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JSW Steel Limited

U.S.$500,000,000 5.25 per cent. Senior Notes Due 2022

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

The U.S.$500,000,000 5.25 per cent. Senior Notes due 2022 (the "Notes") will be the unsecured senior obligations of JSW Steel Limited (the "Company"). The Notes will be unsecured obligations of the Company, will, save for such exceptions as may be provided for under applicable legislation, rank *pari passu* with all of its other existing and future unsecured and unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of its subsidiaries.

The Notes will bear interest at a rate of 5.25 per cent. per year. Interest will be paid on the Notes semi-annually in arrears on 13 April and 13 October of each year, beginning on 13 October 2017. The first interest payment will be made on 13 October 2017. Unless previously redeemed or purchased and cancelled as provided in the terms and conditions of the Notes (the "Conditions"), the Notes will mature on 13 April 2022. 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 101.0 per cent. of their principal amount plus accrued and unpaid interest. Subject to the Conditions, the Company may also redeem all of the Notes at 100.0 per cent. 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 165.

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 Note Taxation*".

Issue Price for the Notes: 100.00 per cent.

Investing in the Notes involves certain risks. You should read "*Risk Factors*" beginning on page 33 before investing in the Notes.

Approval-in-principle 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 and its consolidated subsidiaries (the "Group") or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000, or foreign currency equivalent, 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 S.A. ("Clearstream") and Euroclear Bank SA/NV ("Euroclear") on or about 12 April 2017. 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 have been rated Ba3 by Moody's Investor Service Inc. ("Moody's") and are expected to be rated BB by Fitch Ratings ("Fitch"). 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

Credit Suisse **Citigroup** **BNP PARIBAS** **Deutsche Bank** **J.P. Morgan**

The date of this Offering Memorandum is 5 April 2017.

NOTICE TO INVESTORS

The Group, as well as Credit Suisse Securities (Europe) Limited, Citigroup Global Markets Limited, BNP Paribas, Deutsche Bank AG, Singapore Branch and J.P. Morgan Securities plc (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.

In this Offering Memorandum, references to the "Group" are to JSW Steel Limited and its subsidiaries on a consolidated basis, references to the "Company" are to JSW Steel Limited on a non-consolidated basis.

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 unauthorised, and any disclosure of its contents without the Group'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 summarise 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 Group 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 Group's behalf.

The Group accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge of the Group (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Memorandum is in accordance with facts and does not omit anything likely to affect the import of such information.

Prospective investors in the Notes should rely only on the information contained in this Offering Memorandum. None of the Group, the Joint Lead Managers, the Trustee or the Agents has authorised 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 affairs of the Group 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 authorised to give any information or to make any representation concerning the Group or the Notes (other than as contained herein and information given by duly authorised officers and employees of the Group, as applicable, in connection with investors' examination of the Group, 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 authorised by the Group, the Joint Lead Managers, the Trustee, the Agents or Citibank Europe plc (the "Common Depositary").

None of the Joint Lead Managers, the Group, the Trustee, the Agents and the Common Depositary 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 Depositary 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 Depositary 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 Depositary or on their behalf in connection with the Group or the issue and offering of the Notes. Each of the Joint Lead Managers, the Trustee, the Agents and the Common Depositary 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 Group 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 Group, the Joint Lead Managers, the Trustee, the Agents or the Common Depositary 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 Group 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 this 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 stabilising manager (the "Stabilising Manager") or any person acting on behalf of the Stabilising 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 Stabilising Manager or any person acting on behalf of the Stabilising Manager shall act as principal and not as agent of the Company. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules. Any loss or profit sustained as a consequence of any such overallotment or stabilisation 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 directors and key management personnel 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.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. 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.

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 has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. 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. We cannot predict whether a suit in India will be disposed of in a timely manner or be subject to considerable delay.

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 31 March 2014, 2015 and 2016 (collectively, the "Consolidated Summary Financial Statements") have each been prepared in accordance with Indian GAAP. With effect from 1 April 2016, public companies in India and companies having a certain threshold net worth, including the Company, are required to prepare annual and interim financial statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ("IND-AS") which converge with the International Financial Reporting Standards ("IFRS"). Accordingly, the reviewed consolidated financial statements of the Group as at and for the nine month period ended 31 December 2016, have been prepared in accordance with IND-AS. The reviewed consolidated financial statements of the Group as at and for the nine month period ended 31 December 2015 and 31 December 2016 are herein referred to as the "Condensed Consolidated Interim Financial Statements" and, together with the Consolidated Summary Financial Statements, the "Group Consolidated Financial Statements".

The annual audited non-consolidated financial statements of the Company as at and for the years ended 31 March 2014, 2015 and 2016 (collectively, the "Standalone Summary Financial Statements") have each been prepared in accordance with Indian GAAP. The reviewed non-consolidated financial statements of the Company as at and for the nine month period ended 31 December 2016, have been prepared in accordance with IND-AS. The reviewed non-consolidated financial statements of the Company as at and for the nine month period ended 31 December 2015 and 31 December 2016 are herein referred to as the "Condensed Standalone Interim Financial Statements" and, together with the Standalone Summary Financial Statements, the "Company Non-Consolidated Financial Statements".

Each of Indian GAAP and IFRS differs in certain respects from generally accepted accounting principles in IFRS and IND-AS. For a discussion of certain significant differences between Indian GAAP, IFRS and IND-AS, see "*Description of Certain Differences between Indian GAAP, IFRS and IND-AS*".

In making an investment decision, investors must rely on their own examination of the Group, 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, IFRS and IND-AS, and how these differences might affect their understanding of the financial information contained herein.

Information in the Group Consolidated Financial Statements and the Company Non-Consolidated Financial Statements is, unless otherwise stated therein, stated in Indian Rupees in "crore" or "lac", whereas in the rest of this Offering Memorandum, financial information is stated in millions of Indian Rupees, unless otherwise specified. One crore is equal to 10 million Rupees and 10 lacs is equal to one million Rupees.

The Consolidated Summary Financial Statements and the Standalone Summary Financial Statements have been audited, and the Condensed Consolidated Interim Financial Statements and the Condensed Standalone Interim Financial Statements have been reviewed, by Deloitte Haskins & Sells LLP, Chartered Accountants, as set forth in their audit and review 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, amortisation 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, 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 "$", "U.S.$" 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, references to "the Euro", "EUR" or "€" are to the common currency of the Eurozone countries and references to "S$" are to the official currency of Singapore. References to a particular "fiscal year" are to the year ended 31 March 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
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
2015[1]	62.50	61.15	63.68	58.46
2016[1]	66.25	65.45	68.71	62.19
April 2016	66.33	66.46	66.66	66.21
May 2016	67.26	66.93	67.76	66.43
June 2016	67.53	67.29	67.97	66.65
July 2016	67.00	67.19	67.46	66.91
August 2016	66.96	66.93	67.19	66.72
September 2016	66.61	66.75	67.03	66.37
October 2016	66.78	66.74	66.94	66.46
November 2016	68.39	67.63	68.78	66.44
December 2016	67.92	67.88	68.35	67.36
January 2017	67.87	68.11	68.33	67.87
February 2017	66.69	67.04	67.48	66.69
March 2017 (through March 15)	65.69	66.53	66.83	65.69

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

The exchange rate on 15 March 2017 was Rs. 65.69 per U.S.$1.00.

Although certain Indian Rupee amounts in this Offering Memorandum have been translated into U.S. Dollars for convenience, this does not mean that the Indian 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 31 March 2016 and the nine months ended 31 December 2016 were converted to U.S. Dollars at the exchange rate of U.S.$1.00 = Rs. 67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

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 neighbouring 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 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 Indian 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 materialise, 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 realised. 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 Group 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
Amended Act	The Mines and Mineral Development and Regulation Amendment Act 2015, as amended
AMC	Associate Mining Company and Ananthpur Mining Corporation
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.
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016, as amended
BIS	Bureau of Indian Standards
BIS Act	The Bureau of Indian Standards Act, 1986, as amended
Board or Board of Directors	Board of directors of the Company, unless otherwise specified
BOF	basic oxygen furnace
Brexit	On 23 June 2016, the United Kingdom held a referendum on its membership of the European Union and voted to leave
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 constituted under The Competition Act, 2002
CEC	Central Empowered Committee
CESTAT	Custom Excise and Service Tax Appellate Tribunal
CIA	Central Intelligence Agency
CMN Act	Coal Mines (Nationalisation) Act, 1973, as amended
CIT	Commissioner of income tax
CMSP	Coal Mines (Special Provisions) Act, 2015, as amended

Company	JSW Steel Limited (on a standalone basis)
Companies Act	Companies Act, 1956, together with rules and regulations thereunder or, to the extent not repealed and/or the Companies Act, 2013
Companies Act, 1956	Companies Act, 1956, as the context requires
Companies Act, 2013	Companies Act, 2013 and the rules and clarifications thereunder, to the extent notified
Competition Act	Competition Act, 2002, as amended
(one) crore	ten 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, amortisation and exceptional items and share of results of minority and associates. It is not an 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 Directions on External Commercial Borrowings, Trade Credits, Borrowings and Lending in Foreign Currency by Authorised Dealers and persons other than the Authorised Dealers dated 1 January 2016, as updated and amended from time to time and the Master Directions on Reporting under the Foreign Exchange Management Act, 1999 dated 1 January 2016, 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
FEMA	Foreign Exchange Management Act, 1999, as amended, together with rules and regulations thereunder, as amended

finished product	steel ready for construction or manufacturing use
FDT	Forest development tax
FDF	Forest development fund
Forest Amendment Act	Karnataka Forest (Amendment) Act, 2016, as amended
GAAR	General Anti-Avoidance Rules
GAAP	Generally Accepted Accounting Practices
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
GST	goods and services tax
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, as amended
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	kilometres
kt	1,000 tons
(one) lac	0.1 million
LIBOR	London Interbank Offered Rate
LRN	Loan registration number
MC Rules	Mineral Concession Rules, 1960, as amended
MCA	Ministry of Corporate Affairs, Government of India
MCD Rules	Mineral Conservation and Development Rules, 1988, as amended
MCLR	Marginal cost of funds based lending rate
Minimum Wages Act	Minimum Wages Act, 1948, as amended
MMDR Act	Mines and Minerals (Development and Regulations) Act, 1957, as amended
MMDR Bill	Mines and Minerals (Development and Regulation) Bill, 2011, as amended
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, as amended
NMDC	National Mineral Development Corporation
NMP	National Mineral Policy, 2008, as amended
NVGs	National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business
OECD	Organisation for Economic Cooperation and Development

OMC	Obulapuram Mining Company Private Limited
RBBS	Rai Bahadur Bansi Sahay
RBI	Reserve Bank of India
Rs. or Rupees	Indian Rupees
Scheme	The scheme for the promotion of research and development in the iron and steel sector
SCI	Supreme Court of India
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI LODR.	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended
SGX-ST	Singapore Exchange Securities Trading Limited
tCO^2e.	Tonnes of carbon dioxide equivalent
ton.	metric ton or 1,000 kilograms
tpa	tons per annum
tpd.	tons per day
tph.	tons per hour
Track I ECBs.	Medium term foreign currency denominated ECBs with minimum average maturity of three to five years
Track II ECBs	Long-term foreign currency denominated ECBs with minimum average maturity of ten years
Track III ECBs	Indian Rupee denominated ECBs with minimum average maturity of three to five years
Upstream	processing of raw materials and production of crude steel
US GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
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, the flagship company of the JSW Group and part of the O.P. Jindal Group, 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, galvanised and galvalume products, pre-painted galvanised and galvalume products, thermo mechanically treated ("TMT") bars, wire rods and special steel bars, rounds and blooms, plates and pipes of various sizes and cold rolled non-grain oriented products. 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 operations in India currently have a installed crude steel capacity of approximately 18.0 mtpa, which comprises 12.50mtpa (approximately 70.0 per cent. of the capacity) of flat products and 5.50 mtpa (approximately 30.0 per cent. of the capacity) of long products. Since the Group's incorporation in 1994, the Group gross revenues have grown to Rs. 463,040.6 million for the year ended 31 March 2016 and to Rs. 426,190.3 million (U.S.$6,271.7 million) for the nine months ended 31 December 2016.

In 2016, the Group was ranked amongst the top ten world class steelmakers according to World Steel Dynamics, based on a variety of factors. In particular, the Group achieved the highest rating on the following criteria: conversion costs, yields, expanding capacity, location in high-growth markets and labour costs. This ranking puts the Group ahead of all other steelmakers based in India.

The Group has significantly expanded its steelmaking capacity at its Indian operations, which has increased from 1.6 mtpa in 2002 to 2.5 mtpa in 2006, 3.8 mtpa in 2007, 7.8 mtpa in 2010, 11.0 mtpa in 2012 and to 18.0 mtpa in 2016, through organic and inorganic growth. The Group's manufacturing facilities in India consist of Vijayanagar Works in Karnataka (12.0 mtpa), Dolvi Works in Maharashtra (5.0 mtpa) and Salem Works in Tamil Nadu (1.0 mtpa) in addition to downstream facilities for its coated products division at Vasind, Tarapur and Kalmeshwar Works in Maharashtra. The Group's major facilities in India 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. In 2016, the Group completed the expansion of its facilities in India, increasing its production capacity from 14.3 mtpa to 18 mtpa, through a brownfield expansion at Vijayanagar Works and Dolvi Works. The Group plans to expand its steel capacity to 40.0 mtpa in the next decade through a combination of organic and inorganic growth.

For fiscal year 2016 and for the nine months ended 31 December 2016, approximately 88.0 per cent. and 79.2 per cent., respectively, of the Group's sales from sale of products were derived within India through the Group's widespread sales and distribution network that sells its products directly to customers, wholesale traders and stock points. The Group's sales presence is particularly strong in South and West India, where a large number of automotive manufacturers are located. The Group is mainly focused on retail sales through its JSW Shoppes. As at 31 March 2016, the Group had 560 JSW Shoppe outlets located throughout India. For fiscal year 2016 and the nine months ended 31 December 2016, 12.0 per cent. and 20.8 per cent., respectively, of the Group's 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.

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 enjoys a substantial market share in South and West India. Vijayanagar Works, India's first single location 12 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 it has cost advantage in delivering finished steel products to customers in South and West India due to its proximity to 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 utilise 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 (pelletization and beneficiation plants) process, make use of coal fines, utilise 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 had introduced an innovative technology of mill scale briquetting in 2014, which reduced iron ore and lime consumption and helped 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 utilisation of sludge and fine dust from de-dusting systems. The Group has initiated the usage of coke oven gas in place of natural gas to improve cost efficiency at its Dolvi Works.

In order to effectively enhance its operational capabilities, expertise and technology, the Group 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 optimise its cost. JFE had also taken a 14.99 per cent. equity interest in the Company by an equity infusion of Rs. 54,100 million in 2010. The collaboration between the Group 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. Under this collaboration, the Company has also implemented a 0.2 MTPA state-of-the art annealing and coating line for production of fully-processed non-grain oriented electrical steel grades.

In 2016, the Company won Golden Peacock Innovative Product Award in the Steel Sector and also won an award in the innovation category, by the World Steel Association, recognising the Company's development of advanced high strength automotive steel with speed and innovation.

Integrated and efficient operations

The Group is an integrated manufacturer of a diverse range of products, utilising 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 galvanised 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 wholly owned subsidiary JSW Industrial Gases Private Limited (previously known as Jindal Praxair Oxygen Company Private Limited), among others.

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 as well as 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. The new MMDR Act passed in 2016, has called for a level playing field for industry players with a transparent allocation process of raw materials through competitive bidding. The Group has focused on this opportunity to enhance its raw material security and has won five mines in the auctions of C-category iron ore mines in Karnataka. The Group also secured the 'Moitra' coking coal block via an auction process. This mine has total extractable coal reserve of around 30 mnt, and is situated at Jharkhand.

This will further enhance the raw material security of the Group and lead to integrated and efficient operations.

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.

In 2016, the Company has been accredited with level 5 (Highest in the Category) Total Cost Management ("TCM") Maturity Model Assessment by the TCM division of the Confederation of Indian Industry.

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, galvanised and galvalume products, pre-painted galvanised and galvalume products, TMT bars, wire rods and special steel bars, rounds and blooms, plates and pipes, cold rolled electrical steel 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 its business and operations 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, electrical appliance 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, Customised galvanised and galvalume products for solar sector galvanised products and colour 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 galvanising and galvalume and colour coating production capacities 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.

Prior to 2014, when the Group ventured into the highly value-added product of vinyl coated metal, vinyl coated metal had only been imported into India. In 2016, the Group set up an electrical steel facility at Vijayanagar Works with a capacity of 200,000 tonnes per annum to further enhance its product offerings in the sector of manufacturing of motors, pumps and small transformers.

The Group has entered into strategic joint ventures as well as acquired equity interests 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 per cent. equity interest 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 centres in North and West India for just-in-time solutions to the automotive, white goods and construction sectors. In April 2014, the Group acquired a 50.0 per cent. equity interest in Vallabh Tinplate Private Limited, which had a capacity of 60,000 tpa, marking the Group's entry into the growing tinplate business in India. In October 2014, the Group also completed an acquisition of a 99.85 per cent. equity interest in Welspun Maxsteel to reduce the Group's cost of production by providing DRI to Dolvi Works while the Group's subsidiary, Amba River Coke Limited, will supply surplus pellets. In August 2016, the Group executed a Share Purchase Agreement with Praxair India Private Limited to acquire their entire shareholding of 74.00 per cent. in Jindal Praxair Oxygen Private Limited (now renamed as JSW

Industrial Gases Private Limited). JIGPL is engaged in the business of production and sale of industrial gases such as oxygen, nitrogen and argon and has set up two air separation plants, each with a capacity of 2,500 tonnes per day, at Toranagallu, Bellary District, Karnataka. The Group currently sources industrial gases from JIGPL among others at prices based on long-term contracts. The Group believes the strategic acquisition of JIGPL will provide the Company with the benefit of backward integration. The Group is currently setting up a service centre in Delhi — JSW MI Steel Service Centre — in addition to its centre in Pune under its joint-venture, which is expected to further increase the serviceability to auto segment customers and enhance the value added products segment.

Strong project execution capabilities

The Group believes it has a track record of successful project implementation by its in-house team as opposed to 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 recognised by several significant awards, including the Prime Ministry's Trophy for Excellence in Performance in 2012-2013 for Vijayanagar Works, the Best Integrated Steel Plant in India and the Steel Minister's Trophy for the year in 2013-14. In 2015, the Group won 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 institutionalised 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 programmes. 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 and grow 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 and international market share through selective inorganic and organic 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.

In 2016, the Group completed its brownfield expansions at Vijayanagar Works and Dolvi Works, increasing capacity from 10 mtpa to 12 mtpa and 3.3 mtpa to 5 mtpa, respectively, providing the Group with an overall capacity of 18 mtpa. The Group also has in place environmental regulatory approvals for expansion of up to 16 mtpa capacity at Vijayanagar and up to 10 mtpa capacity at Dolvi Works.

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, the Group completed the establishment of a new 2.3 mtpa cold rolling mill and a 0.2 mtpa non-grain oriented electrical steel facility at Vijayanagar Works in 2016. The Group believes these expansions 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 to address the growth in the domestic infrastructure and construction sectors with an additional 1.4 mtpa of Bar Rod mill at Dolvi Works in addition to the extra 1.2 mtpa added at Vijayanagar Works in 2015-16. The Group has also diversified into the tinplate business in India with its acquisition of a 50.0 per cent. equity interest in Vallabh Tinplate Private Limited in April 2014 and further, the Group is setting up a 0.2 mtpa tin plate mill and related facilities at its Tarapur Works to cater to the increasing demand for tinplate

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 is also moving to build its JSW Steel brand across its product lines and across the country to cater to small and rural customers. As at 31 March 2016, the Group has over 6,500 retail outlets, covering approximately 75.0 per cent. of the districts across India.

Focus on resource optimisation

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 minimise fresh water consumption by maximising reutilisation 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, the Group has acquired coal and iron ore mines in Chile, the U.S. and Mozambique. The Group will continue to evaluate additional raw material assets that fit within its strategic criteria and intend 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. Pursuant to the auction conducted by the Government, the Group has been allotted the Moitra coking coal mine, located in Jharkhand state and five iron ore mines in the auction conducted by Government of Karnataka in October 2016. The Group believes this will further enhance the raw material security of the Group and lead to integrated and efficient operations.

The Group intends to strengthen its forward integration by expanding its retail outlets to sell higher value-added products, both within India and abroad.

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.

For fiscal year 2016, the Group recorded revenue from operations of Rs. 463,040.6 million and profit/(loss) after taxes, minority interests and share of profit of associates of Rs. (7,419.5) million. For the nine months ended 31 December 2016, the Group recorded revenue from operations of Rs. 426,190.3 million (U.S.$6,271.7 million) and profit after taxes, minority interests and share of profit of associates of Rs. 25,655.1 million (U.S.$377.5 million). The Group had net fixed assets (including capital work in progress) of Rs. 620,840.3 million (U.S.$9,136.1 million) and a net debt to equity ratio (excludes acceptances) of 2.11x as at 31 December 2016.

SUMMARY FINANCIAL AND OPERATING DATA

The summary consolidated financial data for the Group and the Company as at the end and for each of the years ended 31 March 2014, 2015 and 2016 and the nine months ended 31 December 2015 and 2016 set forth below have been derived or calculated from the Group Consolidated Financial Statements and the Company Standalone Financial Statements included elsewhere in this Offering Memorandum unless stated otherwise. This financial information should be read in conjunction with "Presentation of Financial Information" and "Selected Financial Data" in this Offering Memorandum.

