
	Other Income	0.5	31.6	31.6	41.1
IV	**Expenses**	-			
	Cost of materials consumed		-	16.0	72.1
	Cost of Construction	18.7	1,154.5	774.0	645.3
	Employee benefit expense	3.8	234.1	199.7	112.3
	Finanace costs	2.7	166.3	130.9	119.9
	Depreciation and amortisation expense	1.0	61.1	58.0	56.5
	Other Expenses	2.0	122.2	151.4	131.8
	Tax Expenses				
	- Current/Deferred Tax	0.2	9.7	8.4	(0.9)
V	**Other Matters**				
	Contingent Liabilities	3.9	239.1	61.6	18.7
	Capital Commitment	5.2	321.0	124.0	1.1

17. Additional information:

A) Auditors remuneration (excluding service tax)

	2013-14	2013-14	2012-13	2012-13
	USD Million	Rs in Million		
As Audit Fees(including limited review)	0.4	24.2	24.1	24.1
For Tax Audit Fees	0.1	3.5	2.9	2.9
For Certification & other Services	0.2	11.3	8.6	6.5
Out of Pocket Expenses	0	0.4	0.8	0.4
Total:	**0.6**	**39.4**	**36.4**	**33.9**

B) Installed capacities and production:

	Class of goods		**Installed capacity See Note Below** **Tonnes**	**Production** **Tonnes**
1	MS Slabs	2013-14	11,600,000	10,010,957
		2012-13	8,300,000	6,541,921
		2011-12	8,300,000	5,659,244
2	Hot Rolled Coils/Steel Plates/Sheets	2013-14	11,500,000	9,742,560
		2012-13	8,200,000	6,202,129
		2011-12	6,700,000	5,268,577
3	Hot Rolled Steel Plates	2013-14	-	-
		2012-13	320,000	79,308
		2011-12	320,000	96,210
4	Cold Rolled Coils/Sheets	2013-14	3,125,000	944,806
		2012-13	1,825,000	1,658,906
		2011-12	1,825,000	1,624,572
5	Galvanised/Galvalum Coils/Sheets	2013-14	-	-
		2012-13	925,000	996,530
		2011-12	925,000	917,328
6	Colour Coating Coils / Sheets	2013-14	-	-
		2012-13	426,000	188,569
		2011-12	232,000	176,850
7	Steel Billets & Bloom	2013-14	2,500,000	2,162,199
		2012-13	2,500,000	1,977,543
		2011-12	2,500,000	1,769,758
8	Long Rolled Products	2013-14	2,450,000	1,834,125
		2012-13	2,450,000	1,798,173
		2011-12	2,450,000	1,521,867

Notes:

1) As certified by the management and accepted by auditors, being a technical matter.
2) Production of cold rolled coils/sheets includes nil (31.03.2013 : 59,483 tonnes, 31.03.2012:53,438 tonnes) from a third party on job work basis.
3) Production of galvanised /galvalum coils/sheets includes Nil (31.03.2013: 61,107 tonnes, 31.03.2012: 55,734 tonnes) from a third party on job work basis.

C) **Opening stock, sales and closing stock:**

i) **Manufactured goods**

	Class of goods		Opening Stock		Sales		Closing Stock	
			Tonnes	Rupees million	Tonnes	Rupees million	Tonnes	Rupees Million
1	MS Slabs	USD Million (2013-14)		**34.2**		**36.3**		**17.9**
		2013-14	79,849.3	2,105.0	60,973.0	2,239.4	35,618.6	1,104.6
		2012-13	38,890.0	1,142.2	77,768.0	3,088.0	84,826.7	2,241.9
		2011-12	*32,073.0*	769.3	*198,529.0*	7,250.5	*38,890.0*	1,142.2
2	Hot Rolled Coils/Steel Plates/Sheets	USD Million (2013-14)		**135.7**		**5,431.6**		**101.8**
		2013-14	262,628.2	8,361.8	8,797,975.2	334,660.7	178,444.6	6,272.9
		2012-13	142,642.0	4,524.8	5,031,453.1	188,883.3	194,735.4	5,881.0
		2011-12	*138,090.0*	3,844.2	*4,173,888.0*	159,141.9	*142,642.0*	4,524.8
3	Galvanized Coils/Sheets	USD Million (2013-14)		**1.4**		**3.5**		**1.5**
		2013-14	1,973.9	87.8	3,428.0	212.7	1,036.2	90.2
		2012-13	49,591.0	2,314.4	779,809.8	39,844.5	67,498.2	3,220.6
		2011-12	*61,489.0*	2,732.8	*795,997.0*	40,061.2	*49,591.0*	2,314.4
4	Cold Rolled Coils/Sheets	USD Million (2013-14)		**31.6**		**602.1**		**63.4**
		2013-14	57,673.8	1,948.7	850,056.0	37,094.9	102,038.7	3,903.3
		2012-13	54,296.0	1,937.0	844,490.7	38,117.6	62,547.6	2,119.4
		2011-12	*74,816.0*	2,360.0	*715,157.0*	31,134.2	*54,296.0*	1,937.0
5	Hot Rolled Steel Plates	USD Million (2013-14)		**-**		**-**		**-**
		2013-14	-	-	-	-	-	-
		2012-13	7,169.0	255.8	74,628.5	3,051.2	4,741.6	152.8
		2011-12	*4,855.0*	143.9	*92,543.0*	3,922.3	*7,169.0*	255.8

	Class of goods		Opening Stock		Sales		Closing Stock	
			Tonnes	**Rupees million**	**Tonnes**	**Rupees million**	**Tonnes**	**Rupees Million**
6	Colour Coating Coils/Sheets	USD Million (2013-14)		**-**		**-**		**-**
		2013-14	-	-	-	-	-	-
		2012-13	12,972.0	760.3	176,496.9	11,002.9	22,327.3	1,278.4
		2011-12	*10,918.0*	600.7	*171,730.0*	10,491.6	*12,972.0*	760.3
7	Steel Billets & Blooms	USD Million (2013-14)		**12.7**		**170.8**		**13.0**
		2013-14	22,819.4	783.7	278,584.0	10,521.5	23,354.9	801.4
		2012-13	25,914.0	898.8	179,670.7	6,717.0	22,819.4	783.7
		2011-12	*28,737.0*	842.1	*210,395.0*	7,869.8	*25,914.0*	898.8
8	Long Rolled Products	USD Million (2013-14)		**50.0**		**1,216.0**		**37.3**
		2013-14	83,019.7	3,083.6	1,809,601.6	74,922.4	57,507.0	2,295.3
		2012-13	65,257.0	2,528.3	1,709,009.4	74,072.1	83,019.7	3,083.6
		2011-12	*59,990.0*	2,027.4	*1,456,976.0*	60,989.3	*65,257.0*	2,528.3
9	Others	USD Million (2013-14)		**6.9**		**344.9**		**40.3**
		2013-14		424.4		21,249.9		2,481.9
		2012-13		296.2		22,743.2		444.0
		2011-12		464.6		24,926.5		296.2
	Total	USD Million (2013-14)		**272.6**		**7,805.1**		**275.1**
		2013-14		16,795.0	-	480,901.5	-	16,949.6
		2012-13		14,657.8	-	387,519.8	-	19,205.4
		2011-12		13,785.0	-	345,787.3	-	14,657.8

ii) **Traded goods**

Description	2013-14	2013-14	2012-13	2012-13
	USD Million	Rs in Million		
Opening Stock				
Others		-	-	-
Total		-	-	-
Purchases				
Galvanized/Galvalume	48.0	2,955.8	-	-
Others	32.3	1,992.4	100.0	775.0
Total	80.3	4,948.1	100.0	775.0
Sales				
Galvanized/Galvalume	52.1	3,208.4	-	-
Others	18.9	1,162.0	114.3	797.5
Total	71.0	4,370.3	114.3	797.5
Closing Stock				
Others		-	-	-
Total		-	-	-

iii) **Work-in- Progress**

Description	2013-14	2013-14	2012-13	2011-12
	USD Million	Rupees in million		
Coke/Coal	33.9	2085.9	430.6	2693.8
Others	61.6	3552.8	2442.2	2377.8
Total	95.5	5638.7	2872.8	5071.6

D) Consumption of materials:

Description	**2013-14**	**2013-14**		**2012-13**		**2011-12**	
	USD Million	**Quantity Tonnes**	**Rupees In million**	**Quantity Tonnes**	**Rupees In million**	**Quantity Tonnes**	**Rupees In million**
Iron ore lumps/fines	1,432.9	22,820,113	88287.6	17,594,326	56511.1	14,660,173	43046.5
Coal/Coke	2,079.2	11,650,825	128109	10,111,594	108713.2	8,730,477	113675
Hot Rolled Coils	-	-	-	910,011	32301.9	739,483	26300.5
Zinc & Alloys	-	-	-	49,721	5751.2	46,188	5141.1
Others	822.3		50661.6		25575.8		24228.7
Total:	**4,334.4**		**267,058.2**		**228,853.2**		**212,391.8**
Less: captive consumption			-		2949.5		2790.7
Total:	**4,334.4**		**267,058.2**		**225,903.7**		**209,601.1**

E) Value of consumption of directly imported and indigenously obtained raw materials and stores and spares and the percentage of each to total consumption:

Description	2013-14	2013-14		2012-13		2011-12	
	USD Million	**Value Rupees In million**	**% of Total Value**	**Value Rupees In million**	**% of Total Value**	**Value Rupees In million**	**% of Total Value**
RAW MATERIALS							
Imported	2,416.6	148,895.8	55.75	120798.3	53.47	120,050.0	57.28
Indigenous	1,917.8	118,162.4	44.25	105105.4	46.53	89,551.2	42.72
Total:	**4,334.4**	**267,058.2**	**100.00**	**225903.7**	**100.00**	**209,601.1**	**100.00**
STORES AND SPARES							
Imported	68.2	4,203.7	20.65	2892.9	18.16	2,655.9	19.53
Indigenous	262.2	16,154.7	79.35	13034.6	81.84	10,942.7	80.47
Total:	**330.4**	**20,358.4**	**100.00**	**15927.5**	**100.00**	**13,598.6**	**100.00**

F) C.I.F. value of imports:

Description	**2013-14**	**2013-14**	**2012-13**	**2011-12**
	USD million	Rupees in million		
-Capital Goods	247.5	15,248.7	17,213.9	9,755.3
-Raw Materials (including Power and Fuel)	2,314.2	142,583.8	104,010.9	123,970.5
-Stores & Spare Parts	65.1	4,014.1	4,671.0	3,723.9

G) Expenditure in foreign currency:

Description	**2013-14**	**2013-14**	**2012-13**	**2011-12**
	USD million	Rupees in million		
Interest and Finance charges	55.6	3,428.5	2,636.7	2,748.2
Ocean Freight	100.7	6,205.6	3,814.6	3,202.4
Technical Know-how	21.2	1,308.8	208.2	-
Commission on sales	2.2	135.1	79.2	101.7
Legal & Professional Fees	0.3	20.2	24.1	85.7
Others	1.6	96.3	138.7	178.1

H) Earnings in foreign currency:

Description	**2013-14**	**2013-14**	**2012-13**	**2011-12**
	USD million	Rupees in million		
F.O.B. Value of Exports	1,307.6	80,564.5	69,693.5	53,752.2
Sale of Carbon Credits	-	-	170.7	133.7
Commission and Fees	5.4	334.6	-	-
Interest Income	31.3	1,930.4	1,808.8	1,078.3

I) Remittance in foreign currency on account of dividend:
Dividend to equity shareholders:

Description	**2013-14**	**2013-14**	**2012-13**	**2011-12**
	USD million	Rupees in million		
Year to which the dividend relates	-	2012-13	2011-12	2010-11
Number of non-resident shareholders	-	3,582	2,910	4,220
Number of equity shares held by them	-	14,191,878	14,124,512	14,213,956
Amount remitted (Rs. in million)	2.3	141.9	105.9	174.1

18. Disclosure pertaining to micro, small and medium enterprises (as per information available with the company):

Description	**2013-14**	**2013-14**	**2012-13**	**2011-12**
	USD Million	Rs in Million		
Principal amount due outstanding as at end of year	2.1	127.6	185.1	81.9
Interest due on (1) above and unpaid as at end of year	0.2	11.9	3.4	1.2
Interest paid to the supplier	-	-	-	-
Payments made to the supplier beyond the appointed day during the period	-	-	-	-
Interest due and payable for the period of delay	-	-	-	-
Interest accrued and remaining unpaid as at end of period	-	-	-	-
Amount of further interest remaining due and payable in succeeding year	0.3	17.6	3.4	1.2

19. Interest includes Rs 59.6 million, USD 0.97 million for FY 2013-14, (Rs 28.9 million for FY 2012-13 and Rs 25 million for FY 2011-12) on account of shortfall in payment of direct taxes.

20. For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended 31 March 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on 30 September 2014.

21. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year. Figures of the previous year are not comparable on account of Composite Scheme of Amalgamation and Arrangement as referred to in note 26 (4) above

For JSW Steel Limited

SESHAGIRI RAO M.V.S
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

Place: Mumbai
Date: 30 OCTOBER 2014

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.

REPORT OF THE INDEPENDENT AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of
JSW Steel Limited

1. The accompanying Consolidated Financial Statements of **JSW STEEL LIMITED**, which comprise the Consolidated Balance Sheets as at March 31, 2014, March 31, 2013 and March 31, 2012, and also the Consolidated Statements of Profit and Loss and the Consolidated Cash Flow Statements for the years then ended on these dates, and a summary of the significant accounting policies and other explanatory information are derived from the Audited Consolidated Financial Statements of the Company for the respective years audited by us as detailed in paragraph 2 and 3 below.

2. (a) We expressed our unmodified opinions on the Audited Consolidated Financial Statements of the Company for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 vide our reports dated May 27, 2014, May 23, 2013 and May 14, 2012 respectively. Refer paragraph 2(b) to 2(d) below for the emphasis of matter and paragraph 3 for the other matters stated in our reports on these Audited Consolidated Financial Statements.

(b) Our report on the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2014, included an emphasis of matter which drew attention to Note 26 (5) to the Audited Consolidated Financial Statements relating to the Company's assessment that no provision for impairment of Fixed Asset (Carrying Amount as at March 31, 2014 – Rs. 46,633.1 million) was necessary pertaining to Steel Operations of JSW Steel (USA), Inc., in terms of Accounting Standard [AS] 28, "Impairment of Assets" for the reasons stated in the note.

(c) Our report on the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2013, included following emphasis of matter which drew attention to Note 26 (4) to the Audited Consolidated Financial Statements relating to the Scheme of Amalgamation and Arrangement sanctioned by the Bombay High Court on May 3, 2013.

"The certified copy of the Court Order is awaited, on receipt of which the Company will initiate requisite formalities to give effect to the Scheme. Accordingly therefore, the accounting treatment laid out in the Scheme and consequential adjustments that would arise will be dealt with by the Company in the financial statements, once the Scheme is implemented."

(d) Our report on the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2012, included an emphasis of matter which drew attention to the following matter of emphasis included in the report of other auditor of one of the associate company namely JSW Ispat Steel Limited for the year ended March 31, 2012.

"Trade receivables of Rs. 2,556.1 million which are overdue from Peddar Realty Private Limited towards sale consideration of landed properties along with interest thereon have been considered good of recovery by the Management in view of the market value of the underlying assets."

3. Other Matters

Our reports on the Audited Consolidated Financial Statements of the Company:

i. for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 states that the financial information of certain subsidiaries, jointly controlled entities and certain associates for the year then ended to the extent included in Annexure 1, were considered in those Audited Consolidated Financial Statements based on information compiled by the Management and were not subject to audit by independent auditors.

ii. for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 state that we did not audit the financial statements of certain subsidiaries and associates of the Company, whose Financial Statements reflect the financial information as considered in the Audited Consolidated Financial Statements for the respective years then ended to the extent set out in Annexure 2. These financial statements and other financial information were audited by other auditors whose reports were furnished to us, and our audit opinions on the Audited Consolidated Financial Statements of the Company for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 to the extent they relate to the figures for the respective years included in Annexure 2, were solely based on the reports of the other auditors.

4. Consolidated Financial Statements, do not reflect the effect of events that occurred subsequent to the date of our reports on the respective years referred to in paragraph 2 (a) above.

5. The amounts for the year ended and as at March 31,2014 expressed in U.S. Dollars, provided as supplementary information solely for convenience of the reader, have been translated on the basis set forth in Note 26 (17) to the Consolidated Financial Statements.

6. Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of the Consolidated Financial Statements from the Audited Consolidated Financial Statements of the respective years ended March 31, 2014, March 31, 2013 and March 31, 2012 on the basis described in Note 1 (B-1) to the Consolidated Financial Statements.