Financial Information of the Group

Consolidated Statement of Profit and Loss for the Group under Indian GAAP for the years ended 31 March 2014, 2015 and 2016

	Year ended 31 March		
	2014	2015	2016
	(Rs. million)		
I. REVENUE FROM OPERATIONS	554,315.1	574,928.0	463,040.6
Less: Excise duty	42,118.9	45,212.9	44,251.8
	512,196.2	**529,715.1**	**418,788.8**
II. OTHER INCOME	858.1	1,114.4	1,682.1
III. TOTAL INCOME (I + II)	**513,054.3**	**530,829.5**	**420,470.9**
IV. EXPENSES:			
Cost of materials consumed	302,217.9	308,519.8	212,568.6
Purchases of stock-in-trade	2,155.8	2,884.4	162.0
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,921.8)	(14,882.1)	13,747.6
Cost of construction	887.9	337.4	1,027.8
Employee benefits expense	12,982.4	15,328.4	15,680.2
Finance costs	30,478.6	34,930.3	33,026.8
Depreciation and amortisation expense	31,826.1	34,344.9	31,879.2
Other expenses	104,219.4	123,504.3	114,872.7
Total expenses	**482,846.3**	**504,967.4**	**422,964.9**
V. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)	30,208.0	25,862.1	(2,494.0)
VI EXCEPTIONAL ITEMS	17,127.5	471.0	21,254.1
VII PROFIT/(LOSS) BEFORE TAX (V-VI)	13,080.5	25,391.1	(23,748.1)
VIII TAX EXPENSES:			
Current tax	4,441.2	7,440.3	890.0
MAT credit entitlement	(4,283.7)	(7,191.5)	(458.8)
Reversal of MAT credit entitlement	—	—	1,154.4
Deferred tax	9,043.3	7,945.3	(16,826.1)
	9,200.8	**8,194.1**	**(15,240.5)**
IX PROFIT/(LOSS) AFTER TAXATION BUT BEFORE MINORITY INTERESTS AND SHARE OF PROFITS/(LOSS) OF ASSOCIATES (VII-VIII)	**3,879.7**	**17,197.0**	**(8,507.6)**
X SHARE OF (LOSSES) / PROFIT FROM ASSOCIATES (NET)	135.4	21.0	137.8
XI SHARE OF (LOSSES) / PROFIT ATTRIBUTABLE TO MINORITY INTEREST, (NET)	(504.4)	(747.7)	(950.3)
XII PROFIT/(LOSS) FOR THE YEAR (IX+X-XI)	**4,519.5**	**17,965.7**	**(7,419.5)**
XIII EARNINGS PER EQUITY SHARE OF RS 10 EACH:			
(1) Basic	17.35	72.93	(32.08)
(2) Diluted	17.35	72.93	(32.08)

Consolidated Statement of Profit and Loss for the Group under IND-AS for the nine months ended 31 December 2015 and 2016

		Nine months ended 31 December		
		2015	2016	2016
		(Rs.million)		(U.S.$ million)[1]
I.	**REVENUE FROM OPERATIONS**	342,295.7	426,190.3	6,271.7
II.	**OTHER INCOME**	1,124.3	962.9	14.2
III.	**TOTAL INCOME (I + II)**	**343,420.0**	**427,153.2**	**6,285.9**
IV.	**EXPENSES:**			
	Cost of materials consumed	164,433.7	203,280.4	2,991.4
	Purchases of stock-in-trade	397.9	—	—
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	5,475.3	(13,667.8)	(201.1)
	Employee benefits expense	11,707.9	12,930.2	190.3
	Finance costs	27,452.8	28,205.6	415.1
	Depreciation and amortisation expense	24,946.0	26,375.4	388.1
	Excise duty	32,918.2	36,705.9	540.2
	Other expenses	82,595.8	95,992.4	1,412.6
	Total expenses	**349,927.6**	**389,822.1**	**5,736.6**
V.	**PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	(6,507.6)	37,331.1	549.3
VI	**EXCEPTIONAL ITEMS**	21,242.7	—	—
VII	**PROFIT/(LOSS) BEFORE TAX (V-VI)**	(27,750.3)	37,331.1	549.3
VIII	**TAX EXPENSES:**			
	Current tax	1,612.1	2,154.9	31.7
	Tax provision for earlier years written back	—	(124.6)	(1.8)
	Deferred tax	(21,140.1)	11,763.9	173.1
	Less: MAT credit entitlement	(220.1)	(1,042.8)	(15.4)
		(19,748.2)	**12,751.4**	**187.6**
IX	**PROFIT/(LOSS) AFTER TAXATION BUT BEFORE MINORITY INTERESTS AND SHARE OF PROFITS/(LOSS) OF ASSOCIATES (VII-VIII)**	**(8,002.1)**	**24,579.7**	**361.7**
X	**Share of (loss)/profit from an associate**	**106.6**	**(89.1)**	**(1.3)**
XI	**Share of (loss)/profit from joint ventures (net)**	**82.3**	**96.1**	**1.4**
XII	**Profit/(loss) for the period (IX+X+XI)**	**(7,813.2)**	**24,586.7**	**361.8**
XIII	**Other Comprehensive Income/(loss)**			
A	Items that will not be reclassified to profit or loss	**(3,463.8)**	**(983.6)**	**(14.5)**
B	Items that will be reclassified to profit or loss	**(4,724.3)**	**589.8**	**8.7**
	Total other comprehensive income/(loss) (A+B)	**(8,188.1)**	**(393.8)**	**(5.8)**
XIV	**Total comprehensive income/(loss) (XII+XIII)**	**(16,001.3)**	**24,192.9**	**356.0**
	Total Profit /(loss) for the period attributable to:			
	— Owners of the Company	(6,316.0)	25,655.1	377.5
	— Non-controlling interests	(1,497.2)	(1,068.4)	(15.7)
		(7,813.2)	**24,586.7**	**361.8**
	Total comprehensive income/(loss) for the period attributable to:			
	— Owners of the Company	(14,416.7)	25,330.1	372.7
	— Non-controlling interests	(1,584.6)	(1,137.2)	(16.7)
		(16,001.3)	**24,192.9**	**356.0**
XV	**EARNINGS PER EQUITY SHARE OF Re 1 EACH:**			
	(1) Basic	(2.64)	10.68	0.16
	(2) Diluted	(2.64)	10.61	0.16

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Consolidated Balance Sheet of the Group under Indian GAAP as at 31 March 2014, 2015 and 2016

	As at 31 March		
	2014	**2015**	**2016**
		(Rs.million)	
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
Share Capital	10,671.9	10,671.9	10,671.9
Reserves and surplus	208,711.5	219,868.9	205,767.1
	219,383.4	**230,540.8**	**216,439.0**
MINORITY INTEREST	1,670.1	976.4	67.8
(2) NON-CURRENT LIABILITIES			
Long-term borrowings	267,026.2	336,766.3	327,932.2
Deferred tax liabilities (net)	21,234.2	31,547.1	14,201.7
Other long-term liabilities	9,100.4	5,909.0	6,926.7
Long-term provisions	595.6	903.4	949.3
	297,956.4	**375,125.8**	**350,009.9**
(3) CURRENT LIABILITIES			
Short-term borrowings	48,870.9	12,079.9	23,780.4
Trade payables			
(i) Total outstanding dues of micro and small enterprises	147.1	270.6	270.0
(ii) Total outstanding dues of creditors other than micro and small enterprises	116,846.1	142,256.1	127,853.4
Other current liabilities	87,900.3	94,379.4	101,745.9
Short-term provisions	3,624.6	3,562.6	2,779.5
	257,389.0	**252,548.6**	**256,429.2**
TOTAL	**776,398.9**	**859,191.6**	**822,945.9**
II. ASSETS			
(1) NON-CURRENT ASSETS			
FIXED ASSETS			
Tangible assets	453,864.9	504,959.8	528,115.3
Intangible assets	975.9	949.4	865.9
Capital work-in-progress	93,289.7	80,661.8	66,651.6
Intangible assets under development	707.8	1,990.9	2,388.6
	548,838.3	**588,561.9**	**598,021.4**
Goodwill on consolidation	15,618.6	15,853.6	9,565.0
Non-current investments	5,947.3	5,989.5	6,184.3
Deferred tax assets (net)	—	2,652.8	2,748.6
Long-term loans and advances	47,771.5	51,641.0	50,568.6
Other non-current assets	3,720.5	6,319.7	5,440.4
	621,896.2	**671,018.5**	**672,528.3**
(2) CURRENT ASSETS			
Current investments	680.1	3.0	—
Inventories	81,551.2	110,090.4	84,033.5
Trade receivables	22,924.4	24,997.5	28,016.0
Cash and bank balances	6,629.7	19,132.5	7,339.8
Short-term loans and advances	41,618.5	32,691.2	28,478.5
Other current assets	1,098.8	1,258.5	2,549.8
	154,502.7	**188,173.1**	**150,417.6**
TOTAL	**776,398.9**	**859,191.6**	**822,945.9**

Consolidated Balance Sheet of the Group under IND-AS as at 31 December 2016

	As at 31 March	As at 31 December	
	2016	2016	2016
	(Rs.million)	(Rs.million)	(U.S.$ million)[1]
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	549,367.4	582,345.1	8,569.6
(b) Capital work-in-progress	70,350.7	35,329.3	519.9
(c) Intangible assets	855.3	772.5	11.4
(d) Intangible assets under development	2,357.8	2,393.4	35.2
	622,931.2	**620,840.3**	**9,136.1**
(e) Goodwill	9,549.0	9,373.9	137.9
(f) Financial assets			
(i) Investments	11,946.1	10,169.7	149.7
(ii) Loans	931.7	956.7	14.1
(iii) Other financial assets	2,565.6	2,402.6	35.4
(g) Deferred tax assets (net)	5,581.7	632.8	9.3
(h) Other non-current assets	22,148.9	19,322.9	284.4
Total non-current assets	**675,654.2**	**663,698.9**	**9,766.9**
CURRENT ASSETS			
(a) Inventories	83,211.8	123,109.8	1,811.6
(b) Financial Assets			
(i) Investments	—	2,316.4	34.1
(ii) Trade receivables	27,273.7	38,674.5	569.1
(iii) Cash and cash equivalents	8,837.5	7,706.4	113.4
(iv) Bank Balances other than (iii) above	1,366.5	3,192.9	47.0
(v) Loans	1,667.0	1,891.1	27.8
(vi) Other financial assets	2,706.9	5,107.3	75.2
(c) Current Tax Assets (net)	5.9	186.3	2.7
(d) Other current assets	22,303.7	30,477.3	448.5
Total current assets	**147,373.0**	**212,662.0**	**3,129.4**
Total Assets	**823,027.2**	**876,360.9**	**12,896.3**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	3,009.0	3,012.7	44.3
(b) Other equity	185,891.4	209,124.5	3,077.4
Equity attributable to owners of the Company	**188,900.4**	**212,137.2**	**3,121.7**
Non Controlling Interest	**(1,381.3)**	**(2,518.5)**	**(37.1)**
Total Equity	**187,519.1**	**209,618.7**	**3,084.6**
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	353,982.7	326,301.7	4,801.8
(ii) Other financial liabilities	7,839.5	4,210.2	62.0
(b) Provisions	946.2	1,185.1	17.4
(c) Deferred tax liabilities (net)	17,969.4	25,239.3	371.4
(d) Other non-current liabilities	640.5	644.1	9.6
Total non-current liabilities	**381,378.3**	**357,580.4**	**5,262.2**

	As at 31 March	As at 31 December	
	2016	2016	2016
	(Rs.million)	(Rs.million)	(U.S.$ million)(1)
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	23,428.4	56,981.7	838.5
(ii) Trade payables	127,576.0	131,972.4	1,942.1
(iii) Other financial liabilities	92,289.7	104,467.8	1,537.3
(b) Other current liabilities	9,000.5	13,359.4	196.6
(c) Provisions	1,708.6	2,055.1	30.2
(d) Current tax liabilities (net)	126.6	325.4	4.8
Total current liabilities	**254,129.8**	**309,161.8**	**4,549.5**
Total liabilities	**635,508.1**	**666,742.2**	**9,811.7**
Total Equity and Liabilities	**823,027.2**	**876,360.9**	**12,896.3**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

(2) For more information, please see page (2) to the financial statements included herein.

Consolidated Cash Flow Statement of the Group under Indian GAAP for the years ended 31 March 2014, 2015 and 2016.

		Year ended 31 March		
		2014	**2015**	**2016**
			(Rs.million)	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	NET PROFIT BEFORE TAX	13,080.5	25,391.1	(23,748.1)
	ADJUSTMENT FOR:			
	Depreciation and amortisation expense	31,826.1	34,344.9	31,879.2
	(Profit)/loss on sale of fixed assets	31.3	(357.8)	213.1
	Gain on sale of current investments	(171.9)	(26.5)	(26.6)
	Gain on sale of long term investment	(65.6)	—	—
	Interest income	(327.0)	(284.1)	(383.5)
	Dividend income	(222.6)	(205.4)	(203.5)
	Interest expenses	22,896.2	26,312.4	27,695.3
	Unrealised exchange loss/(gain)	(1,879.2)	3,309.6	8,782.6
	Provision for diminution in value of investments, assets and goodwill	—	16.5	18,693.0
		52,087.3	**63,109.6**	**86,649.6**
	Operating profit before working capital changes	**65,167.8**	**88,500.7**	**62,901.5**
	ADJUSTMENTS FOR:			
	Decrease / (Increase) in inventories	(9,755.4)	(28,539.2)	26,056.9
	(Increase) in trade receivables*	2,838.1	(2,073.1)	(3,018.5)
	Decrease in loans and advances*	687.6	2,859.8	3,512.9
	(Decrease) / Increase in trade payable and other liabilities*	(28,539.8)	25,428.3	(20,515.8)
	Increase in provisions*	(244.0)	307.8	153.4
		(35,013.5)	**(2,016.4)**	**6,188.9**
	Cash flow from operations	**30,154.3**	**86,484.3**	**69,090.4**
	Direct taxes paid	(4,037.5)	(7,727.8)	(2,055.1)
	Net cash generated from operating activities	**26,116.8**	**78,756.5**	**67,035.3**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Capital expenditure on fixed assets including capital advances	(57,628.5)	(67,206.0)	(51,786.8)
	Proceeds from sale of fixed assets	185.3	2,071.8	39.0
	Investment in joint ventures and associates	(7.6)	(400.0)	—
	Refund of share application money/share of profit from associates	—	397.6	—
	Purchase of other long-term investments (net)	(753.2)	(2.0)	(31.0)
	Sale/(purchase) of current investments (net)	928.8	703.6	29.6
	Bank deposits not considered in cash and cash equivalents	(181.6)	(9,731.3)	8,316.9
	Interest received	340.0	260.6	427.5
	Dividend received	222.6	205.4	203.5
	Net cash used in investing activities	**(56,894.2)**	**(73,700.3)**	**(42,801.3)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long-term borrowings	82,834.1	139,120.7	61,778.5
	Repayment of long-term borrowings	(52,420.3)	(74,790.0)	(69,679.8)
	Proceeds from/ repayment of short term borrowings (net)	29,876.1	(36,957.9)	11,682.0
	Interest paid	(24,130.8)	(25,626.4)	(27,996.8)
	Dividend paid (including corporate dividend tax)	(3,154.5)	(3,437.2)	(3,536.0)
	Net cash (used in)/generated from financing activities	**33,004.6**	**(1,690.8)**	**(27,752.1)**

	Year ended 31 March		
	2014	2015	2016
	(Rs.million)		
Net (decrease) / increase in cash and cash equivalents(A+B+C)	2,227.2	3,365.4	(3,518.1)
Cash and cash equivalents — opening balances	3,023.8	5,785.9	9,129.1
Add: on account of composite scheme of amalgamation and arrangements	505.0	—	—
Add: Translation adjustment in cash and cash equivalents	29.9	(22.2)	58.3
Cash and cash equivalents - closing balances	**5,785.9**	**9,129.1**	**5,669.3**
Add: Margin money / Fixed deposit balance	612.4	9,769.1	1,436.6
Add: Balance in debenture interest/instalments/dividend payment accounts	231.4	234.3	233.9
Cash and bank balances	**6,629.7**	**19,132.5**	**7,339.8**

*** INCLUDES CURRENT AND NON CURRENT**

Condensed Consolidated Cash Flow Statement of the Group under IND-AS for the nine months ended 31 December 2015 and 2016.

	Nine months ended 31 December		
	2015	**2016**	**2016**
	(Rs.million)		**(U.S.$ million)[(1)]**
A. Net cash generated from operating activities	**39,493.6**	**37,662.3**	**554.2**
B. Net cash used in investing activities	**(32,495.5)**	**(43,171.3)**	**(635.3)**
C. Net cash (used in)/generated from financing activities	**(10,963.9)**	**4,377.9**	**64.4**
Net decrease in cash and cash equivalents(A+B+C)	**(3,965.8)**	**(1,131.1)**	**(16.7)**
Cash and cash equivalents — at the start of the period	**13,959.7**	**8,837.5**	**130.0**
Cash and cash equivalents - at the end of period	**9,993.9**	**7,706.4**	**113.4**
Add: Margin money / Fixed deposit balance	**1,429.2**	**2,939.1**	**43.3**
Add: Balance in debenture interest/instalments/dividend payment accounts	**234.2**	**253.8**	**3.7**
Cash and bank balances	**11,657.3**	**10,899.3**	**160.4**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Financial Information of the Company

Standalone Statement of Profit and Loss for the Company under Indian GAAP for the years ended 31 March 2014, 2015 and 2016

		Year ended 31 March		
		2014	2015	2016
			(Rs.million)	
I	**REVENUE FROM OPERATIONS**	**492,954.3**	**503,933.1**	**408,589.6**
	Less: Excise duty	39,977.1	43,059.9	41,520.4
		452,977.2	**460,873.2**	**367,069.2**
II	**OTHER INCOME**	3,310.5	4,667.7	3,101.9
III	**TOTAL REVENUE (I+II)**	**456,287.7**	**465,540.9**	**370,171.1**
IV	**EXPENSES:**			
	Cost or materials consumed	267,058.2	273,456.0	190,679.4
	Purchases of stock-in-trade	4,948.1	3,856.4	1,527.2
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,441.0)	(16,669.3)	10,619.7
	Employee benefits expense	7,995.8	9,468.3	9,564.6
	Finance costs	27,401.3	29,086.9	26,873.4
	Depreciation and amortisation	27,258.8	27,845.0	25,514.5
	Other expenses	87,590.2	102,045.4	97,453.1
	TOTAL EXPENSES	**419,811.4**	**429,088.7**	**362,231.9**
V	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	**36,476.3**	**36,452.2**	**7,939.2**
VI	**EXCEPTIONAL ITEMS**			
	Exchange loss (net)	16,923.0	—	—
	Provision for diminution in value of investments	—	3,963.0	58,604.5
VII	**PROFIT/(LOSS) BEFORE TAX (V-VI)**	**19,553.3**	**32,489.2**	**(50,665.3)**
VIII	**TAX EXPENSES:**			
	Current tax	4,098.0	7,188.8	67.1
	MAT credit entitlement	(4,098.0)	(7,188.8)	(67.1)
	Reversal of MAT credit entitlement	—	—	1,154.4
	Deferred tax	6,208.2	10,824.4	(16,836.9)
		6,208.2	**10,824.4**	**(15,682.5)**
IX	**PROFIT/(LOSS) FOR THE YEAR (VII-VIII)**	**13,345.1**	**21,664.8**	**(34,982.8)**
X	**EARNINGS PER EQUITY SHARE OF Rs.10 EACH:**			
	Basic	53.86	88.24	(146.11)
	Diluted	53.86	88.24	(146.11)

Standalone Statement of Profit and Loss for the Company under IND-AS for the nine months ended 31 December 2015 and 2016

		Nine months ended 31 December		
		2015	2016	2016
		(Rs. million)		(U.S.$ million)[1]
I	**REVENUE FROM OPERATIONS**	302,440.9	399,615.8	5,880.6
II	**OTHER INCOME**	2,953.8	1,737.5	25.6
III	**TOTAL INCOME (I +II)**	**305,394.7**	**401,353.3**	**5,906.2**
IV	**EXPENSES:**			
	Cost or materials consumed	144,144.3	193,698.8	2,850.4
	Purchases of stock-in-trade	606.8	6,206.2	91.3
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	5,892.5	(12,991.6)	(191.2)
	Employee benefits expense	7,369.6	8,925.7	131.3
	Finance costs	23,900.4	26,795.5	394.3
	Depreciation and amortisation	21,260.2	23,254.7	342.2
	Excise duty expense	30,814.2	34,508.0	507.8
	Other expenses	69,269.8	83,021.9	1,221.8
	TOTAL EXPENSES	**303,257.8**	**363,419.2**	**5,347.9**
V	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	**2,136.9**	**37,934.1**	**558.3**
VI	**EXCEPTIONAL ITEMS**			
	Provision for diminution in value of investments	58,585.7	—	—
VII	**PROFIT/(LOSS) BEFORE TAX (V-VI)**	**(56,448.8)**	**37,934.1**	**558.3**
VIII	**TAX EXPENSES:**			
	Current tax	1,239.5	665.0	9.8
	Tax provision for earlier years written back	—	(124.6)	(1.8)
	Deferred tax	(18,635.7)	12,327.2	181.4
	Less: MAT credit entitlement	(85.1)	(665.0)	(9.8)
		(17,481.3)	**12,202.6**	**179.6**
IX	**PROFIT/(LOSS) FOR THE YEAR (VII-VIII)**	**(38,967.5)**	**25,731.5**	**378.7**
X	**Other Comprehensive Income / (loss)**			
A	Items that will not be reclassified to profit or loss	**(3,123.9)**	**(889.7)**	**(13.1)**
B	Items that will be reclassified to profit or loss	(1,632.2)	1,627.9	24.0
	Total other comprehensive income/(loss) (A+B)	**(4,756.1)**	**738.2**	**10.9**
XI	**Total comprehensive income/(loss) (IX+X)**	**(43,723.6)**	**26,469.7**	**389.6**
XII	**EARNINGS PER EQUITY SHARE OF RE. 1 EACH:**			
	Basic	(16.29)	10.71	0.16
	Diluted	(16.29)	10.65	0.16

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Standalone Balance Sheet of the Company under Indian GAAP as at 31 March 2014, 2015 and 2016

	As at 31 March		
	2014	**2015**	**2016**
		(Rs. million)	
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
Share capital	10,671.9	10,671.9	10,671.9
Reserves and surplus	232,169.9	246,574.1	206,857.7
	242,841.8	**257,246.0**	**217,529.6**
(2) NON-CURRENT LIABILITIES			
Long-term borrowings	210,543.2	254,968.9	258,711.6
Deferred tax liabilities (Net)	19,085.1	29,665.9	12,246.9
Other long-term liabilities	4,664.0	2,361.0	1,664.5
Long-term provisions	406.7	567.8	10,174.2
	234,699.0	**287,563.6**	**282,797.2**
(3) CURRENT LIABILITIES			
Short-term borrowings	39,206.6	2,643.4	20,699.0
Trade payables			
(i) Total outstanding, dues of micro and small enterprises	127.6	240.5	220.5
(ii) Total outstanding, dues of creditors other than micro and small enterprises	99,784.9	124,913.4	109,756.1
Other current liabilities	64,159.7	72,781.1	84,144.2
Short-term provisions	3,437.2	3,536.0	2,517.8
	206,716.0	**204,114.4**	**217,337.6**
Total	**684,256.8**	**748,924.0**	**717,664.4**
II. ASSETS			
(1) NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	372,251.2	384,975.6	419,749.2
Intangible assets	699.6	718.3	618.2
Capital work-in-progress	67,896.6	75,938.5	62,035.4
Intangible assets under development	678.1	1,960.1	2,357.8
	441,525.5	**463,592.5**	**484,760.6**
Non-current investments	43,128.5	41,972.8	44,736.3
Long-term loans and advances	46,678.1	50,123.7	48,581.6
Other non-current assets	2,936.6	2,995.4	2,597.9
	534,268.7	**558,684.4**	**580,676.4**
(2) CURRENT ASSETS			
Current investments	677.0	—	—
Inventories	61,965.7	85,847.4	67,755.0
Trade receivables	22,187.4	20,268.3	25,107.1
Cash and bank balances	4,657.2	17,950.6	5,963.1
Short-term loans and advances	59,878.2	65,374.1	36,258.3
Other current assets	622.6	799.2	1,904.5
	149,988.1	**190,239.6**	**136,988.0**
Total	**684,256.8**	**748,924.0**	**717,664.4**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Standalone Balance Sheet of the Company under IND-AS as at 31 December 2016

	As at 31 March	As at 31 December	
	2016	2016	
	(Rs. million)	(Rs. million)	(U.S.$ million)(1)
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	462,836.3	503,577.1	7,410.5
(b) Capital work-in-progress	62,035.4	24,736.8	364.0
(c) Intangible assets	618.2	552.7	8.1
(d) Intangible assets under development	2,357.8	2,393.4	35.2
	527,847.7	531,260.0	7,817.8
(e) Financial Assets			
(i) Investments	47,640.3	47,337.3	696.6
(ii) Loans	2,417.5	2,393.5	35.2
(iii) Others	1,393.1	1,126.9	16.6
(h) Deferred tax assets (net)	4,795.4	—	—
(f) Other non-current assets	14,202.8	13,403.8	197.3
	598,296.8	595,521.5	8,763.5
(2) Current assets			
(a) Inventories	67,417.4	101,184.0	1,489.0
(b) Financial Assets			
(i) Investments	—	2,283.9	33.6
(ii) Trade receivables	25,107.1	34,414.4	506.4
(iii) Cash and cash equivalents	4,650.9	2,556.0	37.6
(iv) Bank Balances other than (iii) above	1,334.5	3,140.7	46.2
(v) Loans	13,253.1	28,566.2	420.4
(vi) Others	2,527.0	4,844.0	71.3
(c) Other current assets	20,345.9	29,195.1	429.6
	134,635.9	206,184.2	3,034.1
Total	732,932.7	801,705.7	11,797.6
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	3,009.0	3,012.7	44.3
(b) Other equity	200,871.5	225,193.6	3,313.9
	203,880.5	228,206.3	3,358.2
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	300,340.9	280,526.5	4,128.1
(ii) Other financial liabilities	1,338.9	1,072.1	15.8
(b) Provisions	10,174.2	10,536.4	155.1
(c) Deferred tax liabilities(Net)	—	7,678.7	113.0
(d) Other non-current liabilities	26.2	29.8	0.4
Total non-current liabilities	311,880.2	299,843.5	4,412.4
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20,699.0	56,901.9	837.4
(ii) Trade payables	110,113.2	112,011.6	1,648.3
(iii) Other financial liabilities	75,911.3	91,530.9	1,346.9
(b) Provisions	1,056.7	1,351.5	19.9
(c) Other current liabilities	9,391.8	11,860.0	174.5
Total current liabilities	**217,172.0**	**273,655.9**	**4,027.0**
Total	**732,932.7**	**801,705.7**	**11,797.6**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Standalone Cash Flow Statement of the Company under Indian GAAP for the years ended 31 March 2014, 2015 and 2016

		Year ended 31 March		
		2014	**2015**	**2016**
			(Rs.million)	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	NET PROFIT BEFORE TAX	19,553.3	32,489.2	(50,665.3)
	ADJUSTMENTS FOR:			
	Depreciation and amortisation	27,258.8	27,845.0	25,514.5
	(Profit)/Loss on sale of fixed assets	44.6	(441.8)	3.3
	Gain on sale of current investments	(171.5)	(26.4)	(26.6)
	Gain on sale of long term investment	(65.6)	(709.1)	—
	Interest income	(2,451.6)	(2,232.0)	(2,464.6)
	Dividend income	(222.3)	(571.6)	(182.9)
	Interest expenses	21,249.2	21,910.5	22,602.8
	Unrealised exchange loss	1,970.6	1,206.3	3,160.0
	Provision/Write-off for diminution in value of investments loans and advances and guarantees	—	3,964.0	58,606.1
		47,612.2	**50,944.9**	**107,212.6**
	Operating profit before working capital changes	**67,165.5**	**83,434.1**	**56,547.3**
	ADJUSTMENTS FOR:			
	(Increase)/Decrease in inventories	(8,290.5)	(23,881.7)	18,092.4
	Decrease in trade receivables*	4,936.2	1,919.1	(4,838.8)
	Decrease/(Increase) in loans and advances*	(871.5)	4,538.2	796.9
	(Decrease)/Increase in trade payable and other liabilities*	(22,752.6)	25,598.8	(18,857.8)
	(Decrease)/Increase in provision*	(225.5)	161.1	27.9
		(27,203.9)	**8,335.5**	**(4,779.4)**
	CASH FLOW FROM OPERATIONS	**39,961.6**	**91,769.6**	**51,767.9**
	Direct taxes paid	(3,527.9)	(7,107.9)	(1,538.6)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	**36,433.7**	**84,661.7**	**50,229.3**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Capital expenditure on fixed assets, including capital advances	(44,100.7)	(44,515.9)	(39,044.1)
	Proceeds from sale of fixed assets	109.3	1,384.7	16.0
	Investment in subsidiaries and joint ventures including advances	(6,455.5)	(2,924.1)	(12,834.6)
	Sale/(Purchase) of other long term investments (net)	(560.6)	887.5	2.9
	Sale/(Purchase) of current investments (net)	927.2	703.4	26.6
	Bank deposits not considered as cash and cash equivalents (net)	(181.6)	(9,428.7)	8,519.9
	Loans to subsidiaries	(9,770.6)	(12,429.4)	(7,909.2)
	Loans repaid by subsidiaries	27,699.8	2,364.5	142.9
	Interest received	1,043.0	640.0	592.5
	Dividend received	222.3	571.6	182.9
	NET CASH USED IN INVESTING ACTIVITIES	**(31,067.4)**	**(62,746.4)**	**(50,304.2)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings	38,798.1	110,727.1	58,630.6
	Repayment of long term borrowings	(42,673.6)	(67,088.0)	(53,432.8)
	Proceeds from/ Repayment of short term borrowings (net)	25,646.4	(36,602.1)	18,056.5
	Interest paid	(22,280.1)	(21,653.5)	(23,111.4)
	Dividend paid (including corporate dividend tax)	(3,154.5)	(3,437.2)	(3,536.0)
	NET CASH USED IN FINANCING ACTIVITES	**(3,663.7)**	**(18,053.7)**	**(3,393.1)**
	NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)	**1,702.7**	**3,861.6**	**(3,468.0)**
	CASH AND CASH EQUIVALENTS - OPENING BALANCES	**2,030.7**	**4,235.0**	**8,096.6**
	On account of composite scheme of amalgamation and arrangement	501.6	—	—
	CASH AND CASH EQUIVALENTS - CLOSING BALANCES	**4,235.0**	**8,096.6**	**4,628.6**
	Add : Margin money / Fixed deposit balance	190.8	9,619.7	1,100.6
	Add : Balance in debenture interest/ instalments/dividend payment accounts	231.4	234.3	233.9
	CASH AND BANK BALANCES	**4,657.2**	**17,950.6**	**5,963.1**

*** INCLUDES CURRENT AND NON CURRENT**

Condensed Standalone Cash Flow Statement of the Company under IND-AS for the nine months ended 31 December 2015 and 2016

	Nine months ended 31 December		
	2015	**2016**	**2016**
	(Rs.million)		**(U.S.$ million)[(1)]**
A. NET CASH GENERATED FROM OPERATING ACTIVITIES	**22,463.7**	**35,450.6**	**521.7**
B. NET CASH USED IN INVESTING ACTIVITIES	**(37,100.5)**	**(56,176.0)**	**(826.7)**
C. NET CASH GENERATED FROM FINANCING ACTIVITIES	**12,695.0**	**18,630.5**	**274.2**
NET DECREASE IN CASH AND CASH EQUIVALENTS(A+B+C)	**(1,941.8)**	**(2,094.9)**	**(30.8)**
CASH AND CASH EQUIVALENTS - OPENING BALANCES	**8,096.6**	**4,650.9**	**68.4**
CASH AND CASH EQUIVALENTS - CLOSING BALANCES	**6,154.8**	**2,556.0**	**37.6**
Add : Margin money / Fixed deposit balance	1,383.2	2,886.9	42.5
Add : Balance in debenture interest/ instalments/dividend payment accounts	234.2	253.8	3.7
CASH AND BANK BALANCES	**7,772.2**	**5,696.7**	**83.8**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

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.

	Indian GAAP			IND-AS		
	Year ended 31 March			Nine months ended 31 December		
	2014	2015	2016	2015	2016	2016
						(U.S.$ million except percentages)[8]
Total revenue (Rs. million)[7]	513,054.3	530,829.5	420,470.9	343,420.0	427,153.2	6,285.9
EBITDA (Rs. million)[1][7]	91,654.6	94,022.9	60,729.9	44,766.9	90,949.2	1,338.3
Capital expenditure outflow (Rs. million)	57,628.5	67,206.0	51,786.8	41,770.6	39,027.1	574.3
Operating free cash flow[2][7] (Rs. million)	34,026.1	26,816.9	8,943.1	2,996.3	51,922.1	764.0
Net profit/(loss) before tax (Rs. million)	13,080.5	25,391.1	(23,748.1)	(27,750.3)	37,331.1	549.3
Profit after tax (Rs. million)	4,519.5	17,965.7	(7,419.5)	(6,316.0)	25,655.1	377.5
EBITDA/turnover[3] (per cent.)	17.9	17.7	14.5	14.5	23.4	23.4
Profit before tax/turnover (per cent.)	2.6	4.8	(5.7)	(8.1)	8.7	8.7
Net debt to equity ratio (times)[4]	1.5	1.5	1.8	2.3	2.1	2.1
Return on average net worth[5][7] (per cent.)	2.3	7.9	(3.3)	(3.3)	12.9	12.9
Return on average capital employed[6][7] (per cent.)	11.8	9.7	4.6	3.1	9.8	9.8

Notes:

(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). Excludes acceptances.

(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, amortisation 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.

(8) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Non-GAAP Financial Measures

The following table reconciles the Group's profit after tax under Indian GAAP for the years ended 31 March 2014. 2015 and 2016 and under IND-AS for the nine months ended 31 December 2015 and 2016 to the Group's definition of EBITDA for the periods indicated:

	Indian GAAP			**IND-AS**		
	Year ended 31 March			**Nine months ended 31 December**		
	2014	**2015**	**2016**	**2015**	**2016**	**2016**
			(Rs. million)			**(U.S.$ million)[1]**
EBITDA	91,654.6	94,022.9	60,729.9	44,766.9	90,949.2	1,338.3
Adjustments						
Other income	858.1	1,114.4	1,682.1	1,124.3	962.9	14.2
Finance costs	(30,478.6)	(34,930.3)	(33,026.8)	(27,452.8)	(28,205.6)	(415.1)
Depreciation and amortisation	(31,826.1)	(34,344.9)	(31,879.2)	(24,946.0)	(26,375.4)	(388.1)
Exceptional Items	(17,127.5)	(471.0)	(21,254.1)	(21,242.7)	—	—
Tax expenses						
Current tax	(4,441.2)	(7,440.3)	(890.0)	(1,612.0)	(2,154.9)	(31.7)
Deferred tax	(9,043.3)	(7,945.3)	16,826.1	21,140.1	(11,763.9)	(173.1)
Reversal of MAT credit entitlement	—	—	(1,154.4)	—	—	—
Excess Provision reversed	—	—	—	—	124.6	1.8
Less: MAT credit entitlement	4,283.7	7,191.5	458.8	220.1	1,042.8	15.4
Share of (losses)/profit of minority	504.4	747.7	950.3	1,497.2	1,068.4	15.7
Share of (losses)/profit from associate/joint ventures (net)	135.4	21.0	137.8	188.9	7.0	0.1
Total adjustments	(87,135.1)	(76,057.2)	(68,149.4)	(51,082.9)	(65,294.1)	(960.8)
Profit after tax	4,519.5	17,965.7	(7,419.5)	(6,316.0)	25,655.1	377.5

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

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	U.S.$500,000,000 5.25 per cent. Notes due 2022 (the "Notes")
Joint Lead Managers	Credit Suisse (Europe) Limited Citigroup Global Markets Limited BNP Paribas Deutsche Bank AG, Singapore Branch J.P. Morgan Securities plc
Issue Price	100.00 per cent.
Maturity Date	13 April 2022
Interest	The Notes will bear interest from, and including 12 April 2017 (the "Issue Date") at the rate of 5.25 per cent. per annum from, and including, the Issue Date to, but excluding 13 April 2022 payable semi-annually in arrear on 13 April and 13 October of each year. The first interest payment will be made on 13 October 2017 in the amount of U.S.$13,197,916.67 (representing six months' and one day's interest on the total principal amount of U.S.$500,000,000).
Trustee.	Citicorp International Limited
Principal Paying Agent, Registrar 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 U.S.$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 SA/NV and Clearstream Banking S.A. 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 101.0 per cent. 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 at 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 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: XS1586341981. Common Code: 158634198.
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 U.S.$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 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.
Use of Proceeds.	The Company intends to use all of the proceeds to repay external commercial borrowing loans, for capital expenditure or any other purpose in accordance with the ECB Regulations.

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 Group'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 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. Global 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/exports, 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 realised 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 prices 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. The availability and price of key raw materials also affect the Group's operating margins.

The Group sells the majority of its products to the domestic market, with Indian customers accounting for approximately 88.0 per cent. and 79.2 per cent. of the Group's sales of products for the year ended 31 March 2016 and the nine months ended 31 December 2016, respectively. The Group may be affected by significant downturns and disruptions in the Indian as well as the global market for a sustained period, which may be reflected in steep and sustained reductions in the price of steel in India. For example, the Group's profitability in fiscal year 2016 was adversely impacted due to such reduction in the price of steel. In 2015, global steel consumption decreased by 3.0 per cent., while consumption in India increased by 5.3 per cent. Sustained periods of lower growth or lower public spending on infrastructure in Europe or in the United States, or further reductions in growth of emerging economies that are substantial consumers of steel (such as China 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. 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 characterised 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 50.6 per cent. and 47.6 per cent. of consolidated total revenue for the year ended 31 March 2016 and the nine months ended 31 December 2016, 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.

In 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 environmental violations and further implemented bans on mining activities in Goa and Odisha in 2012 and 2014. This temporarily impacted the availability of iron ore. Such suspensions on mining can affect the availability and quality of iron ore available to the Group. 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 in the past, there can be no assurance that any future suspensions 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, the price of iron ore (62.0 per cent. Fe content delivered to Qindago, China) fluctuated between U.S.$48/ton and U.S.$95/ton during the nine months of fiscal year 2017 while the spot price of coking coal (SBB premium — FOB east coast port) fluctuated between U.S.$83/ton and U.S.$309/ton during the same period.

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

The Group's competitiveness and long-term profitability are, to a significant degree, dependent upon its ability to optimise capacity utilisation and maintain low-cost and efficient production relative to competitors. Due to the high fixed costs related to steel production, steel producers generally attempt to maintain high capacity utilisation rates in order to maintain their profitability. During periods of declining demand, this may result in a significant oversupply of steel and a corresponding decline in steel prices. During periods of economic weakness, such as is currently being experienced, overcapacity has increased due to weaker demand for steel. Global steelmaking capacity currently exceeds global consumption of steel products. This excess capacity often results in manufacturers exporting significant amounts of steel and steel products at prices that are at or below their costs of production. In addition, oversupply may result in decreased steel prices as well as lower utilisation rate. A lower utilisation rate would also affect the Group's fixed costs, which cannot be fully reduced in line with production, leading to a higher per unit cost. A decrease in the Group's utilisation rate could have a material adverse effect on its business, financial condition and results of operations.

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 organic growth strategy.

The Group's organic growth strategy includes completion of brownfield expansion projects, capacity enhancement through the establishment of new greenfield projects, such as in the state of West Bengal and Jharkhand, 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 or 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, Dolvi plant and other facilities, this increased production capacity, combined with weakening demand primarily due to the protracted slowdown of the global economy, may result in production overcapacity in the global and domestic steel industry. Overcapacity 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 utilisation with its new or expanded facilities, there could be a material adverse effect on its business, financial condition and results of operations.

The Group may need additional capital for pursuing other growth or acquisition opportunities.

The Group may pursue opportunities for further growth identified by the Group. Such acquisition of new assets may be dependent upon the Group's ability to obtain suitable financing. There can be no assurance that such funding will be available, and if such funding is made available, that it will be offered on economical terms. Even if the Group succeeds in raising the required resources, such an effort may materially alter the risk profile of the Group and in turn have an adverse effect on its business, financial condition and results of operations.

The Company may reorganise its subsidiaries from time to time.

The Company has multiple subsidiaries both domestic and overseas and in accordance with customary business practice, the Company may reorganize its subsidiaries by way of share or asset sales. This may affect its business, financial condition and results of operations. For further information please see "*Business — Restructuring*".

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 organisations 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 on-going 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 is subject to comprehensive federal, state, local and other laws and regulations that could increase the cost and alter the manner or feasibility of carrying the Group's business.

The Group's operations are regulated extensively at the federal, state and local levels in the U.S. as well as in other countries where it operates. Such regulations are significantly different to those of the Group generally and require a different compliance regime. Environmental and other governmental laws and regulations have increased the Group's costs to plan, design, install and operate pipe and plate mills. Under such laws and regulations, the Group could also be liable for personal injuries, property damage and other damages. Failure to comply with these laws and regulations may result in the suspension or termination of the Group's operations and subject it to administrative, civil and criminal penalties. Moreover, public interest in environmental protection has increased in recent years, and environmental organisations have opposed, with some success, certain mining projects. There is also increasing effort globally, to limit climate change, including in India, and to move toward a stricter carbon emission regulation regime, impact of which may be adverse to the Group's business and operations.

Part of the regulatory environment in which the Group operates includes, in some cases, legal requirements for obtaining environmental assessments, environmental impact studies and/or plans of development before commencing production activities. In addition, the Group's activities are subject to regulations regarding conservation practices and protection of correlative rights. These regulations may affect the Group's 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 31 December 2016, the Group had total outstanding debt of Rs. 455,870.9 million (U.S.$6,708.5 million), a total net debt gearing of 2.11x. Any unfavourable change in these ratios may adversely impact the Group's 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. The Group has, in the past, sought waivers for certain of these covenants from some of its lenders and it may need to do so again in the future (including the near future), with no assurance that any such waiver will be granted. 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 indebtedness, which may adversely affect the Group's business, financial condition and results of operations.