7. **Auditor's Responsibility**

Our responsibility is to express an opinion on the Consolidated Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

8. **Opinion**

In our opinion, the Consolidated Financial Statements derived from the Audited Consolidated Financial Statements of the Company for the respective years are a compilation of those Audited Consolidated Financial Statements on the basis described in Note 1(B -1) to the Consolidated Financial Statements.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. Siddharth
Partner
(Membership No. 31467)

Mumbai, 30 October 2014

__Annexure 1 to the report on the Consolidated Financial Statements (referred to in paragraph 3 (i) of the report)__

Financial information of certain subsidiaries, jointly controlled entities and certain associates, as considered in the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2014, 2013 and 2012 which were not subjected to an independent audit:

Particulars	As at and for the year ended		
	March 31, 2014 (Rs. Million)	**March 31, 2013 (Rs. Million)**	**March 31, 2012 (Rs. Million)**
Relating to certain subsidiaries and jointly controlled entities			
Assets	2,820.4	2,524.2	3,498.5
Revenue	3,015.7	1,991.9	2,593.1
Cash flows – (outflows) / inflows	264.5	145.8	149.5
Relating to an Associate			
Share of – (Loss) / Profit	135.4	152.8	134.2

__Annexure 2 to the report on the Consolidated Financial Statements (referred to in paragraph 3 (ii) of the report)__

Financial information of certain subsidiaries and associates audited by other auditors, as considered in the Audited Consolidated Financial Statements of the Company:

Particulars	As at and for the year ended		
	March 31, 2014 (Rs Million)	**March 31, 2013 (Rs Million)**	**March 31, 2012 (Rs Million)**
Relating to certain subsidiaries			
Assets	139,932.8	67,442.2	67,012.2
Revenue	110,560.0	25,313.6	23,926.3
Cash flows – (outflows) / inflows	673.8	(55.4)	(928.0)
Relating to Associates			
Share of – (Loss) / Profit	Nil	(2,406.0)	(9,500.2)

JSW STEEL LIMITED

CONSOLIDATED BALANCE SHEET

	Note no.	USD in million As at 31.03.2014	Rupees in million As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
Share capital	2	173.2	10,671.9	5,631.8	5,631.8
Reserves and surplus	3	3,387.5	2,08,711.5	1,67,805.5	1,61,863.9
		3,560.7	2,19,383.4	1,73,437.3	1,67,495.7
Minority interest		27.1	1,670.1	1,971.6	2,176.7
(2) Non-current liabilities					
Long-term borrowings	4	4,334.1	2,67,026.2	1,73,931.6	1,28,891.2
Deferred tax liabilities (net)	5	344.5	21,234.2	34,872.0	30,411.9
Other long term liabilities	6	147.6	9,100.4	6,004.2	4,722.1
Long-term provisions	7	9.7	595.6	411.9	350.3
		4,835.9	2,97,956.4	2,15,219.7	1,64,375.5
(3) Current liabilities					
Short-term borrowings	8	793.2	48,870.9	16,529.9	13,757.5
Trade payables	9	1,898.9	1,16,993.2	1,02,513.1	97,141.0
Other current liabilities	10	1,426.5	87,900.3	64,533.1	95,129.4
Short-term provisions	11	58.8	3,624.6	3,075.1	2,308.4
		4,177.4	2,57,389.0	1,86,651.2	2,08,336.3
TOTAL		12,601.1	7,76,398.9	5,77,279.8	5,42,384.2
II ASSETS					
(1) Non-current assets					
Fixed assets	12				
Tangible assets		7,366.3	4,53,864.9	3,33,477.8	3,25,292.6
Intangible assets		15.8	975.9	547.0	388.2
Capital work-in-progress		1,514.1	93,289.7	58,544.3	28,018.3
Intangible assets under development		11.5	707.8	434.4	298.8
		8,907.7	5,48,838.3	3,93,003.5	3,53,997.9
Goodwill on consolidation		253.5	15,618.6	13,143.2	12,439.8
Non-current investments	13	96.5	5,947.3	16,064.4	18,856.0
Deferred tax assets (net)	5	-	-	2,152.0	3,162.1
Long-term loans and advances	14	832.9	51,317.0	33,420.0	28,179.8
Other non-current assets	15	2.8	175.0	160.3	143.6
		10,093.4	6,21,896.2	4,57,943.4	4,16,779.2
(2) Current assets					
Current investments	16	11.0	680.1	1,435.1	2,040.0
Inventories	17	1,323.6	81,551.2	54,952.3	57,892.6
Trade receivables	18	372.0	22,924.4	21,062.9	14,619.5
Cash and cash equivalents	19	107.7	6,629.7	16,533.7	30,469.7
Short-term loans and advances	14	693.4	42,717.3	25,352.4	20,583.2
		2,507.7	1,54,502.7	1,19,336.4	1,25,605.0
TOTAL		12,601.1	7,76,398.9	5,77,279.8	5,42,384.2

Significant Accounting Policies 1 (B)

The accompanying Notes 1 to 26 are an integral part of the consolidated financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

A SIDDHARTH
Partner

For JSW Steel Limited

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

Place: Mumbai,
Dated: 30 OCTOBER 2014

DELOITTE HASKINS & SELLS LLP
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.
CHARTERED ACCOUNTANTS

JSW STEEL LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	Note no.	USD in million	Rupees in million		
		For the Year Ended 31.03.2014	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
I. Revenue from operations	20	8,996.6	5,54,315.1	4,15,778.4	3,69,642.3
Less: Excise duty		683.6	42,118.9	33,681.9	25,961.8
		8,313.0	5,12,196.2	3,82,096.5	3,43,680.5
II. Other income	21	14.0	858.1	697.3	768.5
III. Total revenue (I + II)		8,327.0	5,13,054.3	3,82,793.8	3,44,449.0
IV. Expenses:					
Cost of materials consumed		4,905.1	3,02,217.9	2,42,982.8	2,22,452.3
Purchases of stock-in-trade		35.0	2,155.8	117.7	775.0
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(31.3)	(1,921.8)	(1,524.4)	(4,436.5)
Cost of construction		14.4	887.9	108.6	489.4
Employee benefits expense	23	210.6	12,982.4	9,802.5	8,463.9
Finance costs	24	494.7	30,478.6	19,674.6	14,273.0
Depreciation and amortization		516.5	31,826.1	22,374.8	19,331.5
Other expenses	25	1,691.3	1,04,219.4	65,570.1	54,917.5
Total expenses		7,836.3	4,82,846.3	3,59,106.7	3,16,266.1
V. Profit before exceptional items and tax (III-IV)		490.7	30,208.0	23,687.1	28,182.9
VI Exceptional items					
Exchange loss (net)	26(7(a))	278.0	17,127.5	3,693.7	8,249.4
VII Profit before tax (V-VI)		212.7	13,080.5	19,993.4	19,933.5
VIII Tax expenses:					
Current tax		72.1	4,441.2	5,150.9	4,112.7
Deferred tax		146.8	9,043.3	6,242.6	7,732.3
Less: MAT credit entitlement		(69.5)	(4,283.7)	(2,941.0)	(6,843.5)
		149.4	9,200.8	8,452.5	5,001.5
IX Profit after taxation but before minority interests and share of profits/loss of associates (VII-VIII)		63.3	3,879.7	11,540.9	14,932.0
X Share of (losses) / profit of minority		(8.2)	(504.4)	(343.4)	189.2
XI Share of (losses) / profit from associates (net)					
Before exceptional items		2.2	135.4	(1,645.2)	(2,262.1)
Exceptional items	26(7(b))	-	-	(608.0)	(7,103.9)
XII Profit for the year (IX-X+XI)		73.7	4,519.5	9,631.1	5,376.8
X Earnings per equity share:	26(15)				
(1) Basic		0.28	17.35	41.71	22.65
(2) Diluted (see note)		0.28	17.35	41.71	22.65

Significant Accounting Policies 1 (B)

The accompanying Notes 1 to 26 are an integral part of the consolidated financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For JSW Steel Limited

A SIDDHARTH
Partner

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

Place: Mumbai,
Dated: 30 OCTOBER 2014

DELOITTE HASKINS & SELLS LLP ★ CHARTERED ACCOUNTANTS ★
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.

JSW STEEL LIMITED

CONSOLIDATED CASH FLOW STATEMENT

	USD in million		Rupees in million					
		For the year ended 31.03.2014		For the year ended 31.03.2014		For the year ended 31.03.2013		For the year ended 31.03.2012
A. CASH FLOW FROM OPERATING ACTIVITIES								
NET PROFIT BEFORE TAX		212.7		13,080.5		19,993.4		19,933.5
Adjustments for :								
Depreciation and amortisation	516.5		31,826.1		22,374.8		19,331.5	
Loss/(Profit) on sale of fixed assets	0.5		31.3		75.9		(0.8)	
Income from current investments	(2.8)		(171.9)		(168.9)		(150.0)	
Profit on sale of long term investment	(1.1)		(65.6)		-		-	
Interest income	(5.3)		(327.0)		(455.2)		(325.8)	
Dividend income	(3.6)		(222.6)		(39.6)		(78.5)	
Interest expenses	371.6		22,896.2		14,597.7		9,753.5	
Unrealised exchange (gain) / loss	(30.5)		(1,879.2)		1,224.4		1,250.0	
Amortisation of employees share payments	-		-		57.4		103.5	
		845.3		52,087.3		37,666.5		29,883.4
Operating profit before working capital changes		1,058.0		65,167.8		57,659.9		49,816.9
Adjustments for :								
(Increase) / Decrease in inventories	(158.3)		(9,735.4)		2,940.3		(13,795.6)	
Decrease/ (Increase) in trade receivables*	46.1		2,838.1		(6,443.4)		(6,060.4)	
Decrease/ (Increase) in loans and advances*	8.2		506.0		2,777.5		(21,225.9)	
(Decrease)/ Increase in liabilities*	(463.7)		(28,539.8)		6,590.8		29,228.5	
(Decrease)/Increase in provisions*	(4.0)		(244.0)		22.4		1,231.7	
		(571.7)		(35,195.1)		5,887.6		(10,621.7)
Cash flow from Operations		486.3		29,972.7		63,547.5		39,195.2
Direct Taxes Paid		(65.5)		(4,037.5)		(5,105.4)		(4,071.2)
NET CASH GENERATED FROM OPERATING ACTIVITIES		420.8		25,935.2		58,442.1		35,124.0
B. CASH FLOW FROM INVESTING ACTIVITIES								
Purchase of fixed assets including capital advances		(935.3)		(57,623.5)		(56,300.5)		(40,794.6)
Proceeds from sale of fixed assets		3.0		185.3		120.1		134.5
Investment in joint ventures and associates		(0.1)		(7.6)		(27.5)		(2,049.5)
Sale of investment in joint ventures and associates		-		-		566.1		267.4
Purchase of other long term investments (net)		(12.2)		(753.2)		0.2		(10.5)
Purchase/Sale of current investments (net)		15.1		928.8		773.8		811.4
Interest received		5.5		340.0		493.8		557.2
Dividend received		3.6		222.6		39.6		78.5
NET CASH USED IN INVESTING ACTIVITIES		(920.4)		(56,712.6)		(54,334.4)		(41,005.6)
C CASH FLOW FROM FINANCING ACTIVITIES								
Proceeds from long term borrowings		1,344.4		82,834.1		67,019.2		60,244.4
Repayment of long term borrowings		(850.8)		(52,420.3)		(60,258.3)		(27,072.8)
Short term borrowings (net)		484.9		29,876.1		2,785.5		(11,262.7)
Interest paid		(391.6)		(24,130.8)		(15,186.1)		(11,430.3)
Dividend paid (including corporate dividend tax)		(51.2)		(3,154.5)		(2,269.2)		(3,500.9)
NET CASH GENERATED FROM /(USED IN) FINANCING ACTIVITIES		535.7		33,004.6		(7,908.9)		6,977.7
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS(A+B+C)		36.1		2,227.2		(3,801.2)		1,096.1
CASH AND CASH EQUIVALENTS - OPENING BALANCE		49.1		3,023.8		6,825.0		5,728.9
On Account of Composite Scheme of Amalgamation and Arrangement (refer note 26(4))		8.2		505.0		-		-
CASH AND CASH EQUIVALENTS - CLOSING BALANCE#		93.4		5,756.0		3,023.8		6,825.0
Add : Other cash and bank balances		9.9		612.4		12,814.7		23,295.2
Add : Balance in debenture interest/ installments/dividend payment accounts		3.8		231.4		658.8		208.4
Add : Translation Adjustment in Cash and Cash Equivalents		0.5		29.9		36.4		141.1
CASH AND CASH EQUIVALENTS (as per note 19)		107.6		6,629.7		16,533.7		30,469.7
# Cash and Cash Equivalents (refer note 19)		97.7		6,017.3		8,093.7		13,246.8
Less : Earmarked balances included above		3.8		231.4		5,033.5		6,280.7
Less : Translation Adjustment in Cash and Cash Equivalents		0.5		29.9		36.4		141.1
Cash and Cash Equivalents considered for Cash Flow		93.4		5,756.0		3,023.8		6,825.0

* Includes current and non current

Note

The cash flow statement is prepared using the "indirect method" set out in Accounting Standard 3 "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the cash flow statement consist of cash on hand and unencumbered, highly liquid bank balances.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

A SIDDHARTH
Partner

Place: Mumbai,
Dated: 30 OCTOBER 2014

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.

For JSW Steel Limited

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

JSW Steel Limited (Consolidated)

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL INFORMATION

JSW Steel Limited, the Company was incorporated on 15 March 1994. The Company is predominantly engaged in the business of production and distribution of iron and steel products.

The consolidated financial statements of the group – (the parent company and all its subsidiaries) include financial information of other components, namely, joint ventures and associate companies.

The following components are included in the consolidation:

Subsidiary companies:

Name of the company	Country of incorporation	Share holding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
JSW Steel (Netherlands) B.V.*	Netherlands	100% (100%) (100%)	Acquisition and investment in steel related and steel allied businesses and trading in steel products
JSW Steel (UK) Limited	United Kingdom	100% (100%) (100%)	Investment in steel related and steel allied businesses
Argent Independent Steel (Holdings) Limited	United Kingdom	100% (100%) (100%)	Holding company of JSW Steel Service Centre (UK) Limited
JSW Steel Service Centre (UK) Limited	United Kingdom	100% (100%) (100%)	Steel service centre
JSW Steel Holding (USA) Inc.	United States of America	100% (100%) (100%)	Holding company of JSW Steel (USA) Inc. and Periama Holdings, LLC

Name of the company	Country of incorporation	Share holding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
JSW Steel (USA) Inc.	United States of America	90% (90%) (90%)	Manufacturing plates, pipes and double jointing.
Periama Holdings, LLC	United States of America	100% (100%) (100%)	Holding company
Purest Energy, LLC	United States of America	100% (100%) (100%)	Holding company
Meadow Creek Minerals, LLC	United States of America	100% (100%) (100%)	Mining company
Hutchinson Minerals, LLC	United States of America	100% (100%) (100%)	Mining company
R.C. Minerals, LLC	United States of America	100% (100%) (100%)	Mining company
Keenan Minerals, LLC	United States of America	100% (100%) (100%)	Mining company
Peace Leasing, LLC	United States of America	100% (100%) (100%)	Mining company
Prime Coal, LLC	United States of America	100% (100%) (100%)	Management company
Planck Holdings, LLC	United States of America	100% (100%) (100%)	Holding company
Rolling S Augering, LLC	United States of America	100% (100%)	Mining company

Name of the company	Country of incorporation	Share holding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
		(100%)	
Periama Handling, LLC	United States of America	100% (100%) (100%)	Coal loading company
Lower Hutchinson Minerals, LLC	United States of America	100% (100%) (100%)	Mining company
Caretta Minerals, LLC	United States of America	100% (100%) (100%)	Mining company
JSW Panama Holdings Corporation	Republic of Panama	100% (100%) (100%)	Holding company for Chile based companies and trading in iron ore
Inversiones Eroush Limitada	Chile	100% (100%) (100%)	Holding company (LLP) of Santa Fe Mining
Santa Fe Mining	Chile	70% (70%) (70%)	Mining company
Santa Fe Puerto S.A.	Chile	70% (70%) (70%)	Port company
JSW Natural Resources Limited	Republic of Mauritius	100% (100%) (100%)	Holding company of JSW Natural Resources Mozambique Limitada and JSW Mali Resources SA
JSW Natural Resources Mozambique Limitada	Mozambique	100% (100%) (100%)	Mining company
JSW Mali Resources SA* (w.e.f 18 February 2013)	Mali	100% (100%) (-)	Mining company
JSW ADMS Carvao Limitada	Mozambique	100 %	Mining company

Name of the company	Country of incorporation	Share holding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
		(85%) (85%)	
JSW Steel East Africa Limited	Kenya	100% (100%) (100%)	Mining company
JSW Steel Processing Centres Limited	India	100% (100%) (100%)	Steel service center
JSW Bengal Steel Limited	India	98.57% (98.07%) (96.74%)	Steel plant
JSW Natural Resources India Limited	India	98.57% (98.07%) (96.74%)	Steel Plant
JSW Energy (Bengal) Limited	India	98.57% (98.07%) (96.74%)	Power plant
JSW Natural Resource Bengal Limited (w.e.f. 3 April 2012)	India	98.57% (98.07%) (-)	Mining company
Barbil Beneficiation Company Limited	India	98.57% (98.07%) (96.74%)	Beneficiation plant
Barbil Iron Ore Company Limited (w.e.f. 29 January 2014)	India	98.57% (-) (-)	Mining company
JSW Jharkhand Steel Limited	India	100% (100%) (100%)	Steel plant and mining
JSW Building Systems Limited (upto 30 June 2012)	India	- (100%) (100%)	Pre-fabricated building systems and technologies

Name of the company	Country of incorporation	Share holding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
JSW Steel Coated Products Limited (formerly Maharashtra Sponge Iron Limited) (w.e.f. 1 July 2012)	India	100% (100%) (-)	Steel plant
Amba River Coke Limited	India	100% (100%) (100%)	Coke oven plant
Nippon Ispat Singapore (PTE) Limited (w.e.f. 1 July 2012)	Singapore	100% (-) (-)	Mining company
Erebus Limited (w.e.f. 1 July 2012)	Mauritius	100% (-) (-)	Mining company
Arima Holdings Limited (w.e.f. 1 July 2012)	Mauritius	100% (-) (-)	Mining company
Lakeland Securities Limited (w.e.f. 1 July 2012)	Mauritius	100% (-) (-)	Mining company
Peddar Realty Private Limited (w.e.f. 1 July 2012)	India	100% (-) (-)	Real estate

Joint venture companies:

Name of the company	Country of incorporation	Proportion of ownership interest at year end	Nature of operations (commenced / planned)
Vijayanagar Minerals Private Limited	India	40% (40%) (40%)	Supply of iron ore.
Rohne Coal Company Private Limited	India	49% (49%) (49%)	Coal mining company

Name of the company	Country of incorporation	Proportion of ownership interest at year end	Nature of operations (commenced / planned)
Geo Steel LLC *	Georgia	49% (49%) (49%)	Manufacturing of TMT rebar
JSW Severfield Structures Limited (JSSL)	India	50% (50%) (50%)	Designing, fabricating and erecting structural steel works
JSW Structural Metal Decking Limited	India	33.33% (33.33%) (33.33%)	Metal deckings
Gourangdih Coal Limited*	India	50% (50%) (50%)	Coal mining company
JSW MI Steel Service Center Private Limited	India	50% (50%) (50%)	Steel service centre

Associate Companies:

Name of the company	Country of incorporation	Proportion of ownership interest at year end	Nature of operations (commenced / planned)
Jindal Praxair Oxygen Company Private Limited*	India	26% (26%) (26%)	Production of gaseous and liquid form of oxygen, nitrogen, argon and other products recoverable from separation of air.
JSW Ispat Steel Limited (upto 30 June2012)	India	- (46.75%) (49.30%)	Production and distribution of iron and steel products

* Consolidated based on unaudited financial information/estimates as certified by management.