As at 31 December 2016, the Group had contingent liabilities of Rs. 35,646.3 million (U.S.$524.6 million). These included contingent liabilities on account of bills discounted, guarantees, disputed claims and levies. If these contingent liabilities fully, or substantially, materialise, 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 galvanised 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.

In the past, competing domestic steel producers have increased their manufacturing capacity which at times intensified domestic competition 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, specialisation in production of value-added or niche products and greater presence 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 South Korea with whom India has signed free trade agreements and steel manufacturers from these jurisdictions pose significant competition for the Group. Steel imports from South 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.

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 October 2014, the Group entered into an agreement to acquire a 99.85 per cent. equity interest in Welspun Maxsteel, subject to certain regulatory approvals and closing conditions. The acquisition was completed on 31 October 2014. The Group also completed the acquisition of a 50.0 per cent. equity interest in Vallabh Tinplate Private Limited in April 2014. In August 2016, the Group executed a share purchase agreement with Praxair India Private Limited to acquire their entire shareholding of 74.0 per cent. in JSW Praxair Oxygen Private Limited (now renamed as JSW Industrial Gases Private Limited).

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 realise the anticipated benefits of such acquisitions could materially and adversely affect the Group's business, financial condition and results of operations.

The Group may, from time to time, evaluate strategic acquisitions, which may be in various stages and the final outcome of which is inherently uncertain.

As part of its acquisition strategy, the Group may from time to time evaluate strategic transactions which may be in various stages, including the submission of bids (including binding bids) for a particular target company or asset and the negotiation of contracts and other items with respect thereto. The Group currently has binding bids outstanding, the outcomes of which are uncertain. Although the Group conducts business, financial and legal due diligence in connection with the evaluation of future business or acquisition opportunities, there can be no assurance such due diligence investigations will identify every matter that could have a material adverse effect on the Group should the acquisition take place. Due to the nature of binding bids in particular, the Group in such circumstances is making a commitment upfront despite certain uncertainties in the event the bid is accepted. These include the possibility that the acquired business or asset does not perform as expected, the possibility that the price paid for the acquisition is more than the value that can be derived from such acquisition and the risk of less cash available for operations and the incurrence of additional indebtedness to finance the acquisition as well as that of the target entity, among others. Any of these factors 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 labour, local competition law regimes, environmental compliance and investments, difficulty in obtaining licences, 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 recognise 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 Kalmeshwar Works are largely sourced from JSW Energy Limited while for Tarapur Works, it is 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. Lower monsoon rainfall in 2014 and 2015 resulted in acute water scarcity in several parts of India and future reduced rainfall monsoons may contribute to water supply shortages.

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 licences 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 centralised and has not been fully computerised 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 a requirement of obtaining the consent of up to 80.0 per cent. of people whose land is acquired for private projects by the developers and consent of 70.0 per cent. 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, labour 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 minimise 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 31 March 2016, the Company had 11,904 full-time employees. It has also employed contract labourers 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 labour unions. While the Group considers its current labour 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 is 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 portions 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 labour contractors may engage contract labourers and although the Group does not engage such labourers directly, it may be held responsible under applicable Indian laws for wage payments to such labourers 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 labourers 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, 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 an equity interest 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 fulfil their obligations; withdraw technology licences 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, such as those in the U.S., 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 31 March 2016 and the nine months ended 31 December 2016, 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 utilisation. For fiscal year 2016, 197,408 net tons of plates and 54,262 net tons of pipes were produced from the Group's U.S. units with capacity utilisation of 21.0 per cent. and 9.9 per cent., respectively. For the nine months ended 31 December 2016, 128,938 net tons of plates and 28,432 net tons of pipes were produced from the U.S. units with capacity utilisation of 17.9 per cent. and 6.9 per cent., respectively.

The Group in its financial statements for the year ended 31 March 2016 has made a provision of: (i) Rs. 6,133.1 million relating to the carrying amount of fixed assets relating to steel operations in the U.S.; (ii) Rs. 6,370.2 million, Rs. 4,074.9 million relating to the carrying amounts of goodwill and mining development and projects respectively relating to iron ore mines at Chile; and (iii) Rs 628.4 million, Rs 789.1 million, Rs 301.2 million relating to the carrying amount of goodwill, mining development and projects, and other related assets respectively relating to coal mines at West Virginia, U.S., which provisions are recognised based on estimate of 'recoverable amounts' of the operations or assets by independent external valuers based on the cash flow projections. The above projections were prepared by relying on estimates in respect of future prices of coal and iron ore, mineable resources, and assumptions relating to operational performance including improvement in capacity utilisation of the plants and margins, and availability of infrastructure for mines. The Group's auditors in their audit report have included an emphasis of matter relating to the above provisions and recoverability of assets. For more information and discussion of provisioning, please see the Group's financial statements included elsewhere in this Offering Memorandum.

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. See "*Risk Factors — Risks relating to the Group — Cancellation of the allocation of coal mines to the Group (through joint ventures formed for the purpose) could adversely affect the Group's business, financial condition and results of operation.*" In the U.S., the Group has a 100.0 per cent. equity interest in coal mining concessions in West Virginia, U.S. Further, the Group has also invested in iron ore mining concessions in Chile. These mines are currently under care and maintenance shut down and the commencement of operations might be further delayed based on prevailing market conditions. In Mozambique, JSW Natural Resources Mozambique Lda, a subsidiary of the Group, has completed its exploration activities in Mutarara, Tete in Mozambique and the Group is presently in the process of obtaining confirmation on the coal resource estimate for this project. Pursuant to the auction conducted by the Government of India, the Group has been allotted the Moitra coking coal mine located in Jharkhand state. The Group has also been allocated five iron ore mines in the auction conducted by Government of Karnataka in October 2016.

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, some or all of which may not be covered by insurance, could delay production, increase production costs and result in death or injury to persons, or damage to property and liability for the Group, 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 mineralised 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 has 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 Group (through joint ventures formed for the purpose) could adversely affect the Group's business, financial condition and results of operation.

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

The Supreme Court in August and September 2014 held that allocation of coal blocks (the "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 six 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 31 March 2015. All Coal Blocks allocated to the Group fall into the first category and have been cancelled. The Group filed a review petition which was dismissed.

An adverse decision from the Supreme Court could adversely impact the availability of fuel for the production of steel by the Group and could 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 fiscal year 2016, a major portion of the Company's imports relating to raw materials, stores and spares and capital expenditure (total Rs. 107,249.1 million), FOB value of exports (total Rs. 24,851.7 million) and foreign currency debt servicing (including interest and finance charges of Rs. 6,444.8 million), were denominated in foreign currency. During the years ended 31 March 2016 and 31 March 2015, foreign exchange earned by the Company aggregated to Rs.26,981.3 million and Rs.80,935.9 million, respectively, and CIF value of imports and expenditure in foreign currency by the Company aggregated to Rs. 115,973.1 million and Rs. 183,045.2 million, respectively.

The Group is exposed to the risks arising from timing and quantum mismatches of inflows and outflows in foreign currency. 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 realising the full potential of a favourable 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 Organisation. 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 favourable 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 clean-up 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. Further, there are certain cases filed against the Company alleging violation of environmental laws and causing pollution to the environment. Even though no orders have been passed against the Company, the Company has to bear the expense of various litigations and if any order is passed against the Company, it could have an impact on the reputation of the Company. The Company may have to pay the penalty and related charges, and its financial condition and results of operations could be materially and adversely affected.

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 subsidisation 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. 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.

The Group'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 aluminium (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 characterised 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 out-dated 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.

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

As at 31 December 2016, 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 41.56 per cent. 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 favour 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 licences, 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.

Any future reduction in import duties or trade remedial measures 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, galvanised and colour coated steel products is currently 12.5 per cent. The import duty, along with lower freight costs and, in some countries, higher labour 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 or trade remedial measures 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.

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 6.6 per cent., 7.2 per cent. and 7.6 per cent. in the years ended 31 March 2014, 2015 and 2016 respectively. Notwithstanding the RBI's policy initiatives, the course of market interest rates continues to be uncertain due to factors such as inflation, fiscal deficit and the Government borrowing programme. 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. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. 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 also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm the Group's business and its future financial performance.

On 23 June 2016, the United Kingdom held a referendum on its membership of the European Union and voted to leave ("Brexit"). There is significant uncertainty at this stage as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments. A lack of clarity over the process for managing the exit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets. These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and global credit and financial markets. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any announcement by the United State Federal Reserve to increase interest rates may lead to an increase in the borrowing costs in the United States and may impact borrowing globally as well. Further, in several parts of the world, there are signs of increasing retreat from globalisation of goods, services and people, as pressures for protectionism are building up and such developments could have the potential to affect exports from India.

In the event that the global credit markets worsen or if there is any significant financial disruption, this could have an adverse effect on the Group's ability to borrow, profitability or growth of its business, which could have a material adverse effect on the Group's business, future financial performance, financial condition and results of operations.

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 Group's largest market, representing 88.0 per cent. and 79.2 per cent. of the Group's sales of products in the year ended 31 March 2016 and the nine months ended 31 December 2016, 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. Further, the Group's businesses and the performance and liquidity of the Notes may be adversely affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Government has sought to implement a number of economic reforms in recent years, including a new and dynamic steel policy, and the Government also plans to create independent regulators for the steel and mining sectors and to establish a new scheme for the promotion of research and development in the iron and steel sector (the "Scheme"). The Scheme has been approved with a budget of U.S.$24.6 million for its implementation as per the 11th Five-Year Plan which continues into the 12th Five Year Plan. The development of technology for Cold-Rolled Grain Oriented ("CRGO") steel sheets and other value-added products is also included in the Scheme and has been allocated U.S.$6.7 million. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. 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 liberalisation 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.

The corruption and scandals involving the Government and protests against certain economic reforms, which have occurred in the past, could negatively impact the Government's implementation of policies and slow the pace of economic liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalisation and deregulation policies, and in particular, those relating to the business in which the Group operates, could disrupt the business and economic conditions in India generally and the Group's business in particular.

Current macro-economic situations and global conditions might lead to a gradual departure from an accommodative fiscal and monetary policy, which would affect exchange rates and interest rates. Such events could also affect India's debt rating, the Group's business, its future financial performance and the trading price of the Notes.

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, terrorist attacks, war and conflicts. Some of India's neighbouring countries have also experienced or are currently experiencing internal unrests. 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. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult, and such tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and the Group's revenue, operating results and cash flows. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of the Notes.

***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 inflation rises in India, the Group may not be able to increase the prices of the Group's products in order to pass costs on to the Group's customers and its profits may decline.

Inflation rates in India have been volatile in recent years and such volatility may continue. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses, and the Group may be unable to reduce costs or pass the increased costs on to its customers by increasing tariff rates, and the Group's business, prospects, financial condition and results of operations may therefore be adversely affected.

The extent and reliability of Indian infrastructure could adversely affect the Group's results of operations, financial condition and cash flows.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption in its transportation networks, electricity grid, communication systems or any other public facility could disrupt the Group's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies and add costs to doing business in India. These problems could interrupt the Group's business operations, which could have an adverse effect on the Group's results of operations, financial condition and cash flows.

Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect the Group's tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. See "*Risk Factor — Risks Relating to India — Changing laws, rules and regulations and legal uncertainties may adversely affect the Group's business and financial performance*." The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 34.61 per cent. The central or state government may in the future further increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect the Group's business and results of operations.

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. Potential effects may include the damage to infrastructure and the loss of business continuity and business information. In the event that the Group's facilities are affected by any of these factors, the Group's operations may be significantly interrupted, which may materially and adversely affect business, financial condition, results of operations, cash flows and prospects.

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 favourable 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 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: (i) involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services: (ii) 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: (iii) 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.

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 stabilised; 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 6.55 per cent. (provisional) for the month of February 2017, and the Consumer Price Index stood at approximately 3.65 per cent. (provisional) for the month of February 2017. Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. 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. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses, and the Group may be unable to reduce the costs or pass the increased costs on to its customers by increasing the price that the Group charges for its services, and the Group's financial condition, cash flows and results of operations may therefore be adversely affected. 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 31 March 2016, the merchandise trade deficit was approximately U.S.$119.0 billion compared to approximately U.S.$138.0 billion in the year ended 31 March 2015. This large merchandise trade deficit neutralises 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 were U.S.$343. billion as at 3 April 2015 and U.S.$360.0 billion as at 1 April 2016. 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. The 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, as amended ("FEMA") to repatriate any amount recovered. See "*Enforceability of Civil Liabilities*". 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. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

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

There is a lower level of regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants than in certain Organisation for Economic Cooperation and Development ("OECD") 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 and OECDs in more developed economies, which could adversely affect the market for the Notes.

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.

Changing laws, rules and regulations and legal uncertainties may adversely affect the Group's business and financial performance.

The Groups business and operations are governed by various laws and regulations. The Groups business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to the business.

For instance, the Government has proposed a comprehensive national goods and service tax ("GST") regime that will combine taxes and levies by the central and state governments into a unified rate structure. The Constitution (One Hundred and First Amendment) Act, 2016, allows the Government and state governments to introduce GST. While the Government and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, the Group is unable to provide any assurance as to the effects of the GST or any other aspect of the tax regime following the implementation of the GST. The implementation of this rationalised tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materialising, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

Further, the General Anti-Avoidance Rules ("GAAR") may be effective from 1 April 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to the Group it may have an adverse tax impact on the Group.

Furthermore, the Securities and Exchange Board of India has recently notified the public about Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). The SEBI LODR Regulations have brought into effect changes to the framework governing listed companies, including the introduction of certain additional requirements such as disclosure of material events or information, and making prior intimations of certain proposals to raise funds. The Group may face challenges in interpreting and complying with such provisions. Further, to ensure compliance with the requirements of the SEBI LODR Regulations, the Group may need to allocate additional resources, which may increase the Group's regulatory compliance costs and divert management attention.

In November 2016, the Government demonetised Rs. 1,000.0 and Rs. 500.0 denomination currency notes with effect from 9 November 2016, launched the revised Rs. 500.0 denomination currency notes and introduced the new Rs. 2,000.0 currency notes pursuant to the Ministry of Finance's notification no. S.O. 3407 (E) dated 8 November 2016 and other circulars and clarifications issued thereafter by the Government and the RBI. The impact of the demonetisation on India's economic growth, credit demand, credit quality, liquidity and interest rates is uncertain. The short- and long-term effects of demonetisation on the Group's business are uncertain and the Group cannot accurately predict the effect of the demonetisation on its business, results of operations, financial condition and prospects.

There can be no assurance that the Government or state governments will not implement further new regulations and policies, which will require the Group to obtain approvals and licences from the Government, state government or other regulatory bodies or which will impose onerous requirements and conditions on the Group's operations. Any such changes and related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on the Group's business, financial condition, cash flows and results of operations.

The Group's transition to the use of the IFRS converged Indian Accounting Standards may result in changes in the presentation of the Group's financial statements.

India has adopted a convergence of its existing standards with IFRS and not the International Financial Reporting Standards ("IFRS"). These "IFRS based/synchronised Accounting Standards" are referred to in India as IND-AS ("IND-AS"). The Ministry of Corporate Affairs of the Government has, through a notification dated 16 February 2015, set out the IND-AS and the timeline for their implementation. Accordingly, the Group prepares its financial statements in accordance with IND-AS from 1 April 2016. Given that IND-AS is different in many respects from Indian GAAP under which the Group's financial statements were historically prepared, the Group's financial statements for the period commencing 1 April 2016 may not be comparable to its historical financial statements. The Group has included in this Offering Memorandum, the financial information as at and for the nine months ended 31st December 2016 and 31 March 2016 derived from the unaudited interim non-consolidated and consolidated financial statements. There can be no assurance that the Group's financial condition, results of operation, cash flow or changes in shareholders' equity will not be presented differently under IND-AS compared to Indian GAAP or IFRS. The Group's management has diverted its time and other resources to successfully and timely implement IND-AS. The Group will prepare and issue its first complete IND-AS standalone financial statements as at and for the year ending on 31 March 2017. Until the first complete IND-AS standalone financial statements are issued, the balances in the Unaudited Condensed Interim standalone financial statements may change if there are (a) any new IND-AS standards issued until 31 March 2017, (b) any amendments or modifications made to existing IND-AS standards or interpretations thereof until 31 March 2017 effecting the IND-AS balances in these financial statements and/or (c) if the Company makes any changes in the elections and/or exemptions selected on the adoption of IND-AS at its transition date of 1 April 2015.

Significant differences exist between Indian GAAP, IND-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Indian GAAP and IND-AS contained in this Offering Memorandum.

The Group's audited financial statements included in this Offering Memorandum for the years ended 31 March 2014, 2015 and 2016 have been prepared and presented in accordance with Indian GAAP. The Group's unaudited reviewed condensed consolidated interim financial statements as at and for the nine months ended 31 December 2016 presented in this Offering Memorandum are prepared and presented in accordance with IND-AS. Indian GAAP and IND-AS differ from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP, IND-AS, U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP and IND-AS contained in this Offering Memorandum. Accordingly, the degree to which the financial information included in this Offering Memorandum will provide meaningful information is dependent on the Investor's familiarity with Indian GAAP, IND-AS and the Companies Act. Any reliance by persons not familiar with Indian GAAP or IND-AS on the financial disclosures presented in this Offering Memorandum should accordingly be limited. For further details, see "*Description of Certain Differences between Indian GAAP, IFRS and IND-AS*".

Companies in India (based on thresholds), including the Group, are required to prepare financial statements under IND-AS. The transition to IND-AS in India is very recent and there is no clarity on the impact of such transition on the Group. All income tax assessments in India will also be required to follow the Income Computation Disclosure Standards.

There is not yet a significant body of established practice on which to draw informed judgements regarding the implementation and application of IND-AS that can be relied upon. Additionally, although IND-AS is intended to function as India's convergence to IFRS, IND-AS differs in certain respects from IFRS and therefore financial statements prepared under IND-AS may be substantially different from financial statements prepared under IFRS.

The Group prepared its annual and interim financial statements until 31 March 2016 under Indian GAAP. From 1 April 2016, the Group is required to prepare annual and interim financial statements under IND-AS. The Group has included in this Offering Memorandum the financial information as at and for the nine months ended 31 December 2015 and 2016 derived from its unaudited reviewed special purpose condensed consolidated financial statements as at and for the nine months ended 31 December 2016, and the Group's unaudited reviewed condensed unconsolidated interim financial statements as at and for the nine months ended 31 December 2016, respectively, prepared in accordance with recognition and measurement principles of IND-AS. The Group will prepare and issue its first complete IND-AS financial statements as at and for the year ending 31 March 2017. Only a complete set of financial statements together with comparative financial information can provide a fair presentation of the Group's financial condition.

Further, until the Group's first complete IND-AS financial statements are issued, the Group's IND-AS financial statements for the nine months ended 31 December 2015 and 2016 may change if (a) there are any new IND-AS standards, (b) there are any amendments or modifications made to existing IND-AS standards or interpretations thereof, or (c) the Group makes any changes in the elections and/or exemptions selected on adoption of IND-AS at its transition date of 1 April 2016.

As a result, the Group's financial statements for the period commencing from 1 April 2016 may not be comparable to its historical financial statements. For further details in relation to the impact of IND-AS on the preparation and presentation of the Group's financial statements, see *"Description of Certain Differences between Indian GAAP, IFRS and IND-AS"* and *"Presentation of Financial Information"*.

There can be no assurance that the Group's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND-AS than under Indian GAAP. In the Group's transition to IND-AS reporting, it may encounter difficulties in the on-going process of implementing and enhancing its management information systems. There can be no assurance that the Group's adoption of IND-AS will not adversely affect its reported results of operations or financial condition and any failure to successfully adopt IND-AS could adversely affect its business, financial condition and results of operations.

The Government has issued a set of Income Computation and Disclosure Standards effective 1 April 2016, and the impact of the standards on the Group's tax burden is uncertain.

Furthermore, the Government has issued a set of Income Computation and Disclosure Standards ("ICDS") that will be applied in computing taxable income and payment of income taxes thereon, effective from 1 April 2016. ICDS apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of "Profits and gains of business/profession" and "Income from other sources." This is the first time such specific standards have been issued for income taxes in India, and the impact of the ICDS on the Group's tax liability, if any, is yet to be determined.

Risks Relating to the Notes

The Company may not be able to meet its obligations to pay or redeem the Notes.

In certain circumstances, Noteholders may require the Company to redeem all or a portion of the Notes and the Company would be required to pay all amounts then due under the Notes. In particular, upon a change of control of the Company, Noteholders may require the Company to redeem such Noteholders' Notes and following an acceleration of the Notes upon an event of default, the Company would be required to pay all amounts then due under the Notes which the Company may not be able to meet. The Company may not be able to make required payments in connection with the Notes if the requisite regulatory approval is not received or if the Company does not have sufficient cash flows for those payments.

The Company may be able to redeem the Notes in whole at a redemption price equal to 100.0 per cent. 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 an existing official position or the stating of an official position, the Company may redeem the Notes in whole at a redemption price equal to 100.0 per cent. 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 utilised outside India. Payments in respect of the Notes are subject to Indian withholding taxes with the applicable withholding rate being 5.0 per cent. (plus applicable surcharge, education cess and secondary and higher education cess) annually. If the Indian withholding rate were to exceed 5.0 per cent. (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 100.0 per cent. 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 reorganisation 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 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, trading or banking transactions. 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 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*" and "*Subscription and Sales — Selling Restrictions — Disclosure of Information relating to Holders of the Notes*".

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 require 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. 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 101.0 per cent. 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 through 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.

The Terms and Conditions of the Notes contain covenants limiting the Company's financial and operating flexibility.

The Terms and Conditions of the Notes contain covenants that will restrict the Company's ability to, among other things: (i) create liens; (ii) enter into transactions with affiliates; (iii) incur additional indebtedness; (iv) pay dividends on, or repurchase, capital stock; (v) sell assets and (vi) enter into new business. These limitations are subject to certain, exceptions and qualifications described *in* "*Terms and Conditions of the Notes*".

These covenants could limit the Company's ability to pursue growth plans, restrict the Company's flexibility in planning for, or reacting to, changes in its business and industry and increase the Company's vulnerability to general adverse economic and industry conditions.

Any default under the covenants contained in the Terms and Conditions of the Notes may lead to an event of default under the Notes and may lead to ′ acceleration under the Company's other indebtedness. The Company may not be able to pay any amounts due to holders of the Notes in the event of any such default and any such default may significantly impair its ability to satisfy its obligations under the Notes.

Modification, waivers and substitution.

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. The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to: (i) any modification of, or the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Terms and Conditions or of the Transaction Documents; or (ii) determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such; or (iii) the substitution of another company as principal debtor under any Notes in place of the Company, in all cases in the circumstances described in the Terms and Conditions (as applicable).

Notes where denominations involve integral multiples: definitive Notes.

In relation to these Notes, which have denominations consisting of a minimum specified denomination plus one or more higher integral multiples of another smaller amount, it is possible that these Notes may be traded in amounts that are not integral multiples of such minimum specified denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum specified denomination in its account with the relevant clearing system at the relevant time, may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a specified denomination.

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 behaviour of any relevant indices and financial markets; and

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

Since the Global Certificates are held by or on behalf of the relevant Clearing Systems, investors will have to rely on the relevant Clearing System's procedures for transfer, payment and communication with the Company.

The Notes will be represented by the Global Certificates except in certain limited circumstances described under the section "*Summary of Provisions relating to the Notes in Global Form*". The Global Certificates will be deposited with, and registered in the name of, the relevant Clearing System. Except in certain limited circumstances described under the section "*Summary of Provisions relating to the Notes in Global Form*", investors will not be entitled to receive certificates.

The relevant Clearing System will maintain records of the beneficial interests in the Global Certificates. While the Notes are represented by the Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System. The Company will discharge its payment obligations under the Notes by making payments to or to the order of the relevant Clearing System for distribution to the account holders. A holder of a beneficial interest in any of the Global Certificates must rely on the procedures of the relevant Clearing System to receive payments under the Notes.

The Company has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates. Holders of beneficial interests in the Global Certificates will not have a direct right under the Global Certificates to take enforcement action against the Company in the event of a default under the Notes but will have to rely upon the Trustee to enforce their rights under the Trust Deed.

While the Notes are represented by Global Certificates, the Company will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies. If definitive Notes are issued, holders should be aware that definitive Notes that have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

Unlike the Noteholders themselves, owners of book entry interests will not have the direct right to act upon the Company's solicitations for consents, requests for waivers or other actions from the Noteholders. Instead, if the investor owns a book entry interest, the investor will be permitted to act only to the extent the investor has received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable the investor to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Trust Deed, unless and until definitive registered Notes are issued in respect of all book entry interests, if the investor owns a book entry interest, the investor will be restricted to act through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes.

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of the Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may have an impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

Modifications of, any waivers under, the Trust Deed and the Bonds could be adverse to the interests 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. The Terms and Conditions of the Notes also provide that the Trustee, may without the consent of Noteholders, agree to (i) any modification of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

The Trust Deed also contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, to the substitution of any other company in place of the Company, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes; provided, however, that immediately after such substitution, the Company must deliver to the Trustee an opinion of counsel of recognised standing with respect to U.S. federal income tax matters that the beneficial owners of the Notes will not recognise gain or loss for U.S. federal income tax purposes as a result of such substitution and will be subject to the same U.S. federal income tax consequences as if such substitution did not occur.

There may be interest rate risks on an investment in the Notes.

Investment in fixed rate instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate instruments.

The price of the Notes following the offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Company's revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions and interest rates, could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There can be no assurance that these developments will not occur in the future.

Rupees may not be freely convertible to other currencies.

The convertibility of Rupees is dependent, inter alia, on international and domestic political and economic factors, and on measures taken by governments and central banks, including the Government and the RBI. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by revaluation of a currency, or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of Rupees and vice versa. The taking of any one or more of such measures could adversely affect the value of the Notes as well as any amount which may be payable upon redemption of the Notes.

Risks Relating to the Market Generally

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 Group 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.

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. Dollar 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.

Further, Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Company to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings assigned to the Company or the Notes may not reflect all the risks associated with an investment in the Notes and ratings and outlook of the Notes and the Company may be downgraded or withdrawn.

The Notes have been rated Ba3 by Moody's and are expected to be rated "BB" by Fitch. The ratings and outlook represent the opinions of the rating agencies and their assessment of the ability of the Company to perform its obligations under the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating or outlook is not a recommendation to buy, sell or hold securities. The ratings or outlook can be lowered or withdrawn at any time. The Company is not obligated to inform Noteholders if the ratings or outlook are lowered or withdrawn. A reduction or withdrawal of the ratings may adversely affect the market price and liquidity of the Notes and the Company's ability to access the debt capital markets. One or more independent credit rating agencies may assign credit ratings to the Company or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) the Notes are legal investments for it; (2) the Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

USE OF PROCEEDS

The Company intends to use all of the proceeds to repay external commercial borrowing loans, for capital expenditure or any other purpose in accordance with the ECB Regulations.

CAPITALISATION

The following table sets forth the Group's short-term and long-term debt and shareholders' equity at 31 December 2016 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 repayments of short term loans and long term bank loans between 31 December 2016 and the date of this Offering Memorandum.

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*", and the Group Consolidated Financial Statements set forth in this Offering Memorandum.

	As at 31 December 2016			
	Actual	**Actual**	**As Adjusted**	**As Adjusted**
	Rs. million	**U.S.$ million(1)**	**Rs. million**	**U.S.$ million(1)**
Indebtedness:				
Short-term debt	129,569.2	1,906.7	129,569.2	1,906.7
Long-term debt(2)	326,301.7	4,801.8	326,301.7	4,801.8
The Notes	—	—	33,977.4	500.0
Total Indebtedness(3)	**455,870.9**	**6,708.5**	**489,848.3**	**7,208.5**
Shareholders' funds:				
Share capital	3,012.7	44.3	3,012.7	44.3
Reserves and Surplus	209,124.5	3,077.4	209,124.5	3,077.4
Minority Interest	(2,518.5)	(37.1)	(2,518.5)	(37.1)
Total shareholders' funds	**209,618.7**	**3,084.7**	**209,618.7**	**3,084.7**
Total indebtedness and shareholders' funds	**665,489.6**	**9,793.1**	**699,467.0**	**10,293.2**

(1) For the reader's convenience, U.S. Dollar translation of Indian Rupee amounts as at 31 December 2016 have been provided at a rate of U.S.$1.00 = Rs.67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

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

(3) 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.455,870.9 million (U.S.$6,708.5 million), assuming the Indian Rupee amount has been translated into U.S. Dollars at a rate of US$1.00 = Rs.67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Except as otherwise disclosed in this Offering Memorandum, there have been no material changes in the Group's capitalisation since 31 December 2016.

SELECTED FINANCIAL DATA AND OTHER INFORMATION

The summary consolidated financial data for the Group and the Company as at the end and for each of the years ended 31 March 2014, 2015 and 2016 and the nine months ended 31 December 2015 and 2016 set forth below have been derived or calculated from the Group Consolidated Financial Statements and the Company Standalone Financial Statements included elsewhere in this Offering Memorandum unless stated otherwise. This financial information should be read in conjunction with "Presentation of Financial Information" in this Offering Memorandum

Financial Information of the Group

Consolidated Statement of Profit and Loss for the Group under Indian GAAP for the years ended 31 March 2014, 2015 and 2016

		Year ended 31 March		
		2014	**2015**	**2016**
			(Rs. million)	
I.	**REVENUE FROM OPERATIONS**	554,315.1	574,928.0	463,040.6
	Less: Excise duty	42,118.9	45,212.9	44,251.8
		512,196.2	**529,715.1**	**418,788.8**
II.	**OTHER INCOME**	858.1	1,114.4	1,682.1
III.	**TOTAL INCOME (I + II)**	**513,054.3**	**530,829.5**	**420,470.9**
IV.	**EXPENSES:**			
	Cost of materials consumed	302,217.9	308,519.8	212,568.6
	Purchases of stock-in-trade	2,155.8	2,884.4	162.0
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,921.8)	(14,882.1)	13,747.6
	Cost of construction	887.9	337.4	1,027.8
	Employee benefits expense	12,982.4	15,328.4	15,680.2
	Finance costs	30,478.6	34,930.3	33,026.8
	Depreciation and amortisation expense	31,826.1	34,344.9	31,879.2
	Other expenses	104,219.4	123,504.3	114,872.7
	Total expenses	**482,846.3**	**504,967.4**	**422,964.9**
V.	**PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	30,208.0	25,862.1	(2,494.0)
VI	**EXCEPTIONAL ITEMS**	17,127.5	471.0	21,254.1
VII	**PROFIT/(LOSS) BEFORE TAX (V-VI)**	13,080.5	25,391.1	(23,748.1)
VIII	**TAX EXPENSES:**			
	Current tax	4,441.2	7,440.3	890.0
	MAT credit entitlement	(4,283.7)	(7,191.5)	(458.8)
	Reversal of MAT credit entitlement	—	—	1,154.4
	Deferred tax	9,043.3	7,945.3	(16,826.1)
		9,200.8	**8,194.1**	**(15,240.5)**
IX	**PROFIT/(LOSS) AFTER TAXATION BUT BEFORE MINORITY INTERESTS AND SHARE OF PROFITS/(LOSS) OF ASSOCIATES (VII-VIII)**	**3,879.7**	**17,197.0**	**(8,507.6)**
X	**SHARE OF (LOSSES) / PROFIT FROM ASSOCIATES (NET)**	135.4	21.0	137.8
XI	**SHARE OF (LOSSES) / PROFIT ATTRIBUTABLE TO MINORITY INTEREST, (NET)**	(504.4)	(747.7)	(950.3)
XII	**PROFIT/(LOSS) FOR THE YEAR (IX+X-XI)**	**4,519.5**	**17,965.7**	**(7,419.5)**
XIII	**EARNINGS PER EQUITY SHARE OF RS 10 EACH:**			
	(1) Basic	17.35	72.93	(32.08)
	(2) Diluted	17.35	72.93	(32.08)

Consolidated Statement of Profit and Loss for the Group under IND-AS for the nine months ended 31 December 2015 and 2016

		Nine months ended 31 December		
		2015	2016	2016
		(Rs.million)		(U.S.$ million)[(1)]
I.	**REVENUE FROM OPERATIONS**	342,295.7	426,190.3	6,271.7
II.	**OTHER INCOME**	1,124.3	962.9	14.2
III.	**TOTAL INCOME (I + II)**	**343,420.0**	**427,153.2**	**6,285.9**
IV.	**EXPENSES:**			
	Cost of materials consumed	164,433.7	203,280.4	2,991.4
	Purchases of stock-in-trade	397.9	—	—
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	5,475.3	(13,667.8)	(201.1)
	Employee benefits expense	11,707.9	12,930.2	190.3
	Finance costs	27,452.8	28,205.6	415.1
	Depreciation and amortisation expense	24,946.0	26,375.4	388.1
	Excise duty	32,918.2	36,705.9	540.2
	Other expenses	82,595.8	95,992.4	1,412.6
	Total expenses	**349,927.6**	**389,822.1**	**5,736.6**
V.	**PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	(6,507.6)	37,331.1	549.3
VI	**EXCEPTIONAL ITEMS**	21,242.7	—	—
VII	**PROFIT/(LOSS) BEFORE TAX (V-VI)**	(27,750.3)	37,331.1	549.3
VIII	**TAX EXPENSES:**			
	Current tax	1,612.1	2,154.9	31.7
	Tax provision for earlier years written back	—	(124.6)	(1.8)
	Deferred tax	(21,140.1)	11,763.9	173.1
	Less: MAT credit entitlement	(220.1)	(1,042.8)	(15.4)
		(19,748.2)	**12,751.4**	**187.6**
IX	**PROFIT/(LOSS) AFTER TAXATION BUT BEFORE MINORITY INTERESTS AND SHARE OF PROFITS/(LOSS) OF ASSOCIATES (VII-VIII)**	**(8,002.1)**	**24,579.7**	**361.7**
X	**Share of (loss)/profit from an associate**	**106.6**	**(89.1)**	**(1.3)**
XI	**Share of (loss)/profit from joint ventures (net)**	**82.3**	**96.1**	**1.4**
XII	**Profit/(loss) for the period (IX+X+XI)**	**(7,813.2)**	**24,586.7**	**361.8**
XIII	**Other Comprehensive Income/(loss)**			
A	Items that will not be reclassified to profit or loss	**(3,463.8)**	**(983.6)**	**(14.5)**
B	Items that will be reclassified to profit or loss	**(4,724.3)**	**589.8**	**8.7**
	Total other comprehensive income/(loss) (A+B)	**(8,188.1)**	**(393.8)**	**(5.8)**
XIV	**Total comprehensive income/(loss) (XII+XIII)**	**(16,001.3)**	**24,192.9**	**356.0**
	Total Profit /(loss) for the period attributable to:			
	— Owners of the Company	(6,316.0)	25,655.1	377.5
	— Non-controlling interests	(1,497.2)	(1,068.4)	(15.7)
		(7,813.2)	**24,586.7**	**361.8**
	Total comprehensive income/(loss) for the period attributable to:			
	— Owners of the Company	(14,416.7)	25,330.1	372.7
	— Non-controlling interests	(1,584.6)	(1,137.2)	(16.7)
		(16,001.3)	**24,192.9**	**356.0**
XV	**EARNINGS PER EQUITY SHARE OF Re 1 EACH:**			
	(1) Basic	(2.64)	10.68	0.16
	(2) Diluted	(2.64)	10.61	0.16

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Consolidated Balance Sheet of the Group under Indian GAAP as at 31 March 2014, 2015 and 2016

	As at 31 March		
	2014	2015	2016
		(Rs.million)	
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
Share Capital	10,671.9	10,671.9	10,671.9
Reserves and surplus	208,711.5	219,868.9	205,767.1
	219,383.4	**230,540.8**	**216,439.0**
MINORITY INTEREST	1,670.1	976.4	67.8
(2) NON-CURRENT LIABILITIES			
Long-term borrowings	267,026.2	336,766.3	327,932.2
Deferred tax liabilities (net)	21,234.2	31,547.1	14,201.7
Other long-term liabilities	9,100.4	5,909.0	6,926.7
Long-term provisions	595.6	903.4	949.3
	297,956.4	**375,125.8**	**350,009.9**
(3) CURRENT LIABILITIES			
Short-term borrowings	48,870.9	12,079.9	23,780.4
Trade payables			
(i) Total outstanding dues of micro and small enterprises	147.1	270.6	270.0
(ii) Total outstanding dues of creditors other than micro and small enterprises	116,846.1	142,256.1	127,853.4
Other current liabilities	87,900.3	94,379.4	101,745.9
Short-term provisions	3,624.6	3,562.6	2,779.5
	257,389.0	**252,548.6**	**256,429.2**
TOTAL	**776,398.9**	**859,191.6**	**822,945.9**
II. ASSETS			
(1) NON-CURRENT ASSETS			
FIXED ASSETS			
Tangible assets	453,864.9	504,959.8	528,115.3
Intangible assets	975.9	949.4	865.9
Capital work-in-progress	93,289.7	80,661.8	66,651.6
Intangible assets under development	707.8	1,990.9	2,388.6
	548,838.3	**588,561.9**	**598,021.4**
Goodwill on consolidation	15,618.6	15,853.6	9,565.0
Non-current investments	5,947.3	5,989.5	6,184.3
Deferred tax assets (net)	—	2,652.8	2,748.6
Long-term loans and advances	47,771.5	51,641.0	50,568.6
Other non-current assets	3,720.5	6,319.7	5,440.4
	621,896.2	**671,018.5**	**672,528.3**
(2) CURRENT ASSETS			
Current investments	680.1	3.0	—
Inventories	81,551.2	110,090.4	84,033.5
Trade receivables	22,924.4	24,997.5	28,016.0
Cash and bank balances	6,629.7	19,132.5	7,339.8
Short-term loans and advances	41,618.5	32,691.2	28,478.5
Other current assets	1,098.8	1,258.5	2,549.8
	154,502.7	**188,173.1**	**150,417.6**
TOTAL	**776,398.9**	**859,191.6**	**822,945.9**

Consolidated Balance Sheet of the Group under IND-AS as at 31 December 2016

	As at 31 March	As at 31 December	
	2016	2016	2016
	(Rs.million)	(Rs.million)	(U.S.$ million)(1)
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	549,367.4	582,345.1	8,569.6
(b) Capital work-in-progress	70,350.7	35,329.3	519.9
(c) Intangible assets	855.3	772.5	11.4
(d) Intangible assets under development	2,357.8	2,393.4	35.2
	622,931.2	**620,840.3**	**9,136.1**
(e) Goodwill	9,549.0	9,373.9	137.9
(f) Financial assets			
(i) Investments	11,946.1	10,169.7	149.7
(ii) Loans	931.7	956.7	14.1
(iii) Other financial assets	2,565.6	2,402.6	35.4
(g) Deferred tax assets (net)	5,581.7	632.8	9.3
(h) Other non-current assets	22,148.9	19,322.9	284.4
Total non-current assets	**675,654.2**	**663,698.9**	**9,766.9**
CURRENT ASSETS			
(a) Inventories	83,211.8	123,109.8	1,811.6
(b) Financial Assets			
(i) Investments	—	2,316.4	34.1
(ii) Trade receivables	27,273.7	38,674.5	569.1
(iii) Cash and cash equivalents	8,837.5	7,706.4	113.4
(iv) Bank Balances other than (iii) above	1,366.5	3,192.9	47.0
(v) Loans	1,667.0	1,891.1	27.8
(vi) Other financial assets	2,706.9	5,107.3	75.2
(c) Current Tax Assets (net)	5.9	186.3	2.7
(d) Other current assets	22,303.7	30,477.3	448.5
Total current assets	**147,373.0**	**212,662.0**	**3,129.4**
Total Assets	**823,027.2**	**876,360.9**	**12,896.3**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	3,009.0	3,012.7	44.3
(b) Other equity	185,891.4	209,124.5	3,077.4
Equity attributable to owners of the Company	**188,900.4**	**212,137.2**	**3,121.7**
Non Controlling Interest	**(1,381.3)**	**(2,518.5)**	**(37.1)**
Total Equity	**187,519.1**	**209,618.7**	**3,084.6**
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	353,982.7	326,301.7	4,801.8
(ii) Other financial liabilities	7,839.5	4,210.2	62.0
(b) Provisions	946.2	1,185.1	17.4
(c) Deferred tax liabilities (net)	17,969.4	25,239.3	371.4
(d) Other non-current liabilities	640.5	644.1	9.6
Total non-current liabilities	**381,378.3**	**357,580.4**	**5,262.2**

	As at 31 March	As at 31 December	
	2016	**2016**	**2016**
	(Rs.million)	**(Rs.million)**	**(U.S.$ million)[(1)]**
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	23,428.4	56,981.7	838.5
(ii) Trade payables	127,576.0	131,972.4	1,942.1
(iii) Other financial liabilities	92,289.7	104,467.8	1,537.3
(b) Other current liabilities	9,000.5	13,359.4	196.6
(c) Provisions	1,708.6	2,055.1	30.2
(d) Current tax liabilities (net)	126.6	325.4	4.8
Total current liabilities	**254,129.8**	**309,161.8**	**4,549.5**
Total liabilities	**635,508.1**	**666,742.2**	**9,811.7**
Total Equity and Liabilities	**823,027.2**	**876,360.9**	**12,896.3**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

(2) For more information, please see page (2) to the financial statements included herein.

Consolidated Cash Flow Statement of the Group under Indian GAAP for the years ended 31 March 2014, 2015 and 2016.