The Company has a 26% stake in Jindal Praxair Oxygen Company Private Limited (JPOCL). Though the company is entitled to exercise joint control in respect of certain operating and financial matters in terms of the shareholders' agreement, on account of certain constraints, it is unable to exercise such joint control. The company has representation on JPOCL's Board. JPOCL has therefore been accounted for as an associate in consolidated financial statements using the equity method as per Accounting Standard (AS) - 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

B. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting and preparation of consolidated financial statements

The accompanying consolidated financial statements have been prepared under the historical cost convention on an accrual basis except for the assets and liabilities acquired under the composite scheme of Amalgamation and Arrangement which are recorded at respective fair values, in accordance with Indian Generally Accepted Accounting Principles (GAAP), Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") {which continues to be applicable in respect of section 133 of the Companies Act, 2013 ("the 2013 Act) in terms of general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs} and the relevant provisions of the 1956 Act / 2013 Act, as applicable.

The subsidiaries are consolidated on a line-by-line basis in accordance with Accounting Standard 21 "Consolidated Financial Statements" after eliminating intra group balances, intra group transactions and resulting unrealized profits or losses, unless cost cannot be recovered. Interest of the minority shareholders in the subsidiaries' profits or losses and net worth is displayed separately in the consolidated financial statements.

Investments in joint ventures are accounted for using the proportionate consolidation method in accordance with Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures". Unrealized profits and losses resulting from transactions between the company and the joint venture companies are eliminated to the extent of the company's share in the joint ventures.

Investments in associates are accounted for using the equity method in accordance with Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Unrealized profits and losses resulting from transactions between the company and the associates are eliminated to the extent of the company's interest in the associate.

For the purpose of consolidation, the financial statements of the subsidiaries, joint venture companies and associates are drawn up to 31st March, 2014 which is the reporting period of the company.

The excess of the cost of investment in subsidiary companies, joint venture and associate companies over the parent's share of equity is recognized in the financial statements as goodwill. When the cost to the parent of its investment in subsidiary companies, joint venture and associate companies is less than the parents' share of equity, the difference is recognized in the financial statements as capital reserve.

2. Uniform accounting policies

The consolidated financial statements of JSW and its subsidiary, joint venture and associate companies have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

3. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions in the estimates are recognized in the periods in which the results are known/materialize.

4. Tangible assets

Tangible assets are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses, if any.

Cost of acquisition comprise all costs including purchase price net of trade discounts and rebates, non-recoverable taxes, levies and duties and directly attributable costs to bring the asset to its present location and working condition up to the date the assets are put to use. Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to specific assets up to the date the asset are put to use. Borrowing cost incurred for qualifying assets (i.e. the assets that take substantial period of time to get ready for its intended use) is capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

In respect of mining projects, the Company capitalizes cost of acquisition of mining concessions and all costs incurred till mining reserves are proved, such as license fees, direct exploration costs and indirect incidental costs. Once the determination of mining reserves is made, the following conditions must be met in order for these costs to remain capitalized:

i. The economic and operating viability of the project is assessed determining whether sufficient reserves exist to justify further capitalized expenditure for commercial exploration of the reserves, and
ii. Further exploration and development activity is under way or firmly planned for the near future.

In respect of mining projects which are at different stages of prospecting and exploration, ranging from precursor activities to establishment of mining reserves, and where mining proper and other related activities to develop the property after assessment of economic and technical viability of the project have not yet commenced, related assets are carried at their original value, since impairment if any cannot be ascertained at this stage.

5. Intangible assets

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

6. Depreciation and amortisation

Depreciation is provided on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956 or rates based on estimated useful life whichever is higher. Depreciation on assets, acquired under the Composite Scheme of Amalgamation and Arrangement, is provided, pro-rata for the period of use, by the SLM at the rates prescribed in Schedule XIV to the Act or at the SLM rates derived per independent, technical estimate of useful life, whichever is higher. The details of estimated life for each category of asset are as under:

(i) Freehold land is not depreciated
(ii) Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.
(iii) Buildings — 2 to 62 years
(iv) Plant and Machinery — 3 to 30 years
(v) Furniture and Fixtures — 2 to 16 years
(vi) Vehicles and Aircraft — 4 to 11 years
(vii) Office Equipments — 3 to 21 years

(viii) Computer Software — 3 to 5 years

(ix) License Fees is amortised over the period of license

(x) Mining assets are amortized by the unit of production method once the mine commences commercial production. All expenditure related to unsuccessful efforts are charged to the statement of profit and loss when so established. Goodwill arising on consolidation to the extent attributable to mining concessions is also amortized on the basis described above.

In some of the joint ventures depreciation is calculated on written down value basis. The depreciation charge in respect of these entities is not significant in the context of the consolidated financial statements.

7. Impairment

The carrying values of assets /cash generating units at each balance sheet date are reviewed for impairment in accordance with Accounting Standard 28 "Impairment of Assets". If any indication of impairment exists, the recoverable amount (i.e. the higher of the asset's net selling price and value in use) of such assets is estimated and impairment is recognized if the carrying amount of these assets exceeds their recoverable amount. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount but limited to the carrying amount that would have been determined (net of depreciation / amortisation) had no impairment loss been recognised in prior accounting periods.

8. Investments

Investments are classified as current or long-term in accordance with Accounting Standard (AS) 13, Accounting for Investments.

Long term investments are carried at cost or at fair value of investments acquired under the Composite Scheme of Amalgamation and Arrangement. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments. Current investments are carried at lower of cost and fair value.

9. Revenue recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

Sale of goods

Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained by the Company. Revenue from sale of goods is recognised gross of excise duty, and net of rebates and discounts, and sales tax and value added tax. Excise duty recovered is presented as a reduction from gross turnover. Export turnover includes related export benefits.

Gain arising on pre-payment of deferred Value Added Tax (VAT) at discounted rate are accounted on payment of VAT to authority.

Contract revenue

Revenue in respect of construction contracts is calculated as that proportion of the total contract value which costs incurred bear to the total expected costs for that contract, as estimated by management. Variations in contract work, claims and incentive payments are included in revenue to the extent that it is probable that they will result in revenue and can be measured reliably. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred of which recovery is probable. Where the outcome of a construction contract can be estimated reliably, profit is recognized on contracts by including in the income statement revenue and related cost as contract activity progresses. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized immediately.

10. Other income

Interest income is accounted on accrual basis. Dividend income is accounted for, when the right to receive income is established.

11. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by the weighted average cost method.

Excise duty related to finished goods stock is included under changes in inventories of finished goods, work-in-progress and stock-in-trade (refer note 22).

12. Borrowing costs

Borrowing costs not attributable to the acquisition or construction of qualifying assets are expensed as incurred.

13. Employee benefits

Employee benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense in the statement of profit and loss in the period in which the service is rendered.

Employee benefits under defined benefit plans, such as gratuity and compensated absences which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The company's obligations recognized in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

14. Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.
ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized in the statement of profit and loss over the balance life of the long-term monetary item, however that the period of amortization does not extend beyond 31 March 2020.

All other exchange differences are dealt with in the statement of profit and loss.

Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction- also refer note 1 (B)(8).

In translating the financial statements of subsidiary companies' non-integral foreign operations, for incorporation in the consolidated financial statements the assets and liabilities, both monetary and non-monetary, are translated at the closing rate, the income and expense items of the subsidiary company are translated at the average rate and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

15. Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date.

The Company designates certain derivatives as either hedges of the fair value of recognized assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). The Company does not enter into derivative contracts for trading or speculative purposes.

A derivative is presented under "Short term loans and advances (note14) or "Other current liabilities" (note 10).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the same line of the statement profit and loss relating to the hedged item.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a "hedging reserve account". The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit and loss. Amounts deferred in the hedging reserve account are recycled in the statement of profit and loss in the periods when the hedged item is recognized in the statement of profit and loss, in the same line as the hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In case of fair value hedges the adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized in the statement of profit and loss from that date. In case of cash flow hedges any cumulative gain or loss deferred in the hedging reserve account at that time is retained and is recognized when the forecast transaction is ultimately recognized in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred is recognized immediately in the statement of profit and loss.

16. Income taxes

Taxes expense comprises of current and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the revenue authorities, using the applicable tax rates and tax laws. Minimum alternate tax (MAT) credit entitlement available under the provisions of Section 115 JAA of the Income Tax Act, 1961 is recognized to the extent that the credit will be available for discharge of future normal tax liability.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or a deferred tax liability. They are measured using the substantively enacted tax rates and tax laws as on the balance sheet date. Deferred tax assets are recognised only when there is a reasonable certainty that sufficient future taxable income will be available against which they will be realised. Where there is a carry forward of losses or unabsorbed depreciation, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence of availability of taxable income against which such deferred tax assets can be realised in future.

The carrying amount of MAT credit and deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the assets can be realized.

Where certain expenses or credits which are otherwise required to be charged in the statement of profit and loss are adjusted directly to reserves in accordance with a court order or as permitted by law/accounting standards, the tax benefits or charge, arising from the admissibility or taxability of such expenses or income for tax purpose is also recognized in the reserves.

Tax on distributed profits payable in accordance with the provisions of section 115O of the Income Tax Act, 1961 which is accounted for in accordance with the guidance note on accounting for corporate dividend tax is regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

17. Earnings per share

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

18. Leases

(i) Operating lease

Operating lease receipts and payments are recognized as income or expense in the statement of profit and loss on a straight-line basis over the lease term.

(ii) Finance leases

Assets acquired under finance leases are recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the assets and the present value of minimum lease payments. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

19. Securities' expenses

Premium payable on redemption of bonds is provided for over the life of the bonds. The securities premium account is applied in providing for premium on redemption in accordance with Section 78 of the 1956 Act. On conversion of the bonds to equity the provision for the redemption premium is reversed.

Expenses on issue of securities are written off to the securities premium account in accordance with Section 78 of the 1956 Act.

20. Stock based compensation

The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. The compensation expense is amortized uniformly over the vesting period of the option.

21. Provisions, contingent liabilities, contingent assets and commitments

A provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Contingent liabilities are not recognised; but disclosed unless the probability of an outflow of resources is remote. Contingent assets are neither recognised nor disclosed.

	USD in million	Rupees in million		
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Note 2				
Share capital				
a **Authorised :**				
6,01,50,00,000 (FY 2013- 2,00,00,00,000, FY 2012- 2,00,00,00,000) Equity Shares of the par value of Rs.10 each	976.2	60,150.0	20,000.0	20,000.0
3,00,00,00,000 (FY 2013- 1,00,00,00,000, FY 2012- 1,00,00,00,000) Preference Shares of the par value of Rs.10 each	486.9	30,000.0	10,000.0	10,000.0
	1,463.1	90,150.0	30,000.0	30,000.0
b **Issued and Subscribed:**				
24,17,22,044 (FY 2013- 22,31,17,200, FY 2012- 22,31,17,200) Equity Shares fully paid up	39.2	2,417.2	2,231.2	2,231.2
27,90,34,907 10% Cumulative Redeemable Preference Shares fully paid up	45.3	2,790.3	2,790.3	2,790.3
48,54,14,604 (FY 2013- Nil, FY 2012- Nil) 0.01% Cumulative Redeemable Preference Shares fully paid up	78.8	4,854.1	-	-
	163.3	10,061.6	5,021.5	5,021.5
Equity Shares Forfeited (Amount originally paid-up)	9.9	610.3	610.3	610.3
	173.2	10,671.9	5,631.8	5,631.8

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

	31.03.2014	31.03.2013	31.03.2012
Equity :			
Outstanding at the beginning of the year	22,31,17,200	22,31,17,200	22,31,17,200
Issued during the year (on Account of Composite Scheme of Amalgamation and Arrangement) (refer note 26 (4))	1,86,04,844	-	-
Outstanding at the end of the year	24,17,22,044	22,31,17,200	22,31,17,200
Preference :			
10% Cumulative Redeemable Preference Shares			
Outstanding at the beginning and at the end of the year	27,90,34,907	27,90,34,907	27,90,34,907
0.01% Cumulative Redeemable Preference Shares			
Outstanding at the beginning of the year	-	-	-
Issued during the year (on Account of Composite Scheme of Amalgamation and Arrangement) (refer note 26(4))	48,54,14,604	-	-
Outstanding at the end of the year	48,54,14,604	-	-

e **Rights, preferences and restrictions attached to Equity shares**

The company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

f **Rights, preferences and restrictions attached to Preference shares**

The Company has two classes of preference shares i.e. 10% Cumulative Redeemable Preference Shares (CRPS1) of Rs 10 per share and 0.1% Cumulative Redeemable Preference Shares (CRPS2) of Rs 10 per share.
CRPS1 are redeemable at par in four equal 'quarterly installments commencing from 15 December 2017. The shares carry a right to receive 10% dividend every year till redemption.
Each holder of CRPS2 is entitled to one vote per share, in proportion to the amount paid on CRPS2 held, only on resolutions placed before the Company which directly affect the rights attached to CRPS2. It carries dividend @ 0.01% p.a., when declared. CRPS2 is redeemable at par in eight quarterly installments commencing from 15th June 2018.
In the event of liquidation, the preference shareholders are eligible to receive the outstanding amount including dividend after distribution of all other preferential amounts, in proportion to their shareholding.
In the event of winding-up of the Company before redemption of preference shares, the holders of CRPS1 and CRPS2 will have priority over equity shares in the payment of dividend and repayment of capital.

g **Shareholders holding more than 5% shares in the company is set out below:**

		31.03.2014	31.03.2013	31.03.2012
Equity				
JFE Steel Corporation	No of Shares	-	-	3,34,67,580
	%	0.00%	0.00%	15.00%
JFE Steel International Europe B.V	No of Shares	3,62,58,307	3,60,68,518	-
	%	15.00%	16.17%	0.00%
JSW Holdings Limited	No of Shares	1,72,84,923	1,72,84,923	1,72,84,923
	%	7.15%	7.75%	7.75%
JSW Investment Private Limited	No of Shares	1,25,99,601	72,84,261	82,58,061
	%	5.21%	3.26%	3.70%
JSW Energy Investments Private Limited	No of Shares	61,84,200	1,37,64,364	1,37,64,364
	%	2.56%	6.17%	6.17%
Preference				
10% Cumulative Redeemable Preference Shares				
ICICI Bank Limited	No of Shares	12,57,07,730	12,57,07,730	12,57,07,730
	%	45.05%	45.05%	45.05%
IDBI Bank Limited	No of Shares	6,97,34,847	6,97,34,847	6,97,34,847
	%	24.99%	24.99%	24.99%
Life Insurance Corporation of India	No of Shares	3,63,48,783	3,63,48,783	3,63,48,783
	%	13.03%	13.03%	13.03%
IFCI Limited	No of Shares	2,12,62,362	2,12,62,362	2,12,62,362
	%	7.62%	7.62%	7.62%
0.01% Cumulative Redeemable Preference Shares				
JSW Logistics Infrastructure Private Limited	No of Shares	33,85,86,951	-	-
	%	69.75%	-	-

h **Shares alloted as fully paid-up pursuant to contracts without payment being received in cash during the period of five years immediate preceding the date of the Balance Sheet are as under:**
1,86,04,844 equity shares to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a Composite Scheme of Amalgamation and Arrangement.
48,54,14,604 0.01% Cumulative Redeemable Preference Shares fully paid up to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a Composite Scheme of Amalgamation and Arrangement.
(refer note 26 (4))

		USD in million	Rupees in million		
		As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
	Note 3				
	Reserves and surplus				
a	**Capital reserve**				
	As per last Balance Sheet	85.9	5,293.8	5,293.8	-
	Money received against equity share warrants forfeited, option not exercised by warrant holders	-	-	-	5,293.8
	Addition on Account of Composite Scheme of Amalgamation and Arrangement (Refer note 26(4))	495.9	30,551.2	-	-
		581.8	35,845.0	5,293.8	5,293.8
b	**Capital redemption reserve**				
	As per last Balance Sheet	1.6	99.0	99.0	99.0
		1.6	99.0	99.0	99.0
c	**Securities premium reserve**				
	As per last Balance Sheet	879.1	54,166.3	55,362.5	56,675.3
	Less : Provision for premium on redemption of FCCBs	-	-	(1,196.2)	(1,312.8)
		879.1	54,166.3	54,166.3	55,362.5
d	**Debenture redemption reserve**				
	As per last Balance Sheet	1.9	118.6	40.4	1,290.4
	Add : Transfer from /(to) surplus in Statement of Profit and Loss	8.8	541.6	78.2	(1,250.0)
		10.7	660.2	118.6	40.4
e	**Share options outstanding**				
	Share options outstanding	-	-	244.0	245.7
	Less: Deferred compensation	-	-	-	(61.5)
		-	-	244.0	184.2
	Less : Transfer to General Reserve	-	-	(244.0)	-
		-	-	-	184.2
f	**Hedging reserve account**				
	As per last Balance Sheet	(1.4)	(88.3)	(144.6)	(83.4)
	Addition on Account of Composite Scheme of Amalgamation and Arrangement (refer note 26(4))	-	0.5	-	-
	Movement during the year	58.9	3,627.5	56.3	(61.2)
		57.5	3,539.7	(88.3)	(144.6)
g	**General reserve**				
	As per last Balance Sheet	1,634.4	1,00,701.9	98,647.9	75,390.2
	Add : Transfer from surplus in Statement of Profit and Loss	21.7	1,340.0	1,810.0	23,257.7
	Transfer from share options outstanding	-	-	244.0	-
		1,656.1	1,02,041.9	1,00,701.9	98,647.9
h	**Foreign currency monetary item translation difference account (FCMITDA)**				
	As per last Balance Sheet	6.6	405.4	-	-
	Movement during the year	(13.1)	(806.5)	405.4	-
		(6.5)	(401.1)	405.4	-
i	**Foreign currency translation reserve account**				
	As per last Balance Sheet	(12.2)	(752.6)	(510.4)	(514.7)
	As per the Composite Scheme of Amalgamation and Arrangement (Refer note 26(4))	-	(0.2)	-	-
	Movement during the year	(13.5)	(830.6)	(242.2)	4.3
		(25.7)	(1,583.4)	(752.6)	(510.4)
j	**Capital reserve on consolidation**	53.5	3,297.0	2,961.9	2,797.7
k	**Surplus in Statement of Profit and Loss**				
	As per last Balance Sheet	79.5	4,899.5	93.4	18,993.5
	Add : Profit for the year	73.4	4,519.5	9,631.1	5,376.8
	Transfer from debenture redemption reserve	-	-	-	1,250.0
	Add:Pursuant to Composite Scheme of Amalgamation and Arrangement (refer note 26(4))	116.3	7,164.4	-	-
	Less: Appropriations :				
	Dividend on additonal equity shares issued (refer note 26(4))	3.5	217.7	-	-
	Transfer to debenture redemption reserve	8.8	541.6	78.2	-
	Dividend on Preference Shares (Re 1 per share (FY 2013- Re 1 per share, FY 2012- Re 1 per share))	4.5	279.0	279.0	279.0
	Proposed final dividend on Equity Shares (Rs 11 per share (FY 2013- Rs 10 per share, FY 2013- Rs 7.50 per share))	43.2	2,658.9	2,231.2	1,673.4
	Corporate Dividend Tax on proposed dividend	8.1	499.3	426.6	316.8
	Transfer to General Reserve	21.7	1,340.0	1,810.0	23,257.7
		179.4	11,046.9	4,899.5	93.4
		3,387.5	2,08,711.5	1,67,805.5	1,61,863.9