	Year ended 31 March		
	2014	**2015**	**2016**
		(Rs.million)	
A. CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAX	13,080.5	25,391.1	(23,748.1)
ADJUSTMENT FOR:			
Depreciation and amortisation expense	31,826.1	34,344.9	31,879.2
(Profit)/loss on sale of fixed assets	31.3	(357.8)	213.1
Gain on sale of current investments	(171.9)	(26.5)	(26.6)
Gain on sale of long term investment	(65.6)	—	—
Interest income	(327.0)	(284.1)	(383.5)
Dividend income	(222.6)	(205.4)	(203.5)
Interest expenses	22,896.2	26,312.4	27,695.3
Unrealised exchange loss/(gain)	(1,879.2)	3,309.6	8,782.6
Provision for diminution in value of investments, assets and goodwill	—	16.5	18,693.0
	52,087.3	**63,109.6**	**86,649.6**
Operating profit before working capital changes	**65,167.8**	**88,500.7**	**62,901.5**
ADJUSTMENTS FOR:			
Decrease / (Increase) in inventories	(9,755.4)	(28,539.2)	26,056.9
(Increase) in trade receivables*	2,838.1	(2,073.1)	(3,018.5)
Decrease in loans and advances*	687.6	2,859.8	3,512.9
(Decrease) / Increase in trade payable and other liabilities*	(28,539.8)	25,428.3	(20,515.8)
Increase in provisions*	(244.0)	307.8	153.4
	(35,013.5)	**(2,016.4)**	**6,188.9**
Cash flow from operations	**30,154.3**	**86,484.3**	**69,090.4**
Direct taxes paid	(4,037.5)	(7,727.8)	(2,055.1)
Net cash generated from operating activities	**26,116.8**	**78,756.5**	**67,035.3**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets including capital advances	(57,628.5)	(67,206.0)	(51,786.8)
Proceeds from sale of fixed assets	185.3	2,071.8	39.0
Investment in joint ventures and associates	(7.6)	(400.0)	—
Refund of share application money/share of profit from associates	—	397.6	—
Purchase of other long-term investments (net)	(753.2)	(2.0)	(31.0)
Sale/(purchase) of current investments (net)	928.8	703.6	29.6
Bank deposits not considered in cash and cash equivalents	(181.6)	(9,731.3)	8,316.9
Interest received	340.0	260.6	427.5
Dividend received	222.6	205.4	203.5
Net cash used in investing activities	**(56,894.2)**	**(73,700.3)**	**(42,801.3)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings	82,834.1	139,120.7	61,778.5
Repayment of long-term borrowings	(52,420.3)	(74,790.0)	(69,679.8)
Proceeds from/ repayment of short term borrowings (net)	29,876.1	(36,957.9)	11,682.0
Interest paid	(24,130.8)	(25,626.4)	(27,996.8)
Dividend paid (including corporate dividend tax)	(3,154.5)	(3,437.2)	(3,536.0)
Net cash (used in)/generated from financing activities	**33,004.6**	**(1,690.8)**	**(27,752.1)**

	Year ended 31 March		
	2014	2015	2016
	(Rs.million)		
Net (decrease) / increase in cash and cash equivalents(A+B+C)	2,227.2	3,365.4	(3,518.1)
Cash and cash equivalents — opening balances	3,023.8	5,785.9	9,129.1
Add: on account of composite scheme of amalgamation and arrangements	505.0	—	—
Add: Translation adjustment in cash and cash equivalents.	29.9	(22.2)	58.3
Cash and cash equivalents - closing balances	**5,785.9**	**9,129.1**	**5,669.3**
Add: Margin money / Fixed deposit balance	612.4	9,769.1	1,436.6
Add: Balance in debenture interest/instalments/dividend payment accounts	231.4	234.3	233.9
Cash and bank balances	**6,629.7**	**19,132.5**	**7,339.8**

*** INCLUDES CURRENT AND NON CURRENT**

Condensed Consolidated Cash Flow Statement of the Group under IND-AS for the nine months ended 31 December 2015 and 2016.

	Nine months ended 31 December		
	2015	2016	2016
	(Rs.million)		(U.S.$ million)[(1)]
A. Net cash generated from operating activities	**39,493.6**	**37,662.3**	**554.2**
B. Net cash used in investing activities	**(32,495.5)**	**(43,171.3)**	**(635.3)**
C. Net cash (used in)/generated from financing activities	**(10,963.9)**	**4,377.9**	**64.4**
Net decrease in cash and cash equivalents(A+B+C)	**(3,965.8)**	**(1,131.1)**	**(16.6)**
Cash and cash equivalents — at the start of the period	**13,959.7**	**8,837.5**	**130.0**
Cash and cash equivalents - at the end of period	**9,993.9**	**7,706.4**	**113.4**
Add: Margin money / Fixed deposit balance	**1,429.2**	**2,939.1**	**43.3**
Add: Balance in debenture interest/instalments/dividend payment accounts	**234.2**	**253.8**	**3.7**
Cash and bank balances	**11,657.3**	**10,899.3**	**160.4**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Financial Information of the Company

Standalone Statement of Profit and Loss for the Company under Indian GAAP for the years ended 31 March 2014, 2015 and 2016

		Year ended 31 March		
		2014	**2015**	**2016**
			(Rs.million)	
I	**REVENUE FROM OPERATIONS**	**492,954.3**	**503,933.1**	**408,589.6**
	Less: Excise duty	39,977.1	43,059.9	41,520.4
		452,977.2	**460,873.2**	**367,069.2**
II	**OTHER INCOME**	3,310.5	4,667.7	3,101.9
III	**TOTAL REVENUE (I+II)**	**456,287.7**	**465,540.9**	**370,171.1**
IV	**EXPENSES:**			
	Cost or materials consumed	267,058.2	273,456.0	190,679.4
	Purchases of stock-in-trade	4,948.1	3,856.4	1,527.2
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,441.0)	(16,669.3)	10,619.7
	Employee benefits expense	7,995.8	9,468.3	9,564.6
	Finance costs	27,401.3	29,086.9	26,873.4
	Depreciation and amortisation	27,258.8	27,845.0	25,514.5
	Other expenses	87,590.2	102,045.4	97,453.1
	TOTAL EXPENSES	**419,811.4**	**429,088.7**	**362,231.9**
V	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	**36,476.3**	**36,452.2**	**7,939.2**
VI	**EXCEPTIONAL ITEMS**			
	Exchange loss (net)	16,923.0	—	—
	Provision for diminution in value of investments	—	3,963.0	58,604.5
VII	**PROFIT/(LOSS) BEFORE TAX (V-VI)**	**19,553.3**	**32,489.2**	**(50,665.3)**
VIII	**TAX EXPENSES:**			
	Current tax	4,098.0	7,188.8	67.1
	MAT credit entitlement	(4,098.0)	(7,188.8)	(67.1)
	Reversal of MAT credit entitlement	—	—	1,154.4
	Deferred tax	6,208.2	10,824.4	(16,836.9)
		6,208.2	**10,824.4**	**(15,682.5)**
IX	**PROFIT/(LOSS) FOR THE YEAR (VII-VIII)**	**13,345.1**	**21,664.8**	**(34,982.8)**
X	**EARNINGS PER EQUITY SHARE OF Rs.10 EACH:**			
	Basic	53.86	88.24	(146.11)
	Diluted	53.86	88.24	(146.11)

Standalone Statement of Profit and Loss for the Company under IND-AS for the nine months ended 31 December 2015 and 2016

		Nine months ended 31 December		
		2015	2016	2016
		(Rs. million)		(U.S.$ million)(1)
I	**REVENUE FROM OPERATIONS**	302,440.9	399,615.8	5,880.6
II	**OTHER INCOME**	2,953.8	1,737.5	25.6
III	**TOTAL INCOME (I +II)**	**305,394.7**	**401,353.3**	**5,906.2**
IV	**EXPENSES:**			
	Cost or materials consumed	144,144.3	193,698.8	2,850.4
	Purchases of stock-in-trade	606.8	6,206.2	91.3
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	5,892.5	(12,991.6)	(191.2)
	Employee benefits expense	7,369.6	8,925.7	131.3
	Finance costs	23,900.4	26,795.5	394.3
	Depreciation and amortisation	21,260.2	23,254.7	342.2
	Excise duty expense	30,814.2	34,508.0	507.8
	Other expenses	69,269.8	83,021.9	1,221.8
	TOTAL EXPENSES	**303,257.8**	**363,419.2**	**5,347.9**
V	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	**2,136.9**	**37,934.1**	**558.3**
VI	**EXCEPTIONAL ITEMS**			
	Provision for diminution in value of investments	58,585.7	—	—
VII	**PROFIT/(LOSS) BEFORE TAX (V-VI)**	**(56,448.8)**	**37,934.1**	**558.3**
VIII	**TAX EXPENSES:**			
	Current tax	1,239.5	665.0	9.8
	Tax provision for earlier years written back	—	(124.6)	(1.8)
	Deferred tax	(18,635.7)	12,327.2	181.4
	Less: MAT credit entitlement	(85.1)	(665.0)	(9.8)
		(17,481.3)	**12,202.6**	**179.6**
IX	**PROFIT/(LOSS) FOR THE YEAR (VII-VIII)**	**(38,967.5)**	**25,731.5**	**378.7**
X	**Other Comprehensive Income / (loss)**			
A	Items that will not be reclassified to profit or loss	**(3,123.9)**	**(889.7)**	**(13.1)**
B	Items that will be reclassified to profit or loss	(1,632.2)	1,627.9	24.0
	Total other comprehensive income/(loss) (A+B)	**(4,756.1)**	**738.2**	**10.9**
XI	**Total comprehensive income/(loss) (IX+X)**	**(43,723.6)**	**26,469.7**	**389.6**
XII	**EARNINGS PER EQUITY SHARE OF RE. 1 EACH:**			
	Basic	(16.29)	10.71	0.16
	Diluted	(16.29)	10.65	0.16

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Standalone Balance Sheet of the Company under Indian GAAP as at 31 March 2014, 2015 and 2016

	As at 31 March		
	2014	2015	2016
	(Rs. million)		
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
Share capital	10,671.9	10,671.9	10,671.9
Reserves and surplus	232,169.9	246,574.1	206,857.7
	242,841.8	**257,246.0**	**217,529.6**
(2) NON-CURRENT LIABILITIES			
Long-term borrowings	210,543.2	254,968.9	258,711.6
Deferred tax liabilities (Net)	19,085.1	29,665.9	12,246.9
Other long-term liabilities	4,664.0	2,361.0	1,664.5
Long-term provisions	406.7	567.8	10,174.2
	234,699.0	**287,563.6**	**282,797.2**
(3) CURRENT LIABILITIES			
Short-term borrowings	39,206.6	2,643.4	20,699.0
Trade payables			
(i) Total outstanding, dues of micro and small enterprises	127.6	240.5	220.5
(ii) Total outstanding, dues of creditors other than micro and small enterprises	99,784.9	124,913.4	109,756.1
Other current liabilities	64,159.7	72,781.1	84,144.2
Short-term provisions	3,437.2	3,536.0	2,517.8
	206,716.0	**204,114.4**	**217,337.6**
Total	**684,256.8**	**748,924.0**	**717,664.4**
II. ASSETS			
(1) NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	372,251.2	384,975.6	419,749.2
Intangible assets	699.6	718.3	618.2
Capital work-in-progress	67,896.6	75,938.5	62,035.4
Intangible assets under development	678.1	1,960.1	2,357.8
	441,525.5	**463,592.5**	**484,760.6**
Non-current investments	43,128.5	41,972.8	44,736.3
Long-term loans and advances	46,678.1	50,123.7	48,581.6
Other non-current assets	2,936.6	2,995.4	2,597.9
	534,268.7	**558,684.4**	**580,676.4**
(2) CURRENT ASSETS			
Current investments	677.0	—	—
Inventories	61,965.7	85,847.4	67,755.0
Trade receivables	22,187.4	20,268.3	25,107.1
Cash and bank balances	4,657.2	17,950.6	5,963.1
Short-term loans and advances	59,878.2	65,374.1	36,258.3
Other current assets	622.6	799.2	1,904.5
	149,988.1	**190,239.6**	**136,988.0**
Total	**684,256.8**	**748,924.0**	**717,664.4**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Standalone Balance Sheet of the Company under IND-AS as at 31 December 2016

	As at 31 March	As at 31 December	
	2016	2016	
	(Rs. million)	(Rs. million)	(U.S.$ million)[1]
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	462,836.3	503,577.1	7,410.5
(b) Capital work-in-progress	62,035.4	24,736.8	364.0
(c) Intangible assets	618.2	552.7	8.1
(d) Intangible assets under development	2,357.8	2,393.4	35.2
	527,847.7	531,260.0	7,817.8
(e) Financial Assets			
(i) Investments	47,640.3	47,337.3	696.6
(ii) Loans	2,417.5	2,393.5	35.2
(iii) Others	1,393.1	1,126.9	16.6
(h) Deferred tax assets (net)	4,795.4	—	—
(f) Other non-current assets	14,202.8	13,403.8	197.3
	598,296.8	595,521.5	8,763.5
(2) Current assets			
(a) Inventories	67,417.4	101,184.0	1,489.0
(b) Financial Assets			
(i) Investments	—	2,283.9	33.6
(ii) Trade receivables	25,107.1	34,414.4	506.4
(iii) Cash and cash equivalents	4,650.9	2,556.0	37.6
(iv) Bank Balances other than (iii) above	1,334.5	3,140.7	46.2
(v) Loans	13,253.1	28,566.2	420.4
(vi) Others	2,527.0	4,844.0	71.3
(c) Other current assets	20,345.9	29,195.1	429.6
	134,635.9	206,184.2	3,034.1
Total	732,932.7	801,705.7	11,797.6
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	3,009.0	3,012.7	44.3
(b) Other equity	200,871.5	225,193.6	3,313.9
	203,880.5	228,206.3	3,358.2
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	300,340.9	280,526.5	4,128.1
(ii) Other financial liabilities	1,338.9	1,072.1	15.8
(b) Provisions	10,174.2	10,536.4	155.1
(c) Deferred tax liabilities(Net)	—	7,678.7	113.0
(d) Other non-current liabilities	26.2	29.8	0.4
Total non-current liabilities	311,880.2	299,843.5	4,412.4
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20,699.0	56,901.9	837.4
(ii) Trade payables	110,113.2	112,011.6	1,648.3
(iii) Other financial liabilities	75,911.3	91,530.9	1,346.9
(b) Provisions	1,056.7	1,351.5	19.9
(c) Other current liabilities	9,391.8	11,860.0	174.5
Total current liabilities	**217,172.0**	**273,655.9**	**4,027.0**
Total	**732,932.7**	**801,705.7**	**11,797.6**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Standalone Cash Flow Statement of the Company under Indian GAAP for the years ended 31 March 2014, 2015 and 2016

		Year ended 31 March		
		2014	**2015**	**2016**
			(Rs.million)	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	NET PROFIT BEFORE TAX	19,553.3	32,489.2	(50,665.3)
	ADJUSTMENTS FOR:			
	Depreciation and amortisation	27,258.8	27,845.0	25,514.5
	(Profit)/Loss on sale of fixed assets	44.6	(441.8)	3.3
	Gain on sale of current investments	(171.5)	(26.4)	(26.6)
	Gain on sale of long term investment	(65.6)	(709.1)	—
	Interest income	(2,451.6)	(2,232.0)	(2,464.6)
	Dividend income	(222.3)	(571.6)	(182.9)
	Interest expenses	21,249.2	21,910.5	22,602.8
	Unrealised exchange loss	1,970.6	1,206.3	3,160.0
	Provision/Write-off for diminution in value of investments loans and advances and guarantees	—	3,964.0	58,606.1
		47,612.2	**50,944.9**	**107,212.6**
	Operating profit before working capital changes	**67,165.5**	**83,434.1**	**56,547.3**
	ADJUSTMENTS FOR:			
	(Increase)/Decrease in inventories	(8,290.5)	(23,881.7)	18,092.4
	Decrease in trade receivables*	4,936.2	1,919.1	(4,838.8)
	Decrease/(Increase) in loans and advances*	(871.5)	4,538.2	796.9
	(Decrease)/Increase in trade payable and other liabilities*	(22,752.6)	25,598.8	(18,857.8)
	(Decrease)/Increase in provision*	(225.5)	161.1	27.9
		(27,203.9)	**8,335.5**	**(4,779.4)**
	CASH FLOW FROM OPERATIONS	**39,961.6**	**91,769.6**	**51,767.9**
	Direct taxes paid	(3,527.9)	(7,107.9)	(1,538.6)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	**36,433.7**	**84,661.7**	**50,229.3**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Capital expenditure on fixed assets, including capital advances	(44,100.7)	(44,515.9)	(39,044.1)
	Proceeds from sale of fixed assets	109.3	1,384.7	16.0
	Investment in subsidiaries and joint ventures including advances	(6,455.5)	(2,924.1)	(12,834.6)
	Sale/(Purchase) of other long term investments (net)	(560.6)	887.5	2.9
	Sale/(Purchase) of current investments (net)	927.2	703.4	26.6
	Bank deposits not considered as cash and cash equivalents (net)	(181.6)	(9,428.7)	8,519.9
	Loans to subsidiaries	(9,770.6)	(12,429.4)	(7,909.2)
	Loans repaid by subsidiaries	27,699.8	2,364.5	142.9
	Interest received	1,043.0	640.0	592.5
	Dividend received	222.3	571.6	182.9
	NET CASH USED IN INVESTING ACTIVITIES	**(31,067.4)**	**(62,746.4)**	**(50,304.2)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings	38,798.1	110,727.1	58,630.6
	Repayment of long term borrowings	(42,673.6)	(67,088.0)	(53,432.8)
	Proceeds from/ Repayment of short term borrowings (net)	25,646.4	(36,602.1)	18,056.5
	Interest paid	(22,280.1)	(21,653.5)	(23,111.4)
	Dividend paid (including corporate dividend tax)	(3,154.5)	(3,437.2)	(3,536.0)
	NET CASH USED IN FINANCING ACTIVITES	**(3,663.7)**	**(18,053.7)**	**(3,393.1)**
	NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)	**1,702.7**	**3,861.6**	**(3,468.0)**
	CASH AND CASH EQUIVALENTS - OPENING BALANCES	**2,030.7**	**4,235.0**	**8,096.6**
	On account of composite scheme of amalgamation and arrangement	501.6	—	—
	CASH AND CASH EQUIVALENTS - CLOSING BALANCES	**4,235.0**	**8,096.6**	**4,628.6**
	Add : Margin money / Fixed deposit balance	190.8	9,619.7	1,100.6
	Add : Balance in debenture interest/ instalments/dividend payment accounts	231.4	234.3	233.9
	CASH AND BANK BALANCES	**4,657.2**	**17,950.6**	**5,963.1**

*** INCLUDES CURRENT AND NON CURRENT**

Condensed Standalone Cash Flow Statement of the Company under IND-AS for the nine months ended 31 December 2015 and 2016

	Nine months ended 31 December		
	2015	**2016**	**2016**
	(Rs.million)		**(U.S.$ million)[1]**
A. NET CASH GENERATED FROM OPERATING ACTIVITIES	**22,463.7**	**35,450.6**	**521.7**
B. NET CASH USED IN INVESTING ACTIVITIES	**(37,100.5)**	**(56,176.0)**	**(826.7)**
C. NET CASH GENERATED FROM FINANCING ACTIVITIES	**12,695.0**	**18,630.5**	**274.2**
NET DECREASE IN CASH AND CASH EQUIVALENTS(A+B+C)	**(1,941.8)**	**(2,094.9)**	**(30.8)**
CASH AND CASH EQUIVALENTS - OPENING BALANCES	**8,096.6**	**4,650.9**	**68.4**
CASH AND CASH EQUIVALENTS - CLOSING BALANCES	**6,154.8**	**2,556.0**	**37.6**
Add : Margin money / Fixed deposit balance	1,383.2	2,886.9	42.5
Add : Balance in debenture interest/ instalments/dividend payment accounts	234.2	253.8	3.7
CASH AND BANK BALANCES	**7,772.2**	**5,696.7**	**83.8**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

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.

	Indian GAAP			IND-AS		
	Year ended 31 March			Nine months ended 31 December		
	2014	2015	2016	2015	2016	2016
						(U.S.$ million except percentages)[(8)]
Total revenue (Rs. million)[(7)] . .	513,054.3	530,829.5	420,470.9	343,420.0	427,153.2	6,285.9
EBITDA (Rs. million)[(1)(7)]	91,654.6	94,022.9	60,729.9	44,766.9	90,949.2	1,338.3
Capital expenditure outflow (Rs. million).	57,628.5	67,206.0	51,786.8	41,770.6	39,027.1	574.3
Operating free cash flow[(2)(7)] (Rs. million).	34,026.1	26,816.9	8,943.1	2,996.3	51,922.1	764.0
Net profit before tax (Rs. million)	13,080.5	25,391.1	(23,748.1)	(27,750.3)	37,331.1	549.3
Profit after tax (Rs. million). . .	4,519.5	17,965.7	(7,419.5)	(6,316.0)	25,655.1	377.5
EBITDA/turnover[(3)] (per cent.) .	17.9	17.7	14.5	14.5	23.4	23.4
Profit before tax/turnover (per cent.).	2.6	4.8	(5.7)	(8.1)	8.7	8.7
Net debt to equity ratio (times)[(4)]	1.5	1.5	1.8	2.3	2.1	2.1
Return on average net worth[(5)(7)] (per cent.)	2.3	7.9	(3.3)	(3.3)	12.9	12.9
Return on average capital employed[(6)(7)] (per cent.) . . .	11.8	9.7	4.6	3.1	9.8	9.8

Notes:

(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). Excludes acceptances.

(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, amortisation 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.