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	USD in million	Rupees in million			USD in million	Rupees in million		
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
	Non Current				Current (Refer note 10)			
Note 4								
Long Term Borrowings								
Bonds / Debentures								
Bonds (Unsecured)								
2744 Zero Coupon Foreign Currency Convertible Bonds (FCCB) of USD 1,00,000 each	-	-	-	-	-	-	-	14,037.3
Debentures (Secured)								
10.55 % Non Convertible Debentures of Rs. 10 lacs each	24.3	1,500.0	-	-	-	-	-	-
10.50 % Non Convertible Debentures of Rs. 10 lacs each	24.3	1,500.0	-	-	-	-	-	-
10.55 % Non Convertible Debentures of Rs. 10 lacs each	162.3	10,000.0	-	-	-	-	-	-
10.02 % Non Convertible Debentures of Rs. 10 lacs each	162.3	10,000.0	-	-	-	-	-	-
10.34 % Non Convertible Debentures of Rs. 10 lacs each	162.3	10,000.0	10,000.0	-	-	-	-	-
11 % Non Convertible Debentures of Rs. 10 lacs each	162.3	10,000.0	10,000.0	10,000.0	-	-	-	-
10.25 % Non Convertible Debentures of Rs. 10 lacs each	81.2	5,000.0	5,000.0	5,000.0	-	-	-	-
10.60 % Non Convertible Debentures of Rs. 10 lacs each	56.8	3,500.0	3,500.0	3,500.0	-	-	-	-
10.10 % Non Convertible Debentures of Rs. 10 lacs each	116.7	7,187.5	9,687.5	10,000.0	40.6	2,500.0	312.5	-
11.93 % Non Convertible Debentures of Rs. 10 lacs each	-	-	62.8	146.6	1.0	62.8	83.8	83.8
11.93 % Non Convertible Debentures of Rs. 10 lacs each	1.6	97.5	175.5	253.5	1.3	78.0	78.0	78.0
	954.1	58,785.0	38,425.8	28,900.1	42.9	2,640.8	474.3	161.8
Term loans								
(Secured)								
Rupee term loans from banks	1,725.5	1,06,311.5	63,440.6	51,786.7	147.2	9,070.6	6,633.5	4,147.6
Foreign currency term loans from banks	540.1	33,276.1	16,161.4	22,510.8	262.2	16,157.4	11,159.7	20,036.2
Rupee term loans from financial institution	0.5	30.0	142.3	254.5	1.8	112.2	112.2	121.6
(Unsecured)								
Rupee term loans from banks	-	-	-	-	-	-	-	9,000.0
Foreign currency term loans from banks	1,089.9	67,149.5	54,143.9	22,373.3	55.2	3,403.7	3,128.9	6,478.1
	3,356.0	2,06,767.1	1,33,888.2	96,925.3	466.4	28,743.9	21,034.3	39,783.5
Long term advance from a customer	-	-	-	1,284.8	-	-	1,284.9	2,279.1
Foreign currency loans from others	0.8	48.1	96.8	91.6	-	-	-	-
Deferred payment liabilities								
Deferred sales tax loan (unsecured)	19.5	1,200.6	1,107.7	1,116.5	1.8	108.1	8.8	-
Finance lease obligation	3.7	225.4	413.1	572.9	3.8	231.1	196.0	180.7
	4,334.1	2,67,026.2	1,73,931.6	1,28,891.2	514.9	31,723.9	22,998.3	56,442.4

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	USD in million	Rupees in million		
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Note 5				
Deferred tax liabilities (net)				
Deferred tax liability comprises of timing differences on account of				
Difference between book balance and tax balance of fixed assets	825.1	50,839.4	35,728.0	31,101.8
	825.1	50,839.4	35,728.0	31,101.8
Deferred tax asset comprises of timing differences on account of				
Expenses allowable on payment basis (43B)	10.5	644.8	594.1	746.3
Provision for doubtful debts / advances	30.4	1,871.7	387.5	394.9
Business Loss / Unabsorbed depreciation	435.9	26,856.6	-	-
Others	3.8	232.1	2,026.4	2,710.8
	480.6	29,605.2	3,008.0	3,852.0
Net Deferred Tax Liabilities	344.5	21,234.2	32,720.0	27,249.8

	USD in million	Rupees in million			USD in million	Rupees in million		
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
	Non -Current				Current (Refer note 10)			
Note 6								
Other long term liabilities								
Rent and other deposits	36.5	2,251.8	420.2	360.4	13.9	854.2	22.9	22.9
Retention money for capital projects	51.2	3,156.0	1,672.1	388.9	23.0	1,416.9	2,449.3	1,739.4
Other payables	59.9	3,692.6	3,911.9	3,972.8	13.2	811.3	528.9	319.2
Premium payable on redemption of FCCBs	-	-	-	-	-	-	-	5,653.6
	147.6	9,100.4	6,004.2	4,722.1	50.1	3,082.4	3,001.1	7,735.1
Note 7								
Long term provisions								
Compensated absences	9.7	595.6	411.9	350.3	0.3	17.1	56.0	53.7
Gratuity provision	-	-	-	-	12.1	745.0	388.7	251.0
	9.7	595.6	411.9	350.3	12.4	762.1	444.7	304.7

	USD in million	Rupees in million		
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Note 8				
Short term borrowings				
Working capital loans from banks (secured)	326.9	20,143.6	7,833.7	7,494.2
Foreign currency loan from banks (secured)	-	-	-	1,534.6
Foreign currency loan from banks (unsecured)	-	-	8,535.8	4,577.8
Rupee term loans from banks (unsecured)	301.1	18,550.0	-	-
Commercial papers (unsecured)	162.3	10,000.0	-	-
Foreign curreny loan from others (unsecured)	2.9	177.3	160.4	150.9
	793.2	48,870.9	16,529.9	13,757.5
Note 9				
Trade payables				
Acceptances	1,324.3	81,592.9	77,658.9	75,209.6
Other than acceptances	574.6	35,400.3	24,854.2	21,931.4
	1,898.9	1,16,993.2	1,02,513.1	97,141.0
Note 10				
Other current liabilities				
Current maturities of long term debt (refer note 4)	514.9	31,723.9	22,998.3	56,442.4
Current dues of other long term liabilities (refer note 6)	50.0	3,082.4	3,001.1	7,735.1
Current dues of long term employee benefits (refer note 7)	12.4	762.1	444.7	304.7
Payables for capital projects	620.1	38,205.7	29,811.6	24,212.3
Advances from customers	51.2	3,151.9	1,997.7	1,955.6
Interest accrued but not due on borrowings	48.0	2,954.4	2,168.9	1,320.1
Other statutory liabilities	93.4	5,751.8	2,913.0	2,065.6
Others	32.8	2,036.7	1,004.5	885.0
Investor education and protection fund shall be credited by :				
Unclaimed debenture redemption installments	0.1	9.2	12.8	16.1
Unclaimed debenture interest	0.1	5.6	7.7	14.3
Unclaimed dividend	2.4	149.3	135.8	141.1
Unclaimed amount of sale proceeds of fractional shares	1.1	67.3	37.0	37.1
	1,426.5	87,900.3	64,533.1	95,129.4
Note 11				
Short term provisions				
Proposed dividend on preference shares	4.5	279.0	279.0	279.0
Proposed dividend on equity shares	43.2	2,658.9	2,231.2	1,673.4
Corporate dividend tax on proposed dividends	8.1	499.3	426.6	316.8
Provision for tax (net)	3.0	187.4	138.3	39.2
	58.8	3,624.6	3,075.1	2,308.4

JSW STEEL LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
Note No 12
Fixed assets

		Gross Block							Depreciation and amortisation						Net Block	
		As at 01.04.2013 / 01.04.2012 / 01.04.2011	Acquired under Composite Scheme of Amalgamation and Arrangement (refer note 26(4))/subsidiaries	Additions	Deductions	Other Adjustments	Translation Reserve	As at 31.03.2014 / 31.03.2013 / 31.03.2012	As at 01.04.2013 / 01.04.2012 / 01.04.2011	Acquired under Composite Scheme of Amalgamation and Arrangement (refer note 26(4))/subsidiaries	For the year	Deductions	Translation Reserve	As at 31.03.2014 / 31.03.2013 / 31.03.2012	As at 31.03.2014 / 31.03.2013 / 31.03.2012	As at 31.03.2013 / 31.03.2012 / 31.03.2011
Tangibles																
Freehold Land	USD in million	48.9	134.6	16.1	1.0	-	0.5	199.1	3.0	-	-	-	-	3.0	196.1	45.9
	Rs in million	3,013.2	8,292.6	991.7	62.5	-	30.9	12,265.9	184.8	-	-	-	-	184.8	12,081.1	2,828.4
	Rs in million	2,522.4	-	475.7	-	-	15.1	3,013.2	184.8	-	-	-	-	184.8	2,828.4	2,337.6
	Rs in million	2,199.9	-	375.7	86.3	-	33.1	2,522.4	184.8	-	-	-	-	184.8	2,337.6	2,015.1
Leasehold Land	USD in million	35.7	37.9	1.5	-	-	-	75.1	0.7	0.3	0.7	-	0.1	1.8	73.3	35.0
	Rs in million	2,198.2	2,337.7	92.4	-	-	-	4,628.3	45.9	18.3	43.7	-	-	107.9	4,520.4	2,152.3
	Rs in million	2,191.3	-	6.9	-	-	-	2,198.2	36.0	-	9.9	-	-	45.9	2,152.3	2,155.3
	Rs in million	1,522.8	-	668.5	-	-	-	2,191.3	27.3	-	8.6	-	0.1	36.0	2,155.3	1,495.5
Buildings	USD in million	951.1	80.1	56.2	0.2	-	18.3	1,105.5	166.3	(2.3)	34.5	-	3.1	201.6	903.9	784.8
	Rs in million	58,598.8	4,937.7	3,464.5	10.3	-	1,123.9	68,114.6	10,245.1	(140.8)	2,127.7	1.9	189.9	12,420.0	55,694.6	48,353.7
	Rs in million	56,060.4	-	2,007.4	57.6	14.4	574.2	58,598.8	8,437.1	-	1,748.2	23.0	82.8	10,245.1	48,353.7	47,623.3
	Rs in million	46,764.3	-	7,669.5	0.7	387.3	1,240.0	56,060.4	6,627.9	-	1,654.4	0.1	154.9	8,437.1	47,623.3	40,136.4
Plant & Machinery@	USD in million	6,011.1	1,477.0	444.4	6.7	92.4	78.2	8,096.4	1,608.9	(23.4)	472.1	5.1	14.8	2,067.3	6,029.1	4,402.2
	Rs in million	3,70,365.2	91,001.8	27,378.0	410.4	5,690.9	4,827.5	4,98,853.0	99,132.7	(1,442.9)	29,085.0	315.7	917.4	1,27,376.5	3,71,476.5	2,71,232.5
	Rs in million	3,43,513.7	3.1	20,519.7	161.4	3,765.4	2,724.7	3,70,365.2	78,674.1	0.7	20,085.4	45.7	418.2	99,132.7	2,71,232.5	2,64,839.6
	Rs in million	2,69,576.6	0.4	60,761.5	112.9	7,808.1	5,480.0	3,43,513.7	60,812.2	0.1	17,222.2	102.1	741.7	78,674.1	2,64,839.6	2,08,764.4
Furniture & Fixtures	USD in million	17.3	0.7	1.6	0.2	-	0.3	19.7	8.6	(0.1)	1.6	-	0.2	10.3	9.4	8.7
	Rs in million	1,064.1	43.7	98.7	9.8	-	14.1	1,210.8	532.6	(8.2)	101.3	0.9	10.3	635.1	575.7	531.5
	Rs in million	1,006.6	1.2	61.0	6.4	-	1.7	1,064.1	465.1	0.4	68.4	2.7	1.4	532.6	531.5	541.5
	Rs in million	902.8	-	95.4	1.0	-	9.4	1,006.6	391.1	-	68.1	0.3	6.2	465.1	541.5	511.7
Vehicles & Aircrafts	USD in million	29.0	0.9	2.2	1.0	-	0.2	31.3	9.8	-	2.1	0.4	0.1	11.6	19.7	19.2
	Rs in million	1,788.3	53.4	138.6	60.5	-	6.4	1,926.2	605.7	0.3	129.3	26.8	6.0	714.5	1,211.7	1,182.6
	Rs in million	1,742.7	-	99.5	57.6	-	3.7	1,788.3	492.0	-	128.1	16.8	2.4	605.7	1,182.6	1,250.7
	Rs in million	1,691.0	-	105.8	61.2	-	7.1	1,742.7	389.0	-	124.8	26.6	4.8	492.0	1,250.7	1,302.0
Office Equipments	USD in million	3.9	2.7	0.6	0.2	-	-	7.0	1.0	0.3	0.5	-	-	1.8	5.2	2.9
	Rs in million	237.5	167.3	37.6	9.8	-	1.6	434.2	63.7	16.9	32.7	1.4	1.4	113.3	320.9	173.8
	Rs in million	208.5	1.0	28.5	1.6	-	1.1	237.5	50.8	0.1	12.6	0.5	0.7	63.7	173.8	157.7
	Rs in million	155.6	-	51.7	0.8	-	2.0	208.5	39.9	-	9.6	0.1	1.4	50.8	157.7	115.7
Mining Development and Projects	USD in million	117.2	-	4.1	-	-	12.7	134.0	3.2	-	0.9	-	0.3	4.4	129.6	114.0
	Rs in million	7,220.1	-	250.6	-	-	785.7	8,256.4	197.1	-	55.2	-	20.1	272.4	7,984.0	7,023.0
	Rs in million	6,495.9	-	313.5	0.2	-	410.9	7,220.1	109.0	-	81.5	0.1	6.7	197.1	7,023.0	6,386.9
	Rs in million	3,593.6	-	2,213.1	-	-	689.2	6,495.9	26.8	-	73.4	-	8.8	109.0	6,386.9	3,566.8
Tangibles Total (A)	**USD in million**	**7,214.2**	**1,733.9**	**526.7**	**9.3**	**92.4**	**110.2**	**9,668.1**	**1,801.5**	**(25.2)**	**512.4**	**5.5**	**18.6**	**2,301.8**	**7,366.3**	**5,412.7**
Tangibles Total (A)	**Rs in million**	**4,44,485.4**	**1,06,834.2**	**32,452.1**	**563.3**	**5,690.9**	**6,790.1**	**5,95,689.4**	**1,11,007.6**	**(1,556.4)**	**31,574.9**	**346.7**	**1,145.1**	**1,41,824.5**	**4,53,864.9**	**3,33,477.8**
Previous Year 2012-13	**Rs in million**	**4,13,741.5**	**5.3**	**23,512.2**	**284.8**	**3,779.8**	**3,731.4**	**4,44,485.4**	**88,448.9**	**1.2**	**22,134.1**	**88.8**	**512.2**	**1,11,007.6**	**3,33,477.8**	**3,25,292.6**
Previous Year 2011-12	**Rs in million**	**3,26,406.6**	**0.4**	**71,941.2**	**262.9**	**8,195.4**	**7,460.8**	**4,13,741.5**	**68,499.0**	**0.1**	**19,161.1**	**129.2**	**917.9**	**88,448.9**	**3,25,292.6**	**2,57,907.6**
Intangibles																
Software	USD in million	11.7	-	7.9	-	-	0.1	19.7	7.1	-	2.5	-	0.1	9.7	10.0	4.6
	Rs in million	722.1	-	489.2	0.1	-	-	1,211.2	440.5	-	155.9	0.1	0.2	596.5	614.7	281.6
	Rs in million	483.7	0.9	237.0	-	-	0.5	722.1	299.0	0.3	141.2	-	-	440.5	281.6	184.7
	Rs in million	406.6	-	72.8	-	-	4.3	483.7	226.0	-	72.8	-	0.2	299.0	184.7	180.6
Licence Fees	USD in million	4.1	-	1.9	-	-	0.1	6.1	1.0	-	0.6	-	-	1.6	4.5	3.1
	Rs in million	252.9	-	116.0	-	-	8.5	377.4	60.1	-	38.2	-	0.2	98.5	278.9	192.8
	Rs in million	165.3	-	85.7	-	-	1.9	252.9	26.6	-	33.7	-	(0.2)	60.1	192.8	138.7
	Rs in million	14.8	-	136.8	-	-	13.7	165.3	7.3	-	19.3	-	-	26.6	138.7	7.5
Mining Concession	USD in million	0.7	-	-	-	-	-	0.7	-	-	-	-	-	-	0.7	0.7
	Rs in million	40.3	-	-	-	-	4.2	44.5	-	-	-	-	-	-	44.5	40.3
	Rs in million	37.9	-	-	-	-	2.4	40.3	-	-	-	-	-	-	40.3	37.9
	Rs in million	-	-	35.5	-	-	2.4	37.9	-	-	-	-	-	-	37.9	-
Port Concession	USD in million	0.5	-	-	-	-	0.1	0.6	-	-	-	-	-	-	0.6	0.5
	Rs in million	32.3	-	2.1	-	-	3.4	37.8	-	-	-	-	-	-	37.8	32.3
	Rs in million	26.9	-	3.7	-	-	1.7	32.3	-	-	-	-	-	-	32.3	26.9
	Rs in million	10.9	-	13.5	-	-	2.5	26.9	-	-	-	-	-	-	26.9	10.9
Intangibles Total (B)	**USD in million**	**17.0**	**-**	**9.8**	**-**	**-**	**0.3**	**27.1**	**8.1**	**-**	**3.1**	**-**	**0.1**	**11.3**	**15.8**	**8.9**
Intangibles Total (B)	**Rs in million**	**1,047.6**	**-**	**607.3**	**0.1**	**-**	**16.1**	**1,670.9**	**500.6**	**-**	**194.1**	**0.1**	**0.4**	**695.0**	**975.9**	**547.0**
Previous Year 2012-13	**Rs in million**	**713.8**	**0.9**	**326.4**	**-**	**-**	**6.5**	**1,047.6**	**325.6**	**0.3**	**174.9**	**-**	**(0.2)**	**500.6**	**547.0**	**388.2**
Previous Year 2011-12	**Rs in million**	**432.3**	**-**	**258.6**	**-**	**-**	**22.9**	**713.8**	**233.3**	**-**	**92.1**	**-**	**0.2**	**325.6**	**388.2**	**199.0**
TOTAL (A+B)	**USD in million**	**7,231.2**	**1,733.9**	**536.5**	**9.3**	**92.4**	**110.5**	**9,695.2**	**1,809.6**	**(25.2)**	**515.5**	**5.5**	**18.7**	**2,313.1**	**7,382.1**	**5,421.6**
TOTAL (A+B)	**Rs in million**	**4,45,533.0**	**1,06,834.2**	**33,059.4**	**563.4**	**5,690.9**	**6,806.2**	**5,97,360.3**	**1,11,508.2**	**(1,556.4)**	**31,769.0**	**346.8**	**1,145.5**	**1,42,519.5**	**4,54,840.8**	**3,34,024.8**
Previous Year 2012-13	**Rs in million**	**4,14,455.3**	**6.2**	**23,838.6**	**284.8**	**3,779.8**	**3,737.9**	**4,45,533.0**	**88,774.5**	**1.5**	**22,309.0**	**88.8**	**512.0**	**1,11,508.2**	**3,34,024.8**	**3,25,680.8**
Previous Year 2011-12	**Rs in million**	**3,26,838.9**	**0.4**	**72,199.8**	**262.9**	**8,195.4**	**7,483.7**	**4,14,455.3**	**68,732.3**	**0.1**	**19,253.2**	**129.2**	**918.1**	**88,774.5**	**3,25,680.8**	**2,58,106.6**
@ Includes proportionate share of assets jointly owned																
Plant & Machinery	USD in million	5.3	-	-	-	-	-	5.3	3.7	-	0.3	-	-	4.0	1.3	1.6
	Rs in million	327.1	-	-	-	-	-	327.1	225.8	-	17.3	-	-	243.1	84.0	101.3
	Rs in million	327.1	-	-	-	-	-	327.1	208.5	-	17.3	-	-	225.8	101.3	118.6
	Rs in million	327.1	-	-	-	-	-	327.1	191.2	-	17.3	-	-	208.5	118.6	135.9