(8) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Non-GAAP Financial Measures

The following table reconciles the Group's profit after tax under Indian GAAP for the years ended 31 March 2014. 2015 and 2016 and under IND-AS for the nine months ended 31 December 2015 and 2016 to the Group's definition of EBITDA for the periods indicated:

	Indian GAAP			**IND-AS**		
	Year ended 31 March			**Nine months ended 31 December**		
	2014	**2015**	**2016**	**2015**	**2016**	**2016**
			(Rs. million)			**(U.S.$ million)(1)**
EBITDA	91,654.6	94,022.9	60,729.9	44,766.9	90,949.2	1,338.3
Adjustments						
Other income	858.1	1,114.4	1,682.1	1,124.3	962.9	14.2
Finance costs	(30,478.6)	(34,930.3)	(33,026.8)	(27,452.8)	(28,205.6)	(415.1)
Depreciation and amortisation	(31,826.1)	(34,344.9)	(31,879.2)	(24,946.0)	(26,375.4)	(388.1)
Exceptional Items	(17,127.5)	(471.0)	(21,254.1)	(21,242.7)	—	—
Tax expenses						
Current tax	(4,441.2)	(7,440.3)	(890.0)	(1,612.0)	(2,154.9)	(31.7)
Deferred tax	(9,043.3)	(7,945.3)	16,826.1	21,140.1	(11,763.9)	(173.1)
Reversal of MAT credit entitlement	—	—	(1,154.4)	—	—	—
Excess Provision reversed	—	—	—	—	124.6	1.8
Less: MAT credit entitlement	4,283.7	7,191.5	458.8	220.1	1,042.8	15.4
Share of (losses)/profit of minority	504.4	747.7	950.3	1,497.2	1,068.4	15.7
Share of (losses)/profit from associate/joint ventures (net)	135.4	21.0	137.8	188.9	7.0	0.1
Total adjustments	(87,135.1)	(76,057.2)	(68,149.4)	(51,082.9)	(65,294.1)	(960.8)
Profit after tax	4,519.5	17,965.7	(7,419.5)	(6,316.0)	25,655.1	377.5

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

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 31 March 2014, 2015 and 2016 and the nine months ended 31 December 2015 and 2016. 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 for the years ended 31 March 2014, 2015 and 2016 are prepared in accordance with Indian GAAP and its financial statements for the nine months ended 31 December 2016 are prepared in accordance with IND-AS. Indian GAAP, IND-AS 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, IFRS and IND-AS".

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, the flagship company of the JSW Group and part of the O.P. Jindal Group, 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, galvanised and galvalume products, pre-painted galvanised and galvalume products, thermo mechanically treated ("TMT") bars, wire rods and special steel bars, rounds and blooms, plates and pipes of various sizes and cold rolled non-grain oriented products. 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 operations in India currently have a installed crude steel capacity of approximately 18.0 mtpa, which comprises 12.50mtpa (approximately 70.0 per cent. of the capacity) of flat products and 5.50 mtpa (approximately 30.0 per cent. of the capacity) of long products. Since the Group's incorporation in 1994, the Group gross revenues have grown to Rs. 463,040.6 million for the year ended 31 March 2016 and to Rs. 426,190.3 million (U.S.$6,271.7 million) for the nine months ended 31 December 2016.

In 2016, the Group was ranked amongst the top ten world class steelmakers according to World Steel Dynamics, based on a variety of factors. In particular, the Group achieved the highest rating on the following criteria: conversion costs, yields, expanding capacity, location in high-growth markets and labour costs. This ranking puts the Group ahead of all other steelmakers based in India.

The Group has significantly expanded its steelmaking capacity at its Indian operations, which has increased from 1.6 mtpa in 2002 to 2.5 mtpa in 2006, 3.8 mtpa in 2007, 7.8 mtpa in 2010, 11.0 mtpa in 2012 and to 18.0 mtpa in 2016, through organic and inorganic growth. The Group's manufacturing facilities in India consist of Vijayanagar Works in Karnataka (12.0 mtpa), Dolvi Works in Maharashtra (5.0 mtpa) and Salem Works in Tamil Nadu (1.0 mtpa) in addition to downstream facilities for its coated products division at Vasind, Tarapur and Kalmeshwar Works in Maharashtra. The Group's major facilities in India 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.

In 2016, the Group completed the expansion of its facilities in India, increasing its production capacity from 14.3 mtpa to 18 mtpa, through a brownfield expansion at Vijayanagar Works and Dolvi Works. The Group plans to expand its steel capacity to 40.0 mtpa by the next decade through a combination of organic and inorganic growth.

For fiscal year 2016 and for the nine months ended 31 December 2016, approximately 88.0 per cent. and 79.2 per cent., respectively, of the Group's sales from sale of products were derived within India through the Group's widespread sales and distribution network that sells its products directly to customers, wholesale traders and stock points. The Group's sales presence is particularly strong in South and West India, where a large number of automotive manufacturers are located. The Group is mainly focused on retail sales through its JSW Shoppes. As at 31 March 2016, the Group had 560 JSW Shoppe outlets located throughout India. For fiscal year 2016 and the nine months ended 31 December 2016, 12.0 per cent. and 20.8 per cent., respectively, of the Group's 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.

For fiscal year 2016, the Group recorded revenue from operations of Rs. 463,040.6 million and profit/(loss) after taxes, minority interests and share of profit of associates of Rs. (7,419.5) million. For the nine months ended 31 December 2016, the Group recorded revenue from operations of Rs. 426,190.3 million (U.S.$6,271.7 million) and profit after taxes, minority interests and share of profit of associates of Rs. 25,655.1 million (U.S.$377.5 million). The Group had net fixed assets (including capital work in progress) of Rs. 620,840.3 million (U.S.$9,136.1 million) and a net debt to equity ratio (excludes acceptances) of 2.11x as at 31 December 2016.

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 31 March 2016, the Group's domestic sales accounted for approximately 88.0 per cent. of the Group's total sales of products, compared to approximately 76.0 per cent. in the previous year. According to EIU, India's economy has grown significantly in recent years, with an average annual growth rate of 7.8 per cent. over fiscal years 2006 to 2016. According to the WSA, steel consumption in India grew 5.4 per cent. in 2016. According to the WSA, India's per capita steel consumption of finished steel in 2016 was relatively low at 64 kg, as compared to China at 483 kg, Japan at 495 kg, the U.S. at 293 kg, South Korea at 1,110 kg, and a world average at 206 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 808 mtpa of crude steel in 2016, which represents 50.4 per cent. of global steel production in 2016. See "*Industry Overview — The Global Steel Industry*". While China's production declined 2.3 per cent. in 2015 compared to 2014, its production in 2016 represents a 1.2 per cent. growth over its production in 2015. In recent years, 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 31 March 2015 and 31 March 2016, total cost of materials consumed by the Group's operations was Rs. 311,404.2 million and Rs. 212,730.6 million, respectively. Total crude steel production from the Group's Indian operations were 12.63 mt and 12.56 mt for the years ended 31 March 2015 and 31 March 2016, respectively. For the years ended 31 March 2015 and 31 March 2016, total raw materials consumed by the Company was Rs. 308,519.8 million and Rs. 212,568.6 million, respectively.

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

	Year ended 31 March		
	2014	**2015**	**2016**
		(Rs. million)	
Cost of materials consumed	302,217.9	308,519.8	212,568.6
Purchase of finished, semi-finished steel and other products	2,155.8	2,884.4	162.0
Total cost of materials	**304,373.7**	**311,404.2**	**212,730.6**

Labour 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 2.105 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-added products through new investments and product development.

Currency Exchange Rates

A significant portion of the Group's raw material costs, particularly coking coal, are imported and 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 the year ended 31 March 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, IFRS and IND-AS*".

Recent Changes in Accounting Policies

The Indian Accounting Standard ("IND-AS") is applicable to the Group with effect from 1 April 2016 and accordingly the financial results for all the periods effective 1 April 2016 have been prepared in accordance with recognition and measurement principles laid down in IND-AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. For information on the Group's significant accounting policies, see the Interim Financial Statements set forth in this Offering Memorandum.

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, job work and processing charges and carriage and freight, etc.

"Exceptional items" comprises impairment of assets, exchange losses and provision in relation to a legal dispute.

"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 31 March 2014, 2015 and 2016 and the nine months ended 31 December 2015 and 2016, 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 31 March				
	2014	2015	per cent. change	2016	per cent. change
	(Rs. million, except percentages)				
REVENUE					
Revenue from operations	554,315.1	574,928.0	3.7	463,040.6	(19.5)
Less: Excise duty	42,118.9	45,212.9	7.3	44,251.8	(2.1)
	512,196.2	529,715.1	3.4	418,788.8	(20.9)
Other income	858.1	1,114.4	29.9	1,682.1	50.9
TOTAL REVENUE	**513,054.3**	**530,829.5**	**3.5**	**420,470.9**	**(20.8)**
EXPENSES					
Cost of materials consumed	302,217.9	308,519.8	2.1	212,568.6	(31.1)
Purchase of stock-in-trade	2,155.8	2,884.4	33.8	162.0	(94.4)
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,921.8)	(14,882.1)	674.4	13,747.6	(192.4)
Cost of construction	887.9	337.4	(62.0)	1,027.8	204.6
Employee benefits expense	12,982.4	15,328.4	18.1	15,680.2	2.3
Finance costs	30,478.6	34,930.3	14.6	33,026.8	(5.4)
Depreciation and amortization	31,826.1	34,344.9	7.9	31,879.2	(7.2)
Other expenses	104,219.4	123,504.2	18.5	114,872.7	(7.0)
TOTAL EXPENSES	**482,846.3**	**504,967.4**	**4.6**	**422,964.9**	**(16.2)**

	Year ended 31 March				
	2014	2015	per cent. change	2016	per cent. change
	(Rs. million, except percentages)				
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	30,208.0	25,862.1	(14.4)	(2,494.0)	(109.6)
EXCEPTIONAL ITEMS	(17,127.5)	471.0	(97.3)	21,254.1	4,412.5
PROFIT BEFORE TAX	13,080.5	25,391.1	94.1	(23,748.1)	(193.5)
TAX EXPENSES					
Current tax	4,441.2	7,440.3	67.5	890.0	(88.0)
Deferred tax	9,043.3	7,945.3	(12.1)	(16,826.1)	(311.8)
Reversal of MAT credit entitlement	—	—	—	1,154.4	—
Less: MAT credit entitlement	(4,283.7)	(7,191.5)	67.9	(458.8)	(93.6)
	9,200.8	8,194.1	(10.9)	(15,240.5)	(286.0)
PROFIT AFTER TAX BUT BEFORE MINORITY INTERESTS AND SHARE OF PROFITS/LOSS OF ASSOCIATE	3,879.7	17,197.0	343.3	(8,507.6)	(149.5)
SHARE OF (LOSSES)/PROFIT OF MINORITY	(504.4)	(747.7)	48.2	(950.3)	27.1
SHARE OF (LOSSES)/PROFIT FROM ASSOCIATE (NET)	135.4	21.0	(84.5)	137.8	556.2
PROFIT FOR THE PERIOD	**4,519.5**	**17,965.7**	**297.5**	**(7,419.5)**	**(141.3)**

	Nine months ended 31 December			
	2015	2016	per cent. change	2016
	(Rs. million, except percentages)			(U.S.$ in million)
REVENUE				
Revenue from operations	342,295.7	426,190.3	24.5	6,271.7
Other income	1,124.3	962.9	(14.4)	14.2
TOTAL REVENUE	343,420.0	427,153.2	24.4	6,285.9
EXPENSES				
Cost of materials consumed	164,433.7	203,280.4	23.6	2,991.4
Purchase of stock-in-trade	397.9	—	(100.0)	—
Changes in inventories of finished goods, work-in-progress and stock-in-trade	5,475.3	(13,667.8)	—	(201.1)
Employee benefits expense	11,707.9	12,930.2	10.4	190.3
Finance costs	27,452.8	28,205.6	2.7	415.1
Depreciation and amortization	24,946.0	26,375.4	5.7	388.1
Excise duty	32,918.2	36,705.9	11.5	540.2
Other expenses	82,595.8	95,992.4	16.2	1,412.6
TOTAL EXPENSES	349,927.6	389,822.1	11.4	5,736.6

	Nine months ended 31 December			
	2015	2016	per cent. change	2016
	(Rs. million, except percentages)			(U.S.$ in million)
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	(6,507.6)	37,331.1	—	549.3
EXCEPTIONAL ITEMS	21,242.7	—	(100.0)	—
PROFIT BEFORE TAX	(27,750.3)	37,331.1	—	549.3
TAX EXPENSES	**(19,748.2)**	**12,751.4**		**187.6**
Current tax	1,612.1	2,154.9	33.7	31.7
Tax provision for earlier years written back	—	(124.6)		(1.8)
Deferred tax	(21,140.1)	11,763.9	—	173.1
Less: MAT credit entitlement	(220.1)	(1,042.8)	(373.8)	(15.4)
PROFIT AFTER TAX BUT BEFORE MINORITY INTERESTS AND SHARE OF PROFITS/LOSS OF ASSOCIATE	(8,002.1)	24,579.7	—	361.7
Share of (loss)/profit from an associate	106.6	(89.1)	(183.6)	(1.3)
Share of (loss)/profit from joint ventures (net)	82.3	96.1	16.8	1.4
Profit/(loss) for the period	**(7,813.2)**	**24,586.7**	**(414.7)**	**361.8**

Results of Operations for the Nine Months Ended 31 December 2015 compared with the Nine Months Ended 31 December 2016

Revenue from Operations

The Group's revenue from operations in the nine months ended 31 December 2016 increased by 24.51 per cent. to Rs. 426,190 million (U.S.$6,271.7 million) from Rs. 342,296 million in the nine months ended 31 December 2015. The majority of the Group's business is in the manufacturing of steel products and hence has only one reportable operating segment as per IND-AS 108 — Operating Segments.

The increase in revenue was mainly due to increase in sales volume by 22.0 per cent.

Cost of Materials Consumed

Cost of materials consumed increased by 23.6 per cent. to Rs. 203,280 million (U.S.$2,991 million) in the nine months ended 31 December 2016 from Rs. 164,433 million in the nine months ended 31 December 2015. The increase in cost of materials consumed was mainly due to higher production volume and higher input costs.

Purchase of Stock-in-Trade

Purchase of stock-in-trade was negligible in the nine months ended 31 December 2016 which was a decrease from Rs. 398 million in the nine months ended 31 December 2015.

Employee Benefits Expense

Employee benefits expense increased by 10.4 per cent. to Rs. 12,930 million (U.S.$190 million) in the nine months ended 31 December 2016 from Rs. 11,708 million in the nine months ended 31 December 2015. The increase was primarily due to annual salary increases for existing employees.

Finance Costs

Finance costs increased by 2.7 per cent. to Rs. 28,206 million (U.S.$415 million) in the nine months ended 31 December 2016 from Rs. 27,453 million in the nine months ended 31 December 2015. The increase was primarily due to capitalisation of expansion projects at Dolvi and Vijayanagar.

Depreciation and Amortization

Depreciation and amortization increased by 5.7 per cent. to Rs. 26,375 million (U.S.$388 million) in the nine months ended 31 December 2016 from Rs. 24,946 million in the nine months ended 31 December 2015. This increase was primarily due to capitalization of expansion projects at Vijaynagar works and Dolvi works, which were re-commissioned after modification and capacity expansion.

Excise duty

Excise duty increased by 11.5 per cent. to Rs. 36,706 million (U.S.$540 million) in the nine months ended 31 December 2016 from Rs. 32,918.2 million in the nine months ended 31 December 2015. The increase was primarily a result of higher domestic sales.

Other Expenses

Other expenses increased by 16.2 per cent. to Rs. 95,992 million (U.S.$1,413 million) in the nine months ended 31 December 2016 from Rs. 82,596 million in the nine months ended 31 December 2015. The increase was primarily result of higher power and fuel cost, stores and spares consumption and job work charges on account of higher production volume and enhancement in production capacity.

Exceptional Items

During the nine months ended 31 December 2016, the Group recorded exceptional items of a negligible amount as compared to exceptional items of Rs. 21,243 million recorded during the nine months ended 31 December 2015. Exceptional items in the nine months ended 31 December 2015 primarily comprised (i) provisions pertaining to the carrying amount of fixed assets relating to steel operations in the United States; (ii) provisions pertaining to the carrying amounts of goodwill and mining development and projects relating to iron ore mines in Chile; (iii) provisions pertaining to the carrying amount of goodwill, mining development and projects, and other related assets relating to coal mines in the United State; and (iv) a provision for an adverse judgment against a member company of the Group in the United States.

Tax Expense

Tax expenses increased to Rs. 12,751 million (U.S.$188 million) in the nine months ended 31 December 2016 from Rs. (19,748) million in the nine months ended 31 December 2015 as a result of increased profits in 2016.

Profit for the Period

As a result of the foregoing, the Group recorded a profit of Rs. 25,655 million (U.S.$378 million) in the nine months ended 31 December 2016 compared to a loss of Rs. (6,316) million in the nine months ended 31 December 2015.

Results of Operations for the Year Ended 31 March 2015 compared with the Year Ended 31 March 2016

Net Revenue from Operations

The Group's net revenue from operations in the year ended 31 March 2016 decreased by 20.9 per cent. to Rs. 418,789 million from Rs. 529,715 million in the year ended 31 March 2015. 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:

	Years ended 31 March	
	2015	2016
	(Rs. million)	(Rs. million)
Steel	532,059	429,723
Power	40,660	44,523
Other	9,014	2,772
Total	**581,733**	**477,018**
Less: Inter segment sales	(52,018)	(58,229)
Net revenue from operations	529,715	418,789

Steel Segment

Sales from the steel segment decreased by 19.2 per cent. to Rs. 429,723 million in the year ended 31 March 2016 from Rs. 532,059 million in the year ended 31 March 2015. This decrease was primarily due to decline in realisation of steel products.

Power Segment

Sales from the power segment increased by 9.5 per cent. to Rs. 44,523 million in the year ended 31 March 2016 from Rs. 40,660 million in the year ended 31 March 2015. This increase was primarily due to increase in units generated and sold.

Other Operations

Revenue from other operations decreased by 69.3 per cent. to Rs. 2,772 million in the year ended 31 March 2016 from Rs. 9,014 million in the year ended 31 March 2015. This decrease was primarily due to temporary suspension of mining activities in Chile and U.S..

Cost of Materials Consumed

Cost of materials consumed decreased by 31.1 per cent. to Rs. 212,569 million in the year ended 31 March 2016 from Rs. 308,520 million in the year ended 31 March 2015. The decrease in cost of materials consumed was primarily due to lower input prices of iron ore, coking-coal and other raw material prices. The various cost saving measures including price negotiations undertaken during the year contributed to lower cost of materials consumed.

Purchase of Stock-in-Trade

Purchase of stock-in-trade decreased by 94.4 per cent. to Rs. 162 million in the year ended 31 March 2016 from Rs. 2,884 million in the year ended 31 March 2015. This decrease was primarily a result of lower trading volumes.

Cost of Construction

Cost of construction increased by 204.6 per cent. to Rs. 1,028 million in the year ended 31 March 2016 from Rs. 337 million in the year ended 31 March 2015. The increase was primarily a result of increase in the number of construction contracts at JSW Severfield Structures Limited ("JSSL").

Employee Benefits Expense

Employee benefits expense increased by 2.3 per cent. to Rs. 15,680 million in the year ended 31 March 2016 from Rs. 15,328 million in the year ended 31 March 2015. The increase was primarily due to annual increase in salaries.

Finance Costs

Finance costs decreased by 5.4 per cent. to Rs. 33,027 million in the year ended 31 March 2016 from Rs. 34,930 million in the year ended 31 March 2015. The decrease was primarily due to the lower borrowing cost as a result of refinancing of the Company's rupee-denominated term loan of U.S.$500 million foreign currency bond issued in 2015, refinancing of other high cost debt and the reduction in rupee term loan interest rate due to reduction in base rate of various banks.

Depreciation and Amortization

Depreciation and amortization decreased by 7.1 per cent. to Rs. 31,879 million in the year ended 31 March 2016 from Rs. 34,345 million in the year ended 31 March 2015. This decrease was primarily due to componentisation of assets as required under Companies Act, 2013.

Other Expenses

Other expenses decreased by 6.9 per cent. to Rs. 114,873 million in the year ended 31 March 2016 from Rs. 123,504 million in the year ended 31 March 2015. The decrease was primarily as a result of decrease in power cost because of lower thermal coal cost and corresponding reduction in purchased power.

Exceptional Items

In the year ended 31 March 2016, the Group recorded exceptional items of Rs. 21,254 million compared exceptional items of Rs. 471 million recorded in the year ended 31 March 2015. Exceptional items in the year ended 31 March 2016 primarily comprised (i) provisions pertaining to the carrying amount of fixed assets relating to steel operations in the United States; (ii) provisions pertaining to the carrying amounts of goodwill and mining development and projects relating to iron ore mines in Chile; (iii) provisions pertaining to the carrying amount of goodwill, mining development and projects, and other related assets relating to coal mines in the United State; and (iv) a provision for an adverse judgment against a member company of the Group in the United States.

Tax Expense

In the year ended 31 March 2016, the Group recorded a tax gain of Rs. 15,241 million compared to a tax expense of Rs. 8,194 million in the year ended 31 March 2015. The tax gain was primarily due to a deferred tax gain of Rs. 16,826 million in the year ended 31 March 2016 compared to deferred taxes recognised of Rs. 7,945 million in the year ended 31 March 2015.

Profit/(Loss) for the Year

As a result of the foregoing, the Group recorded a loss of Rs. (7,420) million in the year ended 31 March 2016 compared to a profit of Rs. 17,966 million in the year ended 31 March 2015.

Results of Operations for the Year Ended 31 March 2014 compared with the Year Ended 31 March 2015

Net Revenue from Operations

The Group's net revenue from operations in the year ended 31 March 2015 increased by 3.4 per cent. to Rs. 529,715 million from Rs. 512,196 million in the year ended 31 March 2014. 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 31 March	
	2014	**2015**
	(Rs. million)	**(Rs. million)**
Steel	515,320	532,059
Power	40,783	40,660
Other	7,636	9,014
Total	**563,739**	**581,733**
Less: Inter segment sales	(51,543)	(52,018)
Net revenue from operations	512,196	529,715

Steel Segment

Sales from the steel segment increased by 3.3 per cent. to Rs. 532,059 million in the year ended 31 March 2015 from Rs. 515,320 million in the year ended 31 March 2014. This increase was primarily due to increase in sales volume of cold rolled products which surged by 54.3 per cent., TMT bars by 9.5 per cent., retail sales in domestic market by 8.3 per cent. and sale of branded products by 7.1 per cent.