Notes:

(a) Freehold Land includes USD 3.5mio, Rs 216.0 mio (FY 2013- Nil, FY 2012 - Nil) being the cost of 44.763 acres land, which is yet to be registered in the Company's name.

(b) 'Buildings' include:
(a) Roads not owned by the Company amortised over a period of five years. Gross Block USD 0.5 million, Rs. 31.3 million (FY 2013- Rs. 31.3 million, FY 2012- Rs. 31.3 million)
Net block USD Nil, Rs. nil (FY 2013- Nil, FY 2012 - Nil)
(b) Assets given on operating lease for which documents are yet to be executed pending approvals from Lenders and KSIIDC.
Gross Block USD 0.5 mio, Rs. 30.8 million (FY 2013- Rs. 30.8 million, FY 2012- Rs. 30.8 million); net block USD 0.4 million, Rs. 23.7 million (FY 2013- Rs. 24.2 million, FY 2012- Rs. 24.7 million)
(c) Execution of Conveyence deed in favour of the Company is pending in respect of a Building acquired in an earlier year, Gross block - USD Nil, Rs. Nil (FY 2013- Rs. 240.7 million, FY 2012- Rs. 240.7 million)
Net block USD Nil, Rs. nil (FY 2013- Rs. 206.9 million, FY 2012- Rs. 212.2 million)

(c) Other adjustments comprise the following costs capitalised during the year:
(i) Borrowing costs of USD 9.9 million, Rs. 607.2 million (FY 2013- Rs. 381.5 million, FY 2012 Rs. 3346.4 million)
(ii) Foreign Exchange Loss of USD 82.5 million, Rs. 5083.7 million (FY 2013- Foreign Exchange Gain of Rs. 3398.3 million, FY 2012 Foreign Exchange Loss - Rs. 4849.0 million)

(d) Freehold Land and Buildings of USD 25.8 million, Rs. 1589.4 million (FY 2013- Rs. 1583.1 million, FY 2012- Rs. 1583.1 million) has been/agreed to be hypothecated/mortgaged to lenders of related parties.

(e) For details of assets given on operating lease, refer note 26 (13)

(f) For details of assets taken on finance lease, refer note 26 (12)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	USD in million		Rupees in million					
		As at 31.03.2014		As at 31.03.2014		As at 31.03.2013		As at 31.03.2012
Note 13								
Non current investments								
Long term (at cost or fair value whichever is lower)								
a) In associates								
Equity shares (refer note a)	4.4		272.7		23,843.9		23,867.7	
Add: share of profit/(loss) (net)	13.7		843.3		(10,614.5)		(8,184.1)	
Preference Shares	-	18.1	-	1,116.0	-	13,229.4	365.1	16,048.7
b) In joint ventures								
Equity shares	3.5		214.6		214.6		187.1	
Preference shares	0.9	4.4	57.4	272.0	57.4	272.0	57.4	244.5
c) Others								
Equity shares	41.7		2,567.0		1,262.9		1,262.7	
Preference shares	32.3		1,991.5		1,300.0		1,300.0	
Government securities	-	74.0	0.8	4,559.3	0.1	2,563.0	0.1	2,562.8
		96.5		**5,947.3**		**16,064.4**		**18,856.0**
Note:								
a) Goodwill arising at acquisition		-		1.5		23,587.3		25,029.9
b) **SUMMARY**								
Quoted								
Aggregate book value (net of share of profit/(loss) of associates)		40.8		2,513.0		13,457.8		15,863.8
Aggregate market value		97.7		6,020.1		14,560.7		19,605.2
Unquoted								
Aggregate book value (net of share of profit/(loss) of associates)		55.7		3,434.3		2,606.6		2,992.2

	USD in million	Rupees in million			USD in million	Rupees in million		
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
	Non -Current				Current			
Note 14								
Loans and advances								
(Unsecured)								
Capital advances	225.9	13,915.8	7,886.8	8,253.6	-	-	-	-
Less : Provision for doubtful advances	(14.8)	(912.8)	(894.0)	(867.5)	-	-	-	-
	211.1	13,003.0	6,992.8	7,386.1	-	-	-	-
Other loans and advances								
Loans and advances								
To related parties	-	-	691.5	469.9	-	0.5	-	2.1
To other body corporate	1.5	91.0	91.0	494.6	-	-	-	-
Advance to suppliers	84.2	5,189.5	85.4	85.4	244.9	15,089.4	6,803.6	7,663.2
Export benefits and entitlements	2.2	138.4	66.9	66.9	62.8	3,868.9	1,374.2	1,088.5
Amount recoverable from ESOP trusts	-	-	3,599.0	2,319.6	42.6	2,623.1	-	-
Deposits								
Security deposits	26.2	1,615.4	87.3	34.3	22.0	1,353.8	1,533.7	1,176.2
Others	3.0	185.5	1,092.4	1,062.2	0.1	8.2	10.8	24.8
Indirect tax balances/recoverables/credits	119.1	7,338.4	1,299.5	329.5	217.7	13,411.0	13,471.9	8,526.9
Prepayments and others	92.0	5,670.6	4,480.4	3,808.2	109.6	6,750.5	2,429.4	2,467.9
Advance tax and tax deducted at source (Net)	3.7	225.1	29.2	138.0	0.4	27.2	3.6	20.4
Minimum alternative tax credit entitlement	338.4	20,848.3	15,042.7	12,126.9	-	-	-	-
Advance towards equity / preference capital	1.3	77.1	69.5	48.9	-	-	-	-
Unbilled revenue	-	-	-	-	5.6	343.8	355.6	206.2
Less : Provision for doubtful loans and advances	(49.8)	(3,065.3)	(207.6)	(190.7)	(12.3)	(759.1)	(630.4)	(593.0)
	621.8	38,314.0	26,427.2	20,793.7	693.4	42,717.3	25,352.4	20,583.2
	832.9	51,317.0	33,420.0	28,179.8	693.4	42,717.3	25,352.4	20,583.2
Loans and advances constitute:								
Capital advances								
Considered good	211.1	13,003.0	6,992.8	7,386.1	-	-	-	-
Considered doubtful, provided	14.8	912.8	894.0	867.5	-	-	-	-
Other loans and advances								
Considered good	621.8	38,314.0	26,427.2	20,793.7	693.4	42,717.3	25,352.4	20,583.2
Considered doubtful, provided								
Loans and advances to other body corporate	1.5	9.1	9.1	9.1	-	-	-	-
Advances to suppliers	43.3	267.0	8.5	8.5	-	-	-	-
Other deposits	4.1	25.5	0.8	0.8	-	-	-	-
Prepayment and others	0.8	2,763.7	189.2	172.3	12.3	759.1	630.4	593.0

	USD in million	Rupees in million		
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Note 15				
Other non current assets				
Cash and bank balances (refer note 19)	2.8	175.0	160.3	143.6
	2.8	175.0	160.3	143.6

Note 16
CURRENT INVESTMENTS

	USD in million	Rupees in million		
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Mutual funds (at cost or fair value whichever is lower) (unquoted)	11.0	680.1	1,435.1	2,040.0
	11.0	680.1	1,435.1	2,040.0

	USD in million	Rupees in million		
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Note 17				
Inventories				
(at lower of cost and net realisable value)				
Raw materials	579.9	35,732.0	20,070.2	25,979.3
Work-in-Progress	96.3	5,932.4	3,381.3	5,347.2
Semi finished/ finished goods	425.4	26,213.0	21,546.2	17,431.7
Traded goods	30.8	1,898.3	-	-
Production consumables and stores & spares	190.6	11,741.4	9,922.6	9,081.4
Construction materials	0.6	34.1	32.0	53.0
	1,323.6	81,551.2	54,952.3	57,892.6
Details of goods-in-transit				
Raw materials	24.8	1,528.6	2,884.6	4,823.3
Semi finished/ finished goods	0.1	8.5	-	516.6
Production consumables and stores & spares	4.6	283.5	544.6	290.2

	USD in million	Rupees in million			USD in million	Rupees in million		
	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
	Non -Current				Current			
Note 18								
Trade receivables								
(Unsecured)								
Outstanding for a period exceeding six months from the date they are due for payment								
Considered good	-	-	-	-	34.8	2,147.2	1,005.2	136.4
Considered doubtful	1.0	59.5	87.3	64.2	56.2	3,462.9	180.7	183.1
Less: provision for doubtful receivables	(1.0)	(59.5)	(87.3)	(64.2)	(56.2)	(3,462.9)	(180.7)	(183.1)
	-	-	-	-	34.8	2,147.2	1,005.2	136.4
Other receivables								
Considered good	-	-	-		337.2	20,777.2	20,057.7	14,483.1
	-	-	-	-	372.0	22,924.4	21,062.9	14,619.5
Note 19								
Cash and bank balances		(Refer note 15)						
Cash and cash equivalents								
Balances with banks								
In current accounts	-	-	-	-	65.8	4,053.1	3,250.1	2,631.0
In margin money with maturity less than 3 months at inception	-	-	-	-	-	-	3.5	-
In term deposit Accounts with maturity less than 3 months at inception	-	-	-	-	31.6	1,947.2	4,834.1	10,608.3
Cheques on hand	-	-	-	-	0.2	10.5	0.4	-
Cash on hand	-	-	-	-	0.1	6.5	5.6	7.5
	-	-	-	-	97.7	6,017.3	8,093.7	13,246.8
					*	*	*	*
Others								
In margin money with maturity more than 3 months but less than 12 months at inception	-	-	-	-	2.2	133.5	14.3	54.7
In term deposit accounts								
with maturity more than 3 months but less than 12 months at inception	-	-	-	-	6.4	391.6	8,389.9	17,157.9
with maturity more than 12 months at inception	2.8	175.0	160.3	143.6	1.4	87.3	35.8	10.3
	2.8	175.0	160.3	143.6	10.0	612.4	8,440.0	17,222.9
	2.8	175.0	160.3	143.6	107.7	6,629.7	16,533.7	30,469.7
* Refer Cash flow statement								
Earmarked balances								
In current accounts	-	-	-	-	3.8	231.4	658.8	208.4
In term deposit accounts	2.8	175.0	160.3	143.6	3.3	204.3	12,804.4	23,285.9
In margin money	-	-	-	-	2.2	133.5	10.3	9.3

JSW STEEL LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	USD in million	Rupees in million		
	For the Year Ended 31.03.2014	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Note 20				
Revenue from operations				
Sale of products				
Domestic turnover	6,646.0	4,09,486.0	3,31,965.2	3,06,911.1
Export turnover	2,200.8	1,35,598.3	82,185.4	59,690.2
Contract revenue	18.2	1,123.3	480.9	597.0
	8,865.0	5,46,207.6	4,14,631.5	3,67,198.3
Less: Excise duty	683.6	42,118.9	33,681.9	25,961.8
	8,181.4	5,04,088.7	3,80,949.6	3,41,236.5
Other operating revenues				
Carbon credits	-	-	170.7	133.7
Gain on prepayment of deferred value added/sales tax	76.2	4,692.8	-	-
Miscellaneous income	55.4	3,414.7	976.2	2,310.3
	131.6	8,107.5	1,146.9	2,444.0
	8,313.0	5,12,196.2	3,82,096.5	3,43,680.5
Note 21				
Other income				
Interest income	5.3	327.0	455.2	325.8
Dividend Income				
from long-term investments	3.6	222.3	39.6	78.5
from current investments	-	0.3	0.2	1.0
Profit on sale of current investment	2.8	171.9	168.9	149.0
Profit on sale of long term investment	1.1	65.6	-	-
Provision for doubtful debts/loans/advances written back (net)	0.6	34.6	-	-
Profit on sale of fixed assets (net)	-	-	-	0.8
Miscellaneous income	0.6	36.4	33.4	213.4
	14.0	858.1	697.3	768.5
Note 22				
Changes in inventories of finished goods, work-in-progress and stock in trade				
Opening stock : *				
Semi finished /finished goods	418.2	25,767.0	17,431.7	15,209.7
Work-in-progress	58.8	3,622.8	5,347.2	2,803.8
Traded goods	36.9	2,273.3	-	-
Increase on acquisition				
Semi finished /finished goods	0.2	15.4	-	-
Work-in-progress	-	1.2	-	-
	514.1	31,679.7	22,778.9	18,013.5
Closing stock :				
Semi finished /finished goods	424.8	26,171.6	21,546.2	17,431.7
Work-in-progress	95.6	5,890.5	3,381.3	5,347.2
Traded goods	30.8	1,898.3	-	-
	551.2	33,960.4	24,927.5	22,778.9
	(37.1)	(2,280.7)	(2,148.6)	(4,765.4)
Excise duty on stock of finished goods (net)	5.8	358.9	624.2	328.9
	(31.3)	(1,921.8)	(1,524.4)	(4,436.5)

* Opening stock is after adjustment of Composite Scheme of Amalgamation and Arrangement

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	USD in million	Rupees in million		
	For the Year Ended 31.03.2014	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Note 23				
Employee benefits expense				
Salaries and wages	188.1	11,590.8	8,818.2	7,544.4
Contribution to provident and other funds	7.3	452.0	400.5	476.3
Expenses on employees stock option scheme	-	-	57.4	103.5
Staff welfare expenses	15.2	939.6	526.4	339.7
	210.6	12,982.4	9,802.5	8,463.9
Note 24				
Finance costs				
Interest expense	459.3	28,296.8	18,333.5	12,942.2
Other borrowing costs	35.4	2,181.8	1,341.1	1,330.8
	494.7	30,478.6	19,674.6	14,273.0
Note 25				
Other expenses				
Consumption of stores and spares	377.5	23,262.1	16,875.5	14,288.3
Power and fuel	618.9	38,133.1	20,410.0	17,518.7
Rent	7.1	435.7	234.2	154.0
Repairs & maintenance				
Plant & machinery	167.0	10,289.7	7,719.6	6,465.9
Buildings	5.6	344.4	726.6	470.9
Others	3.4	211.5	188.1	159.7
Insurance	20.5	1,265.2	902.6	800.3
Rates and taxes	10.5	648.2	293.1	291.8
Carriage and freight	315.5	19,441.0	13,791.4	10,382.3
Jobwork and processing charges	35.9	2,214.2	398.2	265.6
Commission on sales	5.5	339.5	238.8	399.2
Exchange loss (net)	36.7	2,263.6	-	-
Donations & contributions	0.8	46.9	32.1	31.3
Miscellaneous expenses	85.9	5,293.0	3,595.8	3,678.5
Provision for doubtful debts/loans/advances (net)	-	-	88.2	11.0
Loss on sale of fixed assets (net)	0.5	31.3	75.9	-
	1,691.3	1,04,219.4	65,570.1	54,917.5

JSW Steel Limited (Consolidated)

Note 26

				USD in million	Rs in million		
				2013-14	**2013-14**	**2012-13**	**2011-12**
1)	**Contingent liabilities:**						
	a)		Bills Discounted	583.5	35,951.9	35,626.0	39,400.4
	b)		Guarantees	23.7	1,458.3	625.6	1,124.0
	c)		Disputed claims/levies (excluding interest, if any), in respect of:				
		(i)	Excise Duty	83.2	5,125.9	2,033.9	2,025.7
		(ii)	Custom Duty	76.1	4,689.0	6,361.6	4,810.3
		(iii)	Income Tax	0.3	17.4	157.3	33.8
		(iv)	Sales tax/ Special entry tax	40.0	2,461.5	2,292.2	1,711.0
		(v)	Service tax	25.3	1,561.0	981.0	700.8
		(vi)	Miscellaneous	0.2	10.5	0.5	0.5
		(vii)	Levies by local authorities	0.5	30.4	30.4	54.4
		(viii)	Custom Duty on import of equipment and spare parts under Export promotion Capital Goods Scheme	Nil	Nil	Nil	500.7
		(ix)	Claims by suppliers and other parties (including for Forest Development Tax)	197.4	12,159.8	9200.5	5,721.4
			In 2008, the State of Karnataka levied a Forest Development Tax (FDT) treating iron ore as a forest produce. Writ petitions filed by various stakeholders challenging the levy before Karnataka High Court are pending disposal. The Management of the Company has been legally advised that this is a fairly arguable case from the company's perspective and accordingly, the tax is considered as recoverable. Tax payments made under protest in the earlier years (refer note 14)/tax payable are considered as 'contingent liabilities'.				
	d)		Arrears of fixed cumulative dividend on preference shares (CPRS)	0.1	4.6	1.9	1.7
2)	**Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)**			613.4	37,792.6	45,669.4	44,094.6
3)	**Other Commitments:**						
	a)	The company has issued an undertaking to associate bankers for non-disposal of its investments in an associate till that entity repay its debt		-	-	23,571.1	23,571.1
	b)	The Group has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports. Such export obligations at year end aggregate to		644.9	39,735.1	112,953.0	169,125.9

4. On 3rd May 2013 the Bombay High Court sanctioned a Composite Scheme of Amalgamation and Arrangement (Scheme) under sections 391 to 394 of the Companies Act, 1956 amongst JSW Steel Limited, JSW Ispat Steel Limited, JSW Building Systems Limited, JSW Steel Coated Products Limited and their respective shareholders and creditors with 1 July 2012 being the appointed date. The certified copy of the scheme is filed with the Registrar of Companies (RoC) on June 1, 2013. Accordingly, effect of the scheme is considered in the financial statements in current year.

In terms of the scheme, effectively, from 1st July 2012:

- The Vasind and Tarapur units of JSW Steel Limited and the Kalmeshwar unit of JSW Ispat Steel Limited were demerged and their businesses transferred and vested to JSW Steel Coated Products Limited.
- The residual JSW Ispat Steel Limited was merged with JSW Steel Limited.
- JSW Steel Coated Products Limited emerged as a subsidiary of JSW Steel Limited.
- Accordingly, an amount of Rs. 7,164.4 million (equivalent USD 116.3 million) for the period 1st July 2012 to 31st March 2013, have been credited to the reserve and surplus under surplus in statement of profit and loss.

The amalgamation is an amalgamation in the nature of purchase as defined by Accounting Standard 14 – Accounting for Amalgamations specified in Companies (accounting Standard) Rules, 2006. Entries have been passed in the books of account of the Company to give effect to the scheme, as follows:

With effect from the appointed date,

(a) All the assets and liabilities of residual JSW Ispat and JSW Building vest in and are transferred to the Company and recorded at their respective fair values.

(b) 1,86,08,844 equity shares of Rs 10 each at par are issued to the equity shareholders of JSW Ispat in the ratio of 1 equity share of the company for every 72 equity shares of JSW Ispat.

(c) 48,54,14,604, 0.01% preference shares of Rs 10 each are issued to the preference shareholders of JSW Ispat in the ratio of 1 preference share for every preference share of JSW Ispat.

(d) Inter-company investments and balances, between the company, JSW Building and residual JSW Ispat stand cancelled.

(e) Assets and liabilities related to the Vasind and Tarapur units of the company are transferred to and vested in JSW Steel Coated.

(f) The difference of Rs. 30,551.2 million (equivalent USD 495.9 million) resulting from the above is credited to its capital reserve account.

5. As at 31st March, 2014, the carrying amounts of the fixed assets (the cash generating unit) of Rs. 46,633.1 million (equivalent USD 756.86 million) pertain to steel operations at JSW Steel (USA) Inc, a subsidiary of the Company. In view of the losses from operations of the subsidiary in last few years, the Management of the Company has considered valuations of its fixed assets carried out by an independent external valuer and concluded that there is no provision for impairment is presently necessary with respect to carrying amounts of the CGU in terms of Accounting Standard (AS) 28, Impairment of Asset.

6. Trade receivable include Rs. 1840.2 million (equivalent USD 29.87 million) (As at 31 March 2013 – Rs. 1840.2 million, as at 31 March 2012 – Rs 1840.2 million) recoverable from a customer towards supply of steel. The customer has applied for corporate debt restructuring to CDR Cell and mentioned JSW Steel as their "critical and essential supplier" whose dues needs to be paid on priority basis. The scheme was approved by CDR empowered group during the year. Based on these developments, the company is reasonably confident about the recoverability of the said amount.

7. a) Exceptional items represent effect of significant movement and volatility in the value of the Indian rupee against US dollar.

   b) Exceptional Item related to an associate entity (group share):

	USD in million	**Rs in million**		
	2013-14	**2013-14**	**2012-13**	**2011-12**
Provision towards doubtful debts/ advances and diminution in the value of investments, inventories etc.	-	-	225.6	5,816.1
Custom duty provided for	-	-	382.4	348.6
Net Foreign exchanges loss on opening balances/forward exchange contracts and mark-to-market loss on derivative contract	-	-	-	933.2
Total	-	**-**	**608.0**	**7,103.9**

8. **Derivatives:**

a) The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The use of foreign currency forward contracts is governed by the Group's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the group's risk management policy.

The forward exchange contracts entered into by the group and outstanding are as under:

As at	No. of contracts	Type	US$ equivalent (million)	INR equivalent (million)
31.03.2014	150	Buy	1,146.5	68,906.6
	94	Sell	1,136.2	68,284.8
31.03.2013	17	Buy	55.7	3,027.6
	13	Sell	99.4	5,404.6
31.03.2012	26	Buy	145.1	7,421.5
	76	Sell	241.7	12,365.8

b) The group also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on capital account. Such transactions are governed by the strategy approved by the board of directors, which provide principles on the use of these instruments, consistent with the group's risk management policy. The group does not use these contracts for speculative purposes.

Notional value of interest rate swaps (IRS) to hedge against fluctuations in interest rate changes are as under:

As at	No. of contracts	US$ equivalent of notional value (million)	MTM of IRS (Rs in million)
31.03.2014	7	50.0	(79.3)
31.03.2013	8	61.0	(122.6)
31.03.2012	9	74.5	(139.0)

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

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

	2013-14		2012-13		2011-12	
	US$ equivalent	**INR equivalent**	**US$ equivalent**	**INR equivalent**	**US$ equivalent**	**INR equivalent**
	(million)					
Trade receivables	9.7	585.3	11.7	612.2	2.4	120.1
Balances with banks						
- in fixed deposit account	-	-	0.0	0.3	0.0	0.4
- in current account	0.0	0.4	0.0	0.4	0.0	1.3

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

	2013-14		2012-13		2011-12	
	US$ equivalent	**INR equivalent**	**US$ equivalent**	**INR equivalent**	**US$ equivalent**	**INR equivalent**
	(million)					
Borrowings	1,104.9	66,401.3	1,270.0	69,074.1	1,186.1	60,678.3
Advance from customer	11.6	696.3	29.2	1,284.9	80.9	3,563.9
Acceptances	121.3	7,291.3	1,140.0	62,001.4	1,156.8	59,175.2
Trade payables	179.1	10,761.4	131.5	7,154.3	116.1	5,936.6
Payables for capital projects	409.7	24,622.7	408.6	22,224.2	413.2	21,136.9
Interest accrued but not due on borrowings	6.7	400.8	10.0	543.2	6.9	355.2
Redemption premium payable on FCCB’s	-	-	-	-	110.5	5,653.6

9. **Employee benefits:**

a) Defined contribution plan:

The group's contribution to provident fund Rs. 389.3 million (equivalent USD 6.5 million) (FY 2013 - Rs. 276.2 million, FY 2012- Rs. 258.6 million).

b) Defined benefit plans-

(i) Gratuity:

	USD in million	**Rupees in million**		
	2013-14	**2013-14**	**2012-13**	**2011-12**
a) Liability recognized in the balance sheet				
i) Present value of obligation				
Opening balance	14.9	919.4	751.4	501.1
Service cost	1.3	79.1	67.5	48.2
Interest cost	1.2	75.8	63.8	40.1
Actuarial (gain)/loss on obligation	(0.9)	(58.1)	65.3	189.9
Benefits paid	(0.9)	(55.5)	(28.7)	(27.9)
Liabilities transfer in/(out)	5.3	328.7	-	-
Closing balance	**20.9**	**1,289.4**	**919.4**	**751.4**
Less:				
ii) Fair value of plan assets				
Opening balance	8.6	530.6	500.5	381.5
Expected return on plan assets less loss on investments	0.9	53.4	43.0	30.5
Actuarial gain / (loss) on plan assets	(0.2)	(10.0)	13.7	(7.8)
Employers' contribution	0.0	1.0	0.3	115.4
Benefits paid	(0.5)	(30.6)	(26.8)	(19.2)
Closing balance	**8.8**	**544.4**	**530.6**	**500.4**
Amount recognized in balance sheet	**12.1**	**745.0**	**388.7**	**251.0**
b) Expenses during the year				
Service cost	1.3	79.1	67.5	48.2

	USD in million	Rupees in million		
	2013-14	2013-14	2012-13	2011-12
Interest cost	1.2	75.8	63.8	40.1
Expected return on plan assets	(0.9)	(53.4)	(43.0)	(30.5)
Actuarial loss	(0.8)	(48.1)	51.6	197.7
Transferred to preoperative expenses	(0.0)	(0.9)	(2.3)	(8.4)
Total	**0.8**	**52.5**	**137.6**	**247.1**
c) Actual return on plan assets	**0.6**	**36.1**	**56.8**	**22.8**
d) Break up of plan assets :				
(i) ICICI Prudential Life Insurance Co. Limited				
Balanced fund	0.5	30.1	27.4	34.0
Group debt fund	1.4	89.2	112.3	41.0
Group short term debt fund	0.1	4.7	0.6	15.2
Endowment plan	-	-	-	62.0
(ii) HDFC Standard Life Insurance Co. Limited				
Defensive managed fund	0.2	12.6	11.7	10.7
Stable managed fund	2.2	135.4	125.4	114.6
Liquid fund II	0.0	0.3	0.3	0.3
(iii) SBI Life Insurance Co. Limited – Cap assured fund	3.2	196.9	180.7	155.2
(iv) LIC of India – Insurer managed fund	1.2	75.2	72.3	67.4
e) Principal actuarial assumptions				
Rate of discounting	9.31% to 9.45% p.a.	9.31% to 9.45% p.a.	8% to 8.75% p.a.	8% to 8.75% p.a.
Expected return on plan assets	8.70% p.a.	8.70% p.a.	8.70% p.a.	8.60% p.a.
Rate of increase in salaries	6% p.a.	6% p.a.	6% p.a.	6% p.a.
Attrition rate	2% p.a.	2% p.a.	2% p.a.	2% p.a.

The group expects to contribute Rs. 509.1 million (USD equivalent 8.3 million) to its gratuity plan for the next year.

In assessing the group's post retirement liabilities the group monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

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

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Other disclosures:

	USD in million	**Rs in million**				
Particulars	**2013-14**	**2013-14**	**2012-13**	**2011-12**	**2010-11**	**2009-10**
Defined benefit obligation	20.9	1,289.4	919.4	751.4	501.1	372.1
Plan assets	8.8	544.4	530.7	500.4	381.5	336.6
Deficit	(12.1)	(745.0)	(388.7)	(251.0)	(119.6)	(35.5)
Experience adjustments on plan liabilities – loss/(gain)	1.0	58.6	40.7	208.4	76.6	15.7
Experience adjustments on plan assets – gain/(loss)	(0.2)	(10.0)	(10.0)	(7.8)	(4.6)	(0.8)

(ii) Provident fund:

The group makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the group is required to contribute a specified percentage of the payroll costs to fund the benefits.

In keeping with the guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by the Companies (Accounting Standards) Rules, 2006, employer established provident fund trusts are treated as defined benefit plans, since the group is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the group as at 31st March, 2014 works out to Rs. Nil (Equivalent USD Nil) (31st March 2013- Rs. Nil, 31st March 2012 - Nil) and hence no provision is required to be provided for in the books of accounts towards the guarantee given for notified interest rates.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	2013-14	2012-13	2011-12
Rate of discounting	9.31%	8.25%	8.50%
Rate of return on assets	8.95%	9.14%	9.04%
Guaranteed rate of return	8.75%	8.50%	8.25%

10. **Segment reporting:**

The group is primarily engaged in the business of manufacture and sale of iron and steel products. The group has identified primary business segments, namely steel, power (used mainly for captive consumption) and others, which in the context of Accounting Standard 17 on "Segment Reporting" constitute reportable segments.

I) Information about primary business segments

(USD in million)

Particulars	Year ended 31.03.2014				
	Steel	Power	Other	Eliminations	Total
INCOME :					
External sales	8,097.4	92.1	123.6	-	8,313.1
Inter segment sales	266.4	569.8	0.4	(836.6)	-
Total income	**8,363.8**	**661.9**	**124.0**	**(836.6)**	**8,313.1**
SEGMENT RESULTS					
Segment/ Operating results	751.3	233.6	(2.3)	-	982.6
Un-allocated Items:					
Income					12.8
Finance costs					(494.7)
Exceptional item :Exchange loss (net)					(278.0)
Provision for taxation					(149.3)
Net profit					73.4
OTHER INFORMATION					
Segment assets	11,112.9	397.2	339.6	-	11,849.7
Un-allocated assets					751.4
Total assets					12,601.1
Segment liabilities	2,781.7	41.2	92.5	-	2,915.4
Un-allocated liabilities & provisions					6,097.9
Total liabilities					9,013.3
Depreciation	487.7	22.1	6.4	-	
Non -cash expenditure other than depreciation and amortisation	0.5	-	-	-	
Capital expenditure	1,260.7	9.2	25.2	-	

(Rs in million)

Particulars	Year ended 31.03.2014					Year ended 31.03.2013					Year ended 31.03.2012				
	Steel	Power	Other	Eliminations	Total	Steel	Power	Other	Eliminations	Total	Steel	Power	Other	Eliminations	Total
INCOME:															
External sales	4,98,907.8	5,675.0	7,613.4	-	5,12,196.2	3,63,475.2	10,885.3	7,736.0	-	3,82,096.5	3,34,453.0	3,707.7	5,519.8	-	3,43,680.5
Inter segment sales	16,412.6	35,108.3	22.4	(51,543.3)	-	16,748.5	30,409.7	-	(47,158.2)	-	13,057.4	23,401.1	49.7	(36,508.2)	-
Total income	**5,15,320.4**	**40,783.3**	**7,635.8**	**(51,543.3)**	**5,12,196.2**	**3,80,223.7**	**41,295.0**	**7,736.0**	**(47,158.2)**	**3,82,096.5**	**3,47,510.4**	**27,108.8**	**5,569.5**	**(36,508.2)**	**3,43,680.5**
SEGMENT RESULTS															
Segment/ Operating results	46,288.1	14,393.6	(143.3)	-	60,538.4	29,755.1	10,818.8	214.1	-	40,788.0	26,389.3	5,356.0	601.1	-	32,346.4
Un-allocated Items:															
Income					788.0					663.9					554.3
Finance costs					(30,478.6)					(19,674.6)					(14,273.0)
Exceptional item :Exchange loss (net)					(17,127.5)					(3,693.7)					(8,249.4)
Provision for taxation					(9,200.8)					(8,452.5)					(5,001.5)
Net profit					4,519.5					9,631.1					5,376.8
OTHER INFORMATION															
Segment assets	6,84,702.4	24,473.4	20,926.9	-	7,30,102.7	4,75,766.7	25,587.7	14,253.6	-	5,15,608.0	4,29,315.1	22,848.3	12,708.5	-	4,64,871.9
Un-allocated assets					46,296.2					61,671.8					77,423.3
Total assets					7,76,398.9					5,77,279.8					5,42,295.2
Segment liabilities	1,71,392.9	2,537.4	5,700.5	-	1,79,630.8	1,39,571.8	6,040.0	2,749.9	-	1,48,361.7	1,32,581.5	4,567.5	2,595.2	-	1,39,744.2
Un-allocated liabilities & provisions					3,75,714.6					2,53,509.2					2,32,878.6
Total liabilities					5,55,345.4					4,01,870.9					3,72,622.8
Depreciation	30,050.5	1,361.4	394.0	-		20,726.1	1,252.9	395.8	-		18,178.6	797.4	355.5	-	
Non -cash expenditure other than depreciation and amortisation	29.4	-	1.9	-		80.4	-	52.9	-		103.5	-	-	-	
Capital expenditure	77,677.9	565.2	1,555.0	-		57,046.8	443.4	423.0	-		45,466.1	4,851.0	704.1	-	

1. Inter segment transfer from the power segment is measured at the rate at which power is purchased from/sold to the respective electricity board.
2. Inter segment transfer from the steel segment is measured on the basis of fuel cost.
3. Other business segment represents mining and construction activities.

II) Information about secondary segment – geographical segment

	USD in million			Rs in million								
	2013-14			2013-14			2012-13			2011-12		
Particulars	Indian entities	Foreign entities	Total	Indian entities	Foreign entities	Total	Indian entities	Foreign entities	Total	Indian entities	Foreign entities	Total
Segment revenue	7,827.7	485.4	8,313.1	4,82,291.2	29,905.0	5,12,196.2	3,54,852.6	27,243.9	3,82,096.5	3,17,963.5	25,717.0	3,43,680.5
Segment assets	11,192.9	1,408.2	12,601.1	6,89,636.8	86,762.1	7,76,398.9	4,84,759.6	92,520.2	5,77,279.8	4,64,609.1	77,686.1	5,42,295.2
Capital expenditure incurred	1,259.0	36.1	1,295.1	77,571.5	2,226.6	79,798.1	56,666.9	1,246.3	57,913.2	50,008.7	1,012.5	51,021.2

11. **Related Parties disclosure as per Accounting Standard (AS) – 18:**

A) List of Related Parties:

	Parties with whom the group has entered into transactions during the year / where control exists :
1	**Associates**
	Jindal Praxair Oxygen Company Private Limited
	JSW Ispat Steel Limited (refer note 26(4))
2	**Joint ventures**
	Vijayanagar Minerals Private Limited
	Rohne Coal Company Private Limited
	Gourangdih Coal Limited
	Toshiba JSW Turbine and Generator Private Limited
	JSW Severfield Structures Limited
	Geo Steel LLC
	MJSJ Coal Limited
	JSW Structural Metal Decking Limited
	JSW MI Steel Service Center Private Limited
3	**Key management personnel**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
4	**Relative of key management personnel**
	Mr. Parth Jindal
5	**Enterprises over which key management personnel and relatives of such personnel exercise significant influence**
	JSW Energy Limited
	JSL Limited
	JSW Realty & Infrastructure Private Limited
	Jindal Saw Limited
	Jindal Saw USA LLC
	Jindal Steel & Power Limited
	JSOFT Solutions Limited
	Jindal Industries Limited
	JSW Cement Limited
	JSW Jaigarh Port Limited

	Parties with whom the group has entered into transactions during the year / where control exists :
	Reynold Traders Private Limited
	Raj West Power Limited
	JSW Power Trading Company Limited
	JSW Aluminim Limited
	O P Jindal Foundation
	JSW Infrastructure Limited
	South West Port Limited
	JSW Techno Projects Management Limited
	Sapphire Technologies Limited
	St . James Investment Limited
	South West Mining Limited
	JSL Architecture Limited
	JSW Projects Limited
	JSW Bengaluru Football Club Private Limited
	JSW Foundation
	Jindal Technologies & Management Services Private Limited
	JITF Shipping & Logistics (Singapore) PTE Limited
	M/S Shadeed Iron & Steel Co. LLC

For the Financial Year 2013-14

(USD in million)

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
B. Transactions with related parties						
Party's Name						
Purchase of Goods / Power & Fuel / Services						
JSW Energy Limited	-	-	-	-	184.8	184.8
M/s Shadeed Iron & Steel Co LLC	-	-	-	-	72.5	72.5
Others	31.4	2.9	-	-	156.4	190.7
Total	**31.4**	**2.9**	**-**	**-**	**413.7**	**447.9**
Reimbursement of Expenses incurred on our behalf by						
JSW Energy Limited	-	-	-	-	0.2	0.2
Others	-	-	-	-	-	0.1
Total	**-**	**-**	**-**	**-**	**0.3**	**0.3**
Material Taken on Loan Given Back						
JSW Energy Limited	-	-	-	-	5.2	5.2
Total	**-**	**-**	**-**	**-**	**5.2**	**5.2**
Interest Expenses						
St . James Investment Limited	**-**	**-**	**-**	**-**	1.4	1.4
Total	**-**	**-**	**-**	**-**	**1.4**	**1.4**
Sales of Goods/Power & Fuel/ Other Income						
JSW Energy Limited	-	-	-	-	56.3	56.3
Jindal Industries Limited	-	-	-	-	57.2	57.2
Jindal Saw Limited	-	-	-	-	102.9	102.9
JSW Power Trading Company Limited	-	-	-	-	83.7	83.7
Others	1.3	4.1	-	-	14.6	20.0
Total	**1.3**	**4.1**	**-**	**-**	**314.7**	**320.1**
Other Income						
JSW Energy Limited	-	-	-	-	3.2	3.2
Jindal Praxair Oxygen Company Private Limited	0.4	-	-	-	-	0.4
JSW Projects Limited	-	-	-	-	3.8	3.8
Others	-	-	-	-	0.3	0.3
Total	**0.4**	**-**	**-**	**-**	**7.3**	**7.7**
Purchase of Assets						
Jindal Steel & Power Limited	-	-	-	-	36.2	36.2
JSW Severfield Structures Limited	-	8.0	-	-	-	8.0
Others	-	-	-	-	8.2	8.2
Total	**-**	**8.0**	**-**	**-**	**44.4**	**52.4**

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Donation Given						
O.P. Jindal Foundation	-	-	-	-	0.1	0.1
JSW Foundation	-	-	-	-	1.4	1.4
Total	**-**	**-**	**-**	**-**	**1.5**	**1.5**
Recovery of Expenses incurred by us on their behalf						
JSW Energy Limited	-	-	-	-	-	-
JSW Ispat Steel Limited	-	-	-	-	-	-
JSW Cement Limited	-	-	-	-	0.2	0.2
Sapphire Technologies Limited	-	-	-	-	0.1	0.1
JSW Power Trading Company Limited	-	-	-	-	0.3	0.3
Others	-	0.1	-	-	0.2	0.3
Total	**-**	**0.1**	**-**	**-**	**0.8**	**0.9**
Investments / Share Application Money given during the year						
Rohne Coal Company Private Limited	-	0.1	-	-	-	0.1
JSW Severfield Structures Limited	-	2.7	-	-	-	2.7
JSW Energy Limited	-	-	-	-	1.4	1.4
Others	-	-	-	-	-	-
Total	**-**	**2.8**	**-**	**-**	**1.4**	**4.2**
Interest Paid						
JSW Energy Limited	-	-	-	-	7.0	7.0
Total	**-**	**-**	**-**	**-**	**7.0**	**7.0**
Advance Taken Refunded						
JSW Infrastructure Limited	-	-	-	-	4.7	4.7
Total	**-**	**-**	**-**	**-**	**4.7**	**4.7**
Remuneration to key managerial personnel						
Mr. Sajjan Jindal	-	-	2.9	-	-	2.9
Mr. Seshagiri Rao M V S	-	-	0.6	-	-	0.6
Dr. Vinod Nowal	-	-	0.4	-	-	0.4
Mr. Parth Jindal	-	-	-	-	-	-
Mr. Jayant Acharya	-	-	0.4	-	-	0.4
Total	**-**	**-**	**4.4**	**-**	**-**	**4.4**
C. Closing balance of related parties						
Trade payables						
St . James Investment Limited	-	-	-	-	8.5	8.5
JSW Energy Limited	-	-	-	-	27.4	27.4
South West Mining Limited	-	-	-	-	3.1	3.1
Others	1.9	0.4	-	-	8.3	10.5
Total	**1.9**	**0.4**	**-**	**-**	**47.2**	**49.5**

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Notes Payable						
St . James Investment Limited	-	-	-	-	41.9	41.9
Total	**-**	**-**	**-**	**-**	**41.9**	**41.9**
Advance received from Customers						
Jindal Steel & Power Limited	-	-	-	-	0.1	0.1
Raj west Power Limited	-	-	-	-	0.1	0.1
Others	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**0.2**	**0.2**
Lease & Other deposit received						
Jindal Praxair Oxygen Company Private Limited	0.6	-	-	-	-	0.6
JSW Energy Limited	-	-	-	-	1.7	1.7
JSW Severfield Structures Limited	-	1.1	-	-	-	1.1
Jindal Saw Limited	-	-	-	-	0.8	0.8
JSW Jaigarh Port Limited	-	-	-	-	0.6	0.6
Others	-	-	-	-	0.3	0.3
Total	**0.6**	**1.1**	**-**	**-**	**3.4**	**5.0**
Trade receivables						
JSW Cement Limited	-	-	-	-	6.5	6.5
JSW Projects Limited	-	-	-	-	4.7	4.7
JSW Power Trading Company Limited	-	-	-	-	9.6	9.6
Others	-	0.2	-	-	2.4	2.6
Total	**-**	**0.2**	**-**	**-**	**23.2**	**23.3**
Capital / Revenue Advances Given						
JSW Projects Limited	-	-	-	-	76.9	76.9
Others	-	2.1	-	-	6.6	8.8
Total	**-**	**2.1**	**-**	**-**	**83.6**	**85.7**
Share Application Money						
Vijayanagar Minerals Private Limited	-	0.4	-	-	-	0.4
Rohne Coal Company Private Limited	-	0.9	-	-	-	0.9
Total	**-**	**1.3**	**-**	**-**	**-**	**1.3**
Other advances given						
JSW Realty & Infrastructure Private Limited	-	-	-	-	1.2	1.2
Others	-	-	-	-	2.2	2.2
Total	**-**	**-**	**-**	**-**	**3.4**	**3.4**
Investments held by the Company						
JSW Energy Limited	-	-	-	-	40.8	40.8
JSW Realty & Infrastructure Private Limited	-	-	-	-	32.3	32.3
Others	4.4	4.4	-	-	-	8.8
Total	**4.4**	**4.4**	**-**	**-**	**73.1**	**81.9**
Loans & Advances Taken						
JSW Infrastructure Limited	-	-	-	-	36.1	36.1
Total	**-**	**-**	**-**	**-**	**36.1**	**36.1**

For the Financial Year 2013-14

Rs in million

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
B. Transactions with related parties						
Party's Name						
Purchase of Goods / Power & Fuel / Services						
JSW Energy Limited	-	-	-	-	11,383.4	11,383.4
M/s Shadeed Iron & Steel Co LLC	-	-	-	-	4,467.6	4,467.6
Others	1,935.9	175.8	-	-	9,635.8	11,747.5
Total	**1,935.9**	**175.8**	**-**	**-**	**25,486.8**	**27,598.5**
Reimbursement of Expenses incurred on our behalf by						
JSW Energy Limited	-	-	-	-	12.8	12.8
Others	-	0.7	-	-	2.7	3.4
Total	**-**	**0.7**	**-**	**-**	**15.5**	**16.2**
Material Taken on Loan Given Back						
JSW Energy Limited	-	-	-	-	318.0	318.0
Total	**-**	**-**	**-**	**-**	**318.0**	**318.0**
Interest Expenses						
St . James Investment Limited	**-**	**-**	**-**	**-**	**86.1**	86.1
Total	**-**	**-**	**-**	**-**	**86.1**	**86.1**
Sales of Goods/Power & Fuel/ Other Income						
JSW Energy Limited	-	-	-	-	3,465.8	3,465.8
Jindal Industries Limited	-	-	-	-	3,526.6	3,526.6
Jindal Saw Limited	-	-	-	-	6,339.2	6,339.2
JSW Power Trading Company Limited	-	-	-	-	5,159.4	5,159.4
Others	80.4	251.0	-	-	900.2	1,231.6
Total	**80.4**	**251.0**	**-**	**-**	**19,391.2**	**19,722.6**
Other Income						
JSW Energy Limited	-	-	-	-	198.3	198.3
Jindal Praxair Oxygen Company Private Limited	23.9	-	-	-	-	23.9
JSW Projects Limited	-	-	-	-	235.4	235.4
Others	-	0.2	-	-	18.5	18.7
Total	**23.9**	**0.2**	**-**	**-**	**452.2**	**476.3**
Purchase of Assets						
Jindal Steel & Power Limited	-	-	-	-	2,228.7	2,228.7
JSW Severfield Structures Limited	-	494.0	-	-	-	494.0
Others	-	-	-	-	506.2	506.2
Total	**-**	**494.0**	**-**	**-**	**2,734.9**	**3,228.9**
Donation Given						
O.P. Jindal Foundation	-	-	-	-	7.0	7.0
JSW Foundation	-	-	-	-	88.2	88.2
Total	**-**	**-**	**-**	**-**	**95.2**	**95.2**

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Recovery of Expenses incurred by us on their behalf						
JSW Energy Limited	-	-	-	-	-	-
JSW Ispat Steel Limited	-	-	-	-	-	-
JSW Cement Limited	-	-	-	-	10.0	10.0
Sapphire Technologies Limited	-	-	-	-	7.2	7.2
JSW Power Trading Company Limited	-	-	-	-	17.9	17.9
Others	-	4.7	-	-	12.7	17.4
Total	**-**	**4.7**	**-**	**-**	**47.8**	**52.5**
Investments / Share Application Money given during the year						
Rohne Coal Company Private Limited	-	8.3	-	-	-	8.3
JSW Severfield Structures Limited	-	165.0	-	-	-	165.0
JSW Energy Limited	-	-	-	-	84.2	84.2
Others	-	0.6	-	-	-	0.6
Total	**-**	**173.9**	**-**	**-**	**84.2**	**258.1**
Interest Paid						
JSW Energy Limited	-	-	-	-	431.6	431.6
Total	**-**	**-**	**-**	**-**	**431.6**	**431.6**
Advance Taken Refunded						
JSW Infrastructure Limited	-	-	-	-	289.5	289.5
Total	**-**	**-**	**-**	**-**	**289.5**	**289.5**
Remuneration to key managerial personnel						
Mr. Sajjan Jindal	-	-	180.8	-	-	180.8
Mr. Seshagiri Rao M V S	-	-	36.5	-	-	36.5
Dr. Vinod Nowal	-	-	27.3	-	-	27.3
Mr. Parth Jindal	-	-	-	1.2	-	1.2
Mr. Jayant Acharya	-	-	23.6	-	-	23.6
Total	**-**	**-**	**268.2**	**1.2**	**-**	**269.4**
C. Closing balance of related parties						
Trade payables						
St . James Investment Limited	-	-	-	-	522.6	522.6
JSW Energy Limited	-	-	-	-	1,689.2	1,689.2
South West Mining Limited	-	-	-	-	188.9	188.9
Others	114.4	21.8	-	-	510.0	646.2
Total	**114.4**	**21.8**	**-**	**-**	**2,910.7**	**3,046.9**
Notes Payable						
St . James Investment Limited	-	-	-	-	2,584.3	2,584.3
Total	**-**	**-**	**-**	**-**	**2,584.3**	**2,584.3**
Advance received from Customers						
Jindal Steel & Power Limited	-	-	-	-	6.3	6.3
Raj west Power Limited	-	-	-	-	5.2	5.2
Others	-	-	-	-	1.1	1.1
Total	**-**	**-**	**-**	**-**	**12.6**	**12.6**

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Lease & Other deposit received						
Jindal Praxair Oxygen Company Private Limited	38.3	-	-	-	-	38.3
JSW Energy Limited	-	-	-	-	101.9	101.9
JSW Severfield Structures Limited	-	65.0	-	-	-	65.0
Jindal Saw Limited	-	-	-	-	50.0	50.0
JSW Jaigarh Port Limited	-	-	-	-	35.0	35.0
Others	-	-	-	-	20.0	20.0
Total	**38.3**	**65.0**	**-**	**-**	**206.9**	**310.2**
Trade receivables						
JSW Cement Limited	-	-	-	-	398.4	398.4
JSW Projects Limited	-	-	-	-	290.6	290.6
JSW Power Trading Company Limited	-	-	-	-	591.8	591.8
Others	-	11.3	-	-	146.3	157.6
Total	**-**	**11.3**	**-**	**-**	**1,427.1**	**1,438.4**
Capital / Revenue Advances Given						
JSW Projects Limited	-	-	-	-	4,739.5	4,739.5
Others	-	131.3	-	-	408.6	539.9
Total	**-**	**131.3**	**-**	**-**	**5,148.1**	**5,279.4**
Share Application Money						
Vijayanagar Minerals Private Limited	-	24.3	-	-	-	24.3
Rohne Coal Company Private Limited	-	52.9	-	-	-	52.9
Total	**-**	**77.2**	**-**	**-**	**-**	**77.2**
Other advances given						
JSW Realty & Infrastructure Private Limited	-	-	-	-	73.5	73.5
Others	-	-	-	-	134.7	134.7
Total	**-**	**-**	**-**	**-**	**208.2**	**208.2**
Investments held by the Company						
JSW Energy Limited	-	-	-	-	2,512.8	2,512.8
JSW Realty & Infrastructure Private Limited	-	-	-	-	1,991.5	1,991.5
Others	272.7	272.0	-	-	-	544.7
Total	**272.7**	**272.0**	**-**	**-**	**4,504.3**	**5,049.0**
Loans & Advances Taken						
JSW Infrastructure Limited	-	-	-	-	2,223.0	2,223.0
Total	**-**	**-**	**-**	**-**	**2,223.0**	**2,223.0**

For the Financial Year 2012-2013

Rupees in million

Particulars	Associates	Joint Ventures	Key Managerial Personnel	Relatives of Key Manegerial Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
B. Transactions with related parties						
Party's Name						
Purchase of Goods / Power & Fuel / Services						
JSW Energy Limited	-	-	-	-	3,491.6	3,491.6
JSW Ispat Steel Limited	35,399.1	-	-	-	-	35,399.1
Others	1,882.9	3.7	-	-	6,004.0	7,890.6
Total	**37,282.0**	**3.7**	**-**	**-**	**9,495.6**	**46,781.3**
Reimbursement of Expenses incurred on our behalf by						
JSW Energy Limited	-	-	-	-	12.6	12.6
JSW Ispat Steel Limited	52.7	-	-	-	-	52.7
Others	-	3.1	-	-	1.2	4.3
Total	**52.7**	**3.1**	**-**	**-**	**13.8**	**69.6**
Material Taken on Loan						
JSW Energy Limited	-	-	-	-	318.0	318.0
Total	**-**	**-**	**-**	**-**	**318.0**	**318.0**
Interest Expenses						
St . James Investment Limited	-	-	-	-	82.4	82.4
Total	**-**	**-**	**-**	**-**	**82.4**	**82.4**
Sales of Goods/Power & Fuel/ Other Income						
JSW Energy Limited	-	-	-	-	410.9	410.9
Jindal Industriers Limited	-	-	-	-	3,625.2	3,625.2
JSW Ispat Steel Limited	4,882.4	-	-	-	-	4,882.4
Jindal Saw Limited	-	-	-	-	3,015.2	3,015.2
JSW Power Trading Company Limited	-	-	-	-	10,156.6	10,156.6
Others	87.6	135.8	-	-	2,299.8	2,523.2
Total	**4,970.0**	**135.8**	**-**	**-**	**19,507.7**	**24,613.5**
Other Income						
JSW Ispat Steel Limited	24.2	-	-	-	-	24.2
JSW Realty & Infrastructure Private Limited	-	-	-	-	19.3	19.3
JSW Energy Limited	-	-	-	-	39.9	39.9
Jindal Praxair Oxygen Company Private Limited	19.6	-	-	-	-	19.6
Others	-	0.3	-	-	7.4	7.7
Total	**43.8**	**0.3**	**-**	**-**	**66.6**	**110.7**
Purchase of Assets						
Jindal Steel & Power Limited	-	-	-	-	1,822.1	1,822.1
JSW Energy Limited	-	-	-	-	159.9	159.9
South West Mining Limited	-	-	-	-	149.5	149.5
JSW Cement Limited	-	-	-	-	182.0	182.0
JSW Severfield Structures Limited	-	526.3	-	-	-	526.3
JSW Techno Projects Management Limited	-	-	-	-	376.6	376.6
Others	136.0	-	-	-	133.8	269.8
Total	**136.0**	**526.3**	**-**	**-**	**2,823.9**	**3,486.2**

Particulars	Associates	Joint Ventures	Key Managerial Personnel	Relatives of Key Manegerial Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
Donation Given						
O.P. Jindal Foundation	-	-	-	-	5.0	5.0
Total	**-**	**-**	**-**	**-**	**5.0**	**5.0**
Recovery of Expenses incurred by us on their behalf						
JSW Energy Limited	-	-	-	-	27.0	27.0
JSW Ispat Steel Limited	145.9	-	-	-	-	145.9
Others	-	-	-	-	36.1	36.1
Total	**145.9**	**-**	**-**	**-**	**63.1**	**209.0**
Investments / Share Application Money given during the year						
Rohne Coal Company Private Limited	-	20.0	-	-	-	20.0
MJSJ Coal limited	-	27.5	-	-	-	27.5
Total	**-**	**47.5**	**-**	**-**	**-**	**47.5**
Proceeds of Redemption of Pref Shares						
Jindal Praxair Oxygen Company Private Limited	546.6	-	-	-	-	546.6
Total	**546.6**	**-**	**-**	**-**	**-**	**546.6**
Remuneration to key managerial personnel						
Mr. Sajjan Jindal	-	-	202.5	-	-	202.5
Mr. Seshagiri Rao M V S	-	-	36.1	-	-	36.1
Dr. Vinod Nowal	-	-	27.0	-	-	27.0
Mr. Parth Jindal	-	-	-	0.4	-	0.4
Mr. Jayant Acharya	-	-	23.3	-	-	23.3
Total	**-**	**-**	**288.9**	**0.4**	**-**	**289.3**
<u>C. Closing balance of related parties</u>						
Trade payables						
Jindal Praxair Oxygen Company Private Limited	174.2	-	-	-	-	174.2
South West Port Limited	-	-	-	-	269.0	269.0
St . James Investment Limited	-	-	-	-	395.6	395.6
JSW Energy Limited	-	-	-	-	1,133.0	1,133.0
JSW Ispat Steel Limited.	325.8	-	-	-	-	325.8
South West Mining Limited	-	-	-	-	307.1	307.1
Others	-	2.4	-	-	361.3	363.7
Total	**500.0**	**2.4**	**-**	**-**	**2,466.0**	**2,968.4**
Notes Payable						
St . James Investment Limited	-	-	-	-	2,338.7	2,338.7
Total	**-**	**-**	**-**	**-**	**2,338.7**	**2,338.7**
Advance recieved from Customers						
Jindal Steel & Power Limited	-	-	-	-	15.1	15.1
Raj west Power Limited	-	-	-	-	18.6	18.6
JSW Jaigarh Port Limited	-	-	-	-	13.0	13.0
Total	**-**	**-**	**-**	**-**	**46.7**	**46.7**

Particulars	Associates	Joint Ventures	Key Managerial Personnel	Relatives of Key Manegerial Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
Lease & Other deposit received						
Jindal Praxair Oxygen Company Private Limited	38.3	-	-	-	-	38.3
JSW Energy Limited	-	-	-	-	101.9	101.9
JSW Severfield Structures Limited	-	65.0	-	-	-	65.0
Jindal Saw Limited	-	-	-	-	50.0	50.0
JSW Jaigarh Port Limited	-	-	-	-	35.0	35.0
Others	-	-	-	-	20.0	20.0
Total	**38.3**	**65.0**	**-**	**-**	**206.9**	**310.2**
Trade receivables						
JSW Cement Limited	-	-	-	-	375.9	375.9
JSW Ispat Steel Limited	548.2	-	-	-	-	548.2
JSW Power Trading Company Limited	-	-	-	-	3,643.5	3,643.5
Others	-	-	-	-	512.1	512.1
Total	**548.2**	**-**	**-**	**-**	**4,531.5**	**5,079.7**
Capital / Revenue Advances Given						
JSW Projects Limited	-	-	-	-	2,513.1	2,513.1
Others	-	82.5	-	-	23.6	106.1
Total	**-**	**82.5**	**-**	**-**	**2,536.7**	**2,619.2**
Share Application Money						
Vijayanagar Minerals Private Limited	-	24.3	-	-	-	24.3
Rohne Coal Company Private Limited	-	44.6	-	-	-	44.6
Others	-	0.7	-	-	-	0.7
Total	**-**	**69.6**	**-**	**-**	**-**	**69.6**
Other advances given						
JSW Aluminium Limited	-	-	-	-	0.1	0.1
Gourangdih Coal Limited	-	1.9	-	-	-	1.9
JSW Realty & Infrastructure Private Limited.	-	-	-	-	691.5	691.5
Others	-	-	-	-	19.3	19.3
Total	**-**	**1.9**	**-**	**-**	**710.9**	**712.8**
Investments held by the Company						
JSW Ispat Steel Limited	23,571.2	-	-	-	-	23,571.2
Others	272.7	272.0	-	-	2,509.0	3,053.7
Total	**23,843.9**	**272.0**	**-**	**-**	**2,509.0**	**26,624.9**

For the Financial Year 2011-2012

Rupees in million

Particulars	Associates	Joint Venture	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
B. Transactions with related parties						
Party's Name						
Purchase of Goods / Power & Fuel / Services						
JSW Energy Limited	-	-	-	-	3,885.8	3,885.8
Jindal Praxair Oxygen Company Private Limited	1,115.9	-	-	-	-	1,115.9
JSW Ispat Steel Limited	27,415.4	-	-	-	-	27,415.4
Others	-	93.8	-	-	4,117.9	4,211.7
Total	**28,531.3**	**93.8**	**-**	**-**	**8,003.7**	**36,628.8**
Reimbursement of Expenses incurred on our behalf by						
JSW Ispat Steel Limited	33.5	-	-	-	-	33.5
Others	-	1.3	-	-	0.3	1.6
Total	**33.5**	**1.3**	**-**	**-**	**0.3**	**35.1**
Interest Expenses						
St . James Investment Limited	-	-	-	-	70.5	70.5
Total	**-**	**-**	**-**	**-**	**70.5**	**70.5**
Sales of Goods/Power & Fuel/ Other Income						
JSW Energy Limited	-	-	-	-	4,683.0	4,683.0
Jindal Industriers Limited	-	-	-	-	2,573.0	2,573.0
JSW Ispat Steel Limited	12,151.9	-	-	-	-	12,151.9
Jindal Saw Limited	-	-	-	-	3,375.5	3,375.5
JSW Power Trading Company Limited	-	-	-	-	2,989.7	2,989.7
Others	82.8	32.1	-	-	2,379.4	2,494.3
Total	**12,234.7**	**32.1**	**-**	**-**	**16,000.6**	**28,267.4**
Other Income						
JSW Ispat Steel Limited	15.0	-	-	-	-	15.0
JSW Realty & Infrastructure Private Limited	-	-	-	-	1.9	1.9
JSW Energy Limited	-	-	-	-	86.3	86.3
Jindal Praxair Oxygen Company Private Limited	4.2	-	-	-	-	4.2
Others	-	0.1	-	-	6.0	6.1
Total	**19.2**	**0.1**	**-**	**-**	**94.2**	**113.5**
Purchase of Assets						
Jindal Steel & Power Limited	-	-	-	-	1,287.2	1,287.2
Jindal Saw Limited	-	-	-	-	0.9	0.9
JSW Energy Limited	-	-	-	-	280.7	280.7
JSW Cement Limited	-	-	-	-	266.2	266.2
South West Mining Limited	-	-	-	-	392.9	392.9
Others	24.8	180.9	-	-	101.1	306.8
Total	**24.8**	**180.9**	**-**	**-**	**2,329.0**	**2,534.7**

Particulars	Associates	Joint Venture	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
Donation Given						
O.P. Jindal Foundation	-	-	-	-	4.9	4.9
Total	**-**	**-**	**-**	**-**	**4.9**	**4.9**
Recovery of Expenses incurred by us on their behalf						
JSW Energy Limited	-	-	-	-	40.6	40.6
Sapphire Technologies Limited	-	-	-	-	3.9	3.9
JSW Cement Limited	-	-	-	-	9.5	9.5
Jsoft Solutions Limited	-	-	-	-	1.3	1.3
JSW Ispat Steel Limited	68.2	-	-	-	-	68.2
Others	-	0.2	-	-	1.4	1.6
Total	**68.2**	**0.2**	**-**	**-**	**56.7**	**125.1**
Investments / Share Application Money given during the year						
Rohne Coal Company Private Limited	-	16.5	-	-	-	16.5
MJSJ Coal Limited	-	33.0	-	-	-	33.0
Total	**-**	**49.5**	**-**	**-**	**-**	**49.5**
Lease & Other deposits given						
JSW Projects Limited	-	-	-	-	19.9	19.9
Total	**-**	**-**	**-**	**-**	**19.9**	**19.9**
Advance given Received back						
JSW Aluminium Limited	-	-	-	-	1.6	1.6
Total	**-**	**-**	**-**	**-**	**1.6**	**1.6**
Proceeds of Redemption of Pref Shares						
Jindal Praxair Oxygen Company Private Limited	263.3	-	-	-	-	263.3
Total	**263.3**	**-**	**-**	**-**	**-**	**263.3**
Remuneration to key managerial personnel						
Mrs. Savitri Devi Jindal	-	-	-	1.5	-	1.5
Mr. Sajjan Jindal	-	-	181.8	-	-	181.8
Mr. Seshagiri Rao M V S	-	-	33.9	-	-	33.9
Dr. Vinod Nowal	-	-	25.2	-	-	25.2
Mr. Jayant Acharya	-	-	22.1	-	-	22.1
Total	**-**	**-**	**263.0**	**1.5**	**-**	**264.5**
C. Closing balance of related parties						
Trade payables						
Jindal Praxair Oxygen Company Private Limited	126.3	-	-	-	-	126.3
South West Port Limited	-	-	-	-	143.1	143.1
St . James Investment Limited	-	-	-	-	294.6	294.6
Vijayanagar Minerals Private Limited	-	17.8	-	-	-	17.8
JSW Energy Limited	-	-	-	-	421.7	421.7
Others	-	-	-	-	116.9	116.9
Total	**126.3**	**17.8**	**-**	**-**	**976.3**	**1,120.4**

Particulars	Associates	Joint Venture	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
Notes Payable						
St . James Investment Limited	-	-	-	-	2,199.9	2,199.9
Total	**-**	**-**	**-**	**-**	**2,199.9**	**2,199.9**
Advance recieved from Customers						
Raj west Power Limited	-	-	-	-	8.7	8.7
JSW Jaigarh Port Limited	-	-	-	-	0.8	0.8
Others	-	-	-	-	1.4	1.4
Total	**-**	**-**	**-**	**-**	**10.9**	**10.9**
Lease & Other deposit received						
Jindal Praxair Oxygen Company Private Limited	38.3	-	-	-	-	38.3
JSW Energy Limited	-	-	-	-	101.9	101.9
JSW Severfield Structures Limited	-	65.0	-	-	-	65.0
Jindal Saw Limited	-	-	-	-	50.0	50.0
JSW Jaigarh Port Limited	-	-	-	-	35.0	35.0
Others	-	-	-	-	19.9	19.9
Total	**38.3**	**65.0**	**-**	**-**	**206.8**	**310.1**
Trade receivables						
JSW Cement Limited	-	-	-	-	248.3	248.3
JSW Ispat Steel Limited	259.8	-	-	-	-	259.8
Jindal Power Trading Company Limited	-	-	-	-	669.1	669.1
Others	-	2.2	-	-	258.6	260.8
Total	**259.8**	**2.2**	**-**	**-**	**1,176.0**	**1,438.0**
Capital / Revenue Advances Given						
JSW Severfield structures Limited	-	54.3	-	-	-	54.3
Jindal Steel & Power Limited	-	-	-	-	147.1	147.1
JSW Infrastructure Limited	-	-	-	-	1.4	1.4
Jindal Architecture Limited	-	-	-	-	0.3	0.3
JSW Realty & Infrastructure Pvt.Limited	-	-	476.3	-	-	476.3
Total	**-**	**54.3**	**476.3**	**-**	**148.8**	**679.4**
Share Application Money						
Vijayanagar Minerals Private Limited	-	24.2	-	-	-	24.2
Rohne Coal Company Private Limited	-	24.5	-	-	-	24.5
Others	-	0.3	-	-	-	0.3
Total	**-**	**49.0**	**-**	**-**	**-**	**49.0**
Other advances given						
JSW Aluminium Limited	-	-	-	-	0.1	0.1
Gourangdih Coal Limited	-	1.9	-	-	-	1.9
Total	**-**	**1.9**	**-**	**-**	**0.1**	**2.0**

Particulars	Associates	Joint Venture	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
Investments held by the Company						
Jindal Praxair Oxygen Company Private Limited	661.5	-	-	-	-	661.5
JSW Energy Limited	-	-	-	-	1,209.0	1,209.0
JSW Realty & Infrastructure Private Limited	-	-	-	-	1,300.0	1,300.0
JSW Ispat Steel Limited	23,571.2	-	-	-	-	23,571.2
Others	-	244.5	-	-	-	244.5
Total	**24,232.7**	**244.5**	**-**	**-**	**2,509.0**	**26,986.2**

12. **Finance lease**

a) As lessee:

i. The group has acquired equipments for Rs.1,172.2 million (equivalent USD 19.0 million) through finance lease. The finance leases are for various durations with last lease maturing in 2016. The amount of depreciation charged in the statement of profit and loss till 31 March 2014 was Rs. 744.1 million (equivalent USD 12.1 million) and the book value is Rs. 428.1 million (equivalent USD 7.0 million).

ii. The minimum lease payments and the present value as at 31 March 2014 of minimum lease payments in respect of assets acquired under the finance leases are as follows:

Particulars	**Minimum lease payments**				**Present value of minimum lease payments**			
	As at 31.03.14	**As at 31.03.14**	**As at 31.03.13**	**As at 31.03.12**	**As at 31.03.14**	**As at 31.03.14**	**As at 31.03.13**	**As at 31.03.12**
	USD in million	**Rs in million**			**USD in million**	**Rs in million**		
Payable not later than 1 year	4.1	253.9	229.8	224.2	3.7	231.1	196.0	180.7
Payable later than 1 year and not later than 5 years	3.8	232.7	440.4	630.3	3.7	225.4	413.1	572.9
Payable later than 5 years	--	--	--	--	--	--	--	--
Total	**7.9**	**486.6**	**670.1**	**854.5**	**7.4**	**456.5**	**609.1**	**753.6**
Less: future finance charges	0.5	30.1	61.0	100.9				
Present value of minimum lease payments	**7.4**	**456.5**	**609.1**	**753.6**				

13. **Operating lease**

a) As lessor:

i. The group has entered into lease arrangements, for renting :

- 2,279 houses (admeasuring approximately 1,410,997 square feet) at the rate of Rs. 100/- per house per annum, for a period of 180 months.
- 684 houses (admeasuring approximately 350,103 square feet) at the rate of Rs. 2/- per square feet per annum, for a period of 36 to 60 months.
- 9 houses (admeasuring approximately 9,027 square feet) at the rate of Rs 43/- per square feet per month per house, for a period of 60 months.

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

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

	USD in million	**Rupees in million**		
	2013-14	**2013-14**	**2012-13**	**2011-12**
Gross carrying amount of assets	27.2	1,675.7	1,927.1	1,966.8
Accumulated depreciation	3.6	231.1	206.8	206.0
Depreciation for the year	0.5	31.0	33.0	31.9

b) As lessee:

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

Particulars	**USD in million**	**Rupees in million**		
	2013-14	**2013-14**	**2012-13**	**2011-12**
Office premises, residential flats etc.	7.1	435.7	234.2	154.0

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

The agreement for certain plant and equipment is on non-cancellable basis for a period of 10-15 years, which are renewable on expiry of the lease period at mutually acceptable terms.

Minimum lease payments under non-cancellable operating lease fall due as follows:

Particulars	USD in million	Rupees in million		
	2013-14	**2013-14**	**2012-13**	**2011-12**
Due not later than one year	0.7	40.5	32.6	30.7
Due later than one year but not later than five years	0.1	4.2	32.6	61.4
Later than five years	-	-	-	-
Total	**0.8**	**44.7**	**65.3**	**92.1**

Operating lease payments represent rentals payable by the group for lease of coal loading property. The agreement is executed for a period of 5 years with a renewable clause.

14. The effect of acquisition of subsidiaries on the financial position and the results as included in consolidated financial statements are given below:

	USD in million	Rs in million		
	2013-14	**2013-14**	**2012-13**	**2011-12**
Equity and Liabilities				
Shareholders fund	-	-	492.8	655.1
Non-Current Liabilities	-	-	-	804.6
Current Liabilities	-	-	30.3	1,278.4
Total	**-**	**-**	**523.1**	**2,738.1**
Non-Current Assets	-	-	510.3	2,731.0
Current Assets	-	-	12.8	7.1
Total	**-**	**-**	**523.1**	**2,738.1**
Revenue from operation	-	-	-	-
Expenses:				
Depreciation	-	-	0.9	-
Other Expenses	-	-	5.4	9.8
Total expenses	**-**	**-**	**6.3**	**9.8**
Loss for the year	**-**	**-**	**(6.3)**	**(9.8)**

15. **Earnings per share (EPS):**

		USD in million	Rs in million		
		2013-14	**2013-14**	**2012-13**	**2011-12**
Profit after tax		73.3	4,519.5	9,631.1	5,376.8
Less: Dividend on preference shares (including corporate dividend tax)		5.3	326.5	324.3	324.3
Profit after tax for equity share holders (numerator)-basic / diluted (A)		68.0	4,193.0	9,306.8	5,052.5
Weighted average number of equity shares for basic EPS (denominator) (B)	Nos.	241,722,044	241,722,044	223,117,200	223,117,200
Weighted average number of equity shares for diluted EPS (denominator) (C)	Nos.	241,722,044	241,722,044	223,117,200	223,117,200
Earnings per share – basic (A/B)	USD/Rs.	0.28	17.35	41.71	22.65
Earnings per share – diluted (A/C)	USD/ Rs.	0.28	17.35	41.71	22.65
Nominal value per share	Rs.		10	10	10

16. The manufacturing and other expenses and depreciation include Rs. 93.9 million (equivalent USD 1.5 million) (FY 2013 - Rs. 86.2 million, FY 2012- Rs. 92.8 million) and Rs. 90.3 million (equivalent USD 1.5 million) (FY 2013 - Rs. 73.0 million, FY 2012 – Rs. 35.2 million), respectively, in respect of research and development activities undertaken during the year.

17. For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended 31 March 2014 have been provided at a rate of US$1.00 = Rs.61.6135, which was the exchange rate as reported by the RBI on 30 September 2014.

18. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year. Figures of the previous year are not comparable on account of Composite Scheme of Amalgamation and Arrangement as referred to in note 26 (4) above.

For JSW Steel Limited

SESHAGIRI RAO M.V.S
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

Place: Mumbai
Date: 30 OCTOBER 2014

HASKINS & SELLS LLP
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