Power Segment

Sales from the power segment marginally decreased by 0.3 per cent. to Rs. 40,660 million in the year ended 31 March 2015 from Rs. 40,783 million in the year ended 31 March 2014.

Other Operations

Revenue from other operations increased by 18.1 per cent. to Rs. 9,014 million in the year ended 31 March 2015 from Rs. 7,636 million in the year ended 31 March 2014. This increase was primarily due to increase in sale of cement products.

Cost of Materials Consumed

Cost of materials consumed increased by 2.1 per cent. to Rs. 308,520 million in the year ended 31 March 2015 from Rs. 302,218 million in the year ended 31 March 2014. The increase was primarily due to increase in crude steel production.

Purchase of Stock-in-Trade

Purchase of stock-in-trade increased by 33.8 per cent. to Rs. 2,884 million in the year ended 31 March 2015 from Rs. 2,156 million in the year ended 31 March 2014. This increase was primarily as a result of increase in sales trading volume.

Cost of Construction

Cost of construction decreased by 62.1 per cent. to Rs. 337 million in the year ended 31 March 2015 from Rs. 888 million in the year ended 31 March 2014. The decrease was primarily due to decrease in the number of construction contracts at JSSL.

Employee Benefits Expense

Employee benefits expense increased by 18.1 per cent. to Rs. 15,328 million in the year ended 31 March 2015 from Rs. 12,982 million in the year ended 31 March 2014. The increase was primarily due to annual salary increase for existing employees and increase in provisioning for long term employee benefits due to increase in actuarial valuation as a result of reduction in discount rates.

Finance Costs

Finance costs increased by 14.6 per cent. to Rs. 34,930 million in the year ended 31 March 2015 from Rs. 30,479 million in the year ended 31 March 2014. The increase was primarily due to additional borrowing cost on working capital loans taken to shore up the working capital margin which was partially offset by lower borrowing cost due to refinancing of rupee term loan with U.S.$500 million foreign currency bonds.

Depreciation and Amortization

Depreciation and amortization increased by 7.9 per cent. to Rs. 34,345 million in the year ended 31 March 2015 from Rs. 31,826 million in the year ended 31 March 2014. This increase was primarily due to commission of a new cold rolling mill at Vijayanagar and coke and pellet plant at Dolvi (Amba River Coke Limited).

Other Expenses

Other expenses increased by 18.5 per cent. to Rs. 123,504 million in the year ended 31 March 2015 from Rs. 104,219 million in the year ended 31 March 2014. The increase was primarily as a result of increase in manufacturing and other expenses due to increase in volumes.

Exceptional Items

In the year ended 31 March 2015, the Group recorded exceptional items of Rs. 471 million compared exceptional items of Rs. 17,128 million recorded in the year ended 31 March 2014. Exceptional items in the year ended 31 March 2015 primarily comprised (i) recognition of impairment on to the carrying amount of goodwill relating to a subsidiary; and (ii) provisions for a court order relating to the cancellation of the allotment of coal blocks. Exceptional items in the year ended 31 March 2014, represents the effect of significant movement and volatility in the value of the Rupee against the U.S. Dollar.

Tax Expense

Tax expenses decreased by 10.9 per cent. to Rs. 8,194 million in the year ended 31 March 2015 from Rs. 9,201 million in the year ended 31 March 2014 due to an increase in deferred tax liability on account of timing difference on depreciation.

Profit/(Loss) for the Year

As a result of the foregoing, the Group recorded a profit of Rs. 17,966 million in the year ended 31 March 2015 compared to a profit of Rs. 4,520 million in the year ended 31 March 2014.

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 ended 31 March 2014, 2015 and 2016 and the nine months ended 31 December 2016, 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 31 December 2016, the Company had cash credit of Rs. 14,000 million (U.S.$206 million) in place to balance out any mismatches in cash flow. The Company believes that 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.

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

	Year ended 31 March		
	2014	2015	2016
	(Rs. million)		
Net cash generated from operating activities	26,117	78,757	67,035
Net cash used in investing activities	(56,894)	(73,700)	(42,801)
Net cash generated from (used in) financing activities	33,005	(1,691)	(27,752)
Net increase (decrease) in cash and cash equivalents	2,227	3,365	(3,518)
Closing balance of cash and cash equivalents	5,786	9,129	5,669

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

	Nine months ended 31 December	
	2016	2016
	(Rs. million)	(U.S.$ in million)(1)
Net cash generated from operating activities	37,662	554
Net cash used in investing activities	(43,171)	(635)
Net cash generated from (used in) financing activities	4,378	64
Net increase (decrease) in cash and cash equivalents	(1,131)	(17)
Closing balance of cash and cash equivalents	7,706	113

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

Cash Flows Generated from Operating Activities

The Group generated Rs. 37,662 million (U.S.$554.2 million) from operations during the nine months ended 31 December 2016. The cash generated from operations during the nine months ended 31 December 2015 was Rs. 39,494 million.

The Group generated Rs. 67,035 million from operations during the year ended 31 March 2016 as compared to Rs. 78,757 million in the year ended 31 March 2015. The lower cash generated from operations in the year ended 31 March 2016, reflected a loss before tax for the period compared to a profit before tax in the previous year. The cash generated from operations prior to the changes in working capital in the year ended 31 March 2016 was Rs. 62,902 million against Rs. 88,501 million during the year ended 31 March 2015. Direct taxes paid during the year ended 31 March 2016 was Rs. 2,055 million as compared to Rs. 7,728 million in during the year ended 31 March 2015.

The Group generated Rs. 78,757 million from operations during the year ended 31 March 2015 as compared to Rs. 26,117 million in the year ended 31 March 2014. The cash generated from operations prior to the changes in working capital during the year ended 31 March 2015 was Rs. 88,501 million against Rs. 65,168 million in the year ended 31 March 2014. 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. 43,171 million (U.S.$635.3 million) in the nine months ended 31 December 2016 primarily for capital expenditure.

Cash used in investing activities was Rs. 42,801 million in the year ended 31 March 2016, primarily for capital expenditure on fixed assets including capital advances, which totaled Rs. 51,787 million in the period and which was partially offset by bank deposits not considered in cash and cash equivalents.

Cash used in investing activities was Rs. 73,700 million in the year ended 31 March 2015, primarily for capital expenditure on fixed assets including capital advances, which totaled Rs. 67,206 million in the period and which was partially offset by bank deposits not considered in cash and cash equivalents.

Cash used in investing activities was Rs. 56,894 million in the year ended 31 March 2014, primarily for purchase of fixed assets including capital advances, which totaled Rs. 57,629 million in the period.

Cash Flows Generated from/(Used in) Financing Activities

Cash generated from financing activities in the nine months ended 31 December 2016 (which consists of loan receipts net of loan repayments, interest payments and dividend payments) amounted to Rs. 4,378 million (U.S.$64.4 million).

Cash used financing activities in the year ended 31 March 2016 (which consists of loan receipts net of loan repayments, interest payments and dividend payments) amounted to Rs. 27,752 million, compared to cash used in financing activities of Rs. 1,691 million in the year ended 31 March 2015.

Cash used in financing activities (which consists of loan receipts net of loan repayments, interest payments and dividend payments) in the year ended 31 March 2015 was Rs. 1,691 million, compared to cash generated from financing activities of Rs. 33,005 million during the year ended 31 March 2014.

The net decrease in cash and cash equivalents was Rs. 1,131 million (U.S.$16.6 million) with a balance of Rs. 7,706 million (U.S.$113.3 million) as at 31 December 2016 against a balance of Rs. 5,669 million as at 31 March 2016.

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 31 December 2016, the Group had total outstanding indebtedness of Rs. 455,870.9 million. As at 31 December 2016, 36.9 per cent. of the total outstanding indebtedness 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 31 December 2016:

	Short term	Less than or equal to one year	One to two years	Two to five years	More than five years	Total	
			(Rs. million)				(U.S.$ million)[1]
Bonds/Debentures . .		28,291.7	7,604.1	49,821.1	26,700.00	112,416.9	1,654.3
Term Loans		45,282.7	35,021.3	131,213.9	51,545.4	263,063.3	3,871.0
Repayable on Demand.		—	—	—	—	—	—
Finance Lease Obligations.	—	1,929.8	2,082.5	7,846.7	7,382.1	19,241.1	283.1
Other Borrowings . .	56,981.7	—	—	—	—	56,981.7	838.5
Total loans	56,981.7	75,504.2	44,707.9	188,881.7	85,627.5	451,703.0*	6,646.9

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

* This amount represents the group's consolidated debt (total) excluding preference share capital and unamortized upfront fees.

Some of the Group's financing agreements and debt arrangements contain financial covenants that require the satisfaction and/or maintenance of 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 equipment acquired with the last lease maturing in 2016. The amount of depreciation charged in the statement of profit and loss was Rs. 744 million, Rs. 1,065 million, Rs. 1,292 million until 31 March 2014, 2015 and 2016, respectively.

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

	Year ended 31 March		
	2014	2015	2016
		(Rs. million)	
Period			
Not later than one year	40.5	110.9	263.8
Later than one year but not later than five years	4.2	313.7	379.6
Later than five years	—	53.7	—
Total	44.7	478.3	643.4

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. 37,793 million, Rs. 63,072 million, Rs. 58,322 million and Rs. 72,210 million (U.S.$1,062.6 million) for the years ended 31 March 2014, 2015 and 2016 and the nine months ended 31 December 2016, 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. 57,629 million, Rs. 67,206 million and Rs. 51,787 million in years ended 31 March 2014, 2015 and 2016, 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 31 December 2016:

	As at 31 December 2016	
	(Rs. million)	**(U.S.$ in million)[1]**
Guarantees	1,413.1	20.8
Excise	3,951.7	58.2
Customs	7,574.8	111.5
Sales tax and VAT	2,398.6	35.3
Suppliers and service contract	1,409.7	20.7
Income tax	1,729.2	25.4
Others — Service Tax/FDT/Miscellaneous	17,169.2	252.7

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

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

Off-Balance Sheet Arrangements

As at 31 December 2016, 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 31 December 2016, 63.1 per cent. of the Group's total outstanding indebtedness, which totaled Rs. 287,746.5 million (U.S.$4,230.3 million), was denominated in Rupees, and the remaining 36.9 per cent. was denominated in various foreign currencies, including U.S. Dollars, Euro 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 follows a gross hedging policy for its imports and exports. Forwards are used to hedge imports to the extent of exports. For the net gap between outflow and inflow the Group hedges its exposure appropriately by either using forwards or options. The Group hedges its U.S. dollar interest rate risk through interest rate swaps to reduce the floating rate risk. Hedging commodity is based on its procurement schedule, price risk and economic benefits through swaps. Commodity hedging is undertaken as a risk offsetting exercise and, depending upon market conditions hedges, may extend beyond the financial year. The Group is presently hedging maximum up to 25.0 per cent. of its consumption.

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.

The Group's floating rate debt is mostly linked to the Dollar London Interbank Offering Rate ("LIBOR") and also to the base rates/MCLR 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 31 March 2016.

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 other elements, primarily carbon. Steel contains less than 2 per cent. carbon, 1 per cent. 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. 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 two main ways in which steel is produced: either from raw materials (e.g. iron ore, coal and limestone) or by recycling steel scrap. Iron ore-based steelmaking accounts for about 70 per cent. of world steel production, while scrap-based steel accounts for about 30 per cent. of global steel production.

In the iron ore based steelmaking - Iron ore is reduced to iron and then converted to steel. The main inputs are iron ore, coal, limestone and recycled (scrap) steel. The main ore-based production routes are: iron making via the blast furnace ("BF") followed by steelmaking in the basic oxygen furnace ("BOF"), and iron making via direct reduction ("DRI") followed by steelmaking in the electric arc furnace ("EAF"). In the BOF method, the basic oxygen furnace converts iron from the blast furnace into steel. In the EAF method, recycled steel scrap and/or DRI is melted and converted into high quality steel by using high-power electric arcs.

According to the WSA, approximately 75 per cent. of crude steel produced globally in 2015 used BOFs, and EAFs were used for the production of 25 per cent. 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, 75.0 per cent. 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. 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 2015 was approximately 1,621 mt, while global apparent steel consumption in 2015 was 1,500 mt.

World Crude Steel Production

The steel industry, to a large extent, is regionally segmented mainly due to the high cost of transportation and the restrictive effects of protective tariffs, duties and quotas. Historically, steel production was 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 driven by the benefits 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 crude steel producers in the world.

According to the WSA, world crude steel output has grown at 3.4 per cent. CAGR from 189 mt in 1950 to 1,621 mt in 2015. The following table sets forth the global crude steel production growth rates from 1950 to 2015.

Source: WSA (World Steel in Figures 2016)

According to the WSA, world crude steel output in 2015 was 1,621 mt, representing a decrease of 2.9 per cent., as compared to 2014. In 2015, China remained the largest single producer of steel in the world, producing approximately 804 mt of crude steel. China's steel production in 2015 decreased by 2.3 per cent. from 2014, and accounted for approximately 50.0 per cent. of global steel production. The following table sets forth crude steel production data by country or region from 2007 to 2015:

World Crude Steel Production	2007	2008	2009	2010	2011	2012	2013	2014	2015
					(in mt)				
Europe	241	230	168	207	217	209	205	208	202
CIS	124	114	98	108	113	111	108	106	102
NAFTA (excluding the U.S.)	35	33	24	31	32	33	32	33	32
U.S.	98	92	59	80	86	89	87	88	79
South America	48	47	38	44	48	46	46	45	44
Middle East/Africa	35	34	33	37	39	40	43	45	43
Asia (excluding China, India and Japan)	95	95	84	101	112	111	110	119	115
China	490	512	577	639	702	731	822	823	804
India	53	58	64	69	73	77	81	87	89
Japan	120	119	88	110	108	107	111	111	105
Oceania	9	8	6	8	7	6	6	5	6
World total	1,348	1,343	1,239	1,433	1,538	1,560	1,650	1,670	1,620
Annual change (per cent.)	*—*	*(0.3)*	*(7.8)*	*15.7*	*7.3*	*1.4*	*5.8*	*1.2*	*(3.0)*

Source: WSA (Steel Statistical Yearbook 2016)

For the twelve months ended 31 December 2016, the WSA estimated that total crude steel production in 66 countries (which accounted for more than 99 per cent. of total global crude steel production in 2015) was 1,604.0 mt — a growth of approximately 0.7 per cent. over the same period in 2015. China recorded a 1.2 per cent. increase in production for the twelve months ended 31 December 2016, as compared to the same period in 2015. Production in the United States decreased by 0.3 per cent. and Europe decreased by 0.9 per cent. in the twelve months ended 31 December 2016, as compared to the same period in 2015.

World Crude Steel Production	2015	2016	2016
		(in mt)	(per cent. change)
Europe	200	198	(0.9)
CIS	101	102	0.8
NAFTA (excluding the U.S.)	32	32	0.8
U.S.	79	79	(0.3)
South America	44	39	(10.6)
Middle East/Africa	40	41	3.6
Asia (excluding China, India and Japan)	98	97	(0.2)
China	799	808	1.2
India	89	96	7.4
Japan	105	105	(0.4)
Oceania	6	6	(2.1)
Total for 66 countries	**1,592**	**1,604**	**0.7**

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 finished steel apparent consumption was 1,500 mt in 2015, representing a decrease of 3.1 per cent. compared to consumption in 2014. China is the world leader in steel consumption. According to the WSA, China's apparent steel consumption was 672 mt of steel in 2015, which is approximately 45 per cent. of all global consumption.

The following table sets forth finished steel apparent use data by country or region from 2009 to 2015:

World Finished Steel Apparent Use	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
				(in mt)			
Europe	144	175	189	174	179	186	193
CIS	36	50	55	58	59	56	50
NAFTA (excluding the U.S.)	25	32	34	37	34	40	39
U.S.	59	80	89	96	96	107	96
South America	33	45	47	49	51	49	45
Middle East/Africa	78	77	81	84	88	91	92
Asia (excluding China, India and Japan)	108	128	138	143	147	156	163
China	551	588	641	660	735	711	672
India	58	65	70	72	74	76	80
Japan	53	64	64	64	65	68	63
Oceania	6	8	7	7	7	7	7
World total	**1,152**	**1,310**	**1,415**	**1,444**	**1,534**	**1,547**	**1,500**
Annual change (per cent.)	13.8	8.0	2.0	6.3	0.8	(3.0)	

Source: WSA (World Steel in Figures 2016)

Global Steel Outlook

According to the WSA, world apparent steel demand is expected to grow by 0.5 per cent. to 1,510 mt in 2017. The apparent steel consumption in the NAFTA countries is estimated to increase by 2.9 per cent. in 2017 to reach 137 mt. The apparent steel consumption in Europe is expected to increase by 1.9 per cent. and reach 201 mt in 2017.

China apparent steel consumption is estimated to decline by 2.0 per cent. and reach 652 mt in 2017. This would be the third consecutive year of consumption decline in in China. Apparent steel consumption for the world excluding China is estimated to increase by 2.6 per cent. in 2017. As per WSA, following will be the drivers of steel consumption in the key regions globally:-

Decline in Chinese steel demand softened by government stimuli

As per WSA, Chinese GDP growth in 2016 will be at its lowest level since 1990, but interestingly with a higher contribution from services and consumption. To soften the impact of rebalancing, the government issued a number of mini stimulus measures, boosting infrastructure spending and real estate market and auto sales. However, the rebound in the real estate market is limited and not sustainable as inventory levels remain very high and apartments are increasingly unaffordable to most residents. The construction sector will therefore continue to drag down steel demand and manufacturing sectors have only limited room for recovery.

Globally investment remains weak

As per WSA, investment is subdued in many regions, not only in China, which is undergoing a rebalancing away from investment driven growth. In the developed world, despite persistently low interest rates, private investment remains weak due to a pessimistic outlook on future demand and other continuing uncertainties. To help confidence, governments have only limited monetary and fiscal policy tools left to boost investment. In many emerging and developing economies, weak commodity prices, geopolitical tensions and highly leveraged corporate sectors all add up to undermine momentum for the needed investment.

Emerging economies hit by low commodity prices and geopolitical conflicts show signs of stabilisation; high growth in India and ASEAN continues

As per WSA in 2016 some low performing emerging economies showed signs of stabilisation. After two consecutive years of double-digit contraction, steel demand in Brazil will start a moderate recovery in 2017. The minor rebound in oil prices helped to stabilise the decline in Russia and prevent further deterioration of the Mexican, South American and GCC economies. However, lower and unstable oil prices and geopolitical instability are continuing to undermine the outlook for the MENA region.

Indian steel demand is expected to report solid growth in 2016-2017 backed by consumption-boosting reforms and infrastructure investment, but its sustainability is under question as key levels of investment are being provided by the government while private investment remains weak. In the ASEAN countries, benefiting from stable macroeconomic policies, construction will continue to drive strong steel demand growth. As per WSA, steel demand in emerging and developing (excluding China) economies is expected to expand by 4.0 per cent. in 2017.

The following table sets forth the WSA's forecasts for 2017 for global steel consumption based on apparent steel use by region.

World Finished Steel Consumption	**2015**	**2016(f)**	**2017 (f)**	**2015**	**2016(f)**	**2017 (f)**
		(in mt)			**Annual Change (per cent.)**	
European Union (28)	154	155	157	2.9	0.8	1.4
Other Europe	40	42	44	9.6	4.1	3.7
CIS	50	50	51	-9.8	-1.6	2.1
NAFTA	134	134	137	-8.2	-0.1	2.9
Central and South America	46	41	43	-6.7	-10.4	4.1
Africa	39	40	41	3.5	2.2	3.9
Middle East	53	53	53	-1.2	0.3	0.1
Asia and Oceania	983	988	984	-3.3	0.5	-0.4
World	**1,499**	**1,501**	**1,510**	**-3**	**0.2**	**0.5**
Developed Economies	399	400	404	-3.6	0.2	1.1
Emerging and Developing Economies	1,100	1,102	1,106	-2.7	0.2	0.4
China	672	666	652	-5.4	-1	-2
MENA	72	72	73	-0.7	0.6	1.2
Em. and Dev. Economies excl. China	428	436	453	1.9	2	4
World excl. China	826	836	857	-0.9	1.1	2.6

Source: WSA ("Short Range Outlook" by World Steel Association released on October 2016).

The following table sets forth the WSA's forecasts for 2017 for global steel consumption based on apparent steel use for the top 10 countries:

World Finished Steel Consumption	2015	2016 (f)	2017 (f)	2015	2016(f)	2017 (f)
		(in mt)		Annual Change (per cent.)		
China	672.3	665.6	652.3	(5.4)	(1)	(2)
United States	96.1	95	97.8	(10.1)	(1.2)	3
India	80.1	84.4	89.1	5.3	5.4	5.7
Japan	63	62.7	63.6	(7)	(0.4)	1.4
South Korea	55.8	56.4	54.6	0.5	1	(3.1)
Russia	39.4	38	38.4	(8.3)	(3.6)	0.9
Germany	39.2	40	40.4	(1.2)	2	1
Turkey	34.4	36	37.5	11.7	4.8	4.2
Mexico	24.2	24.6	25.4	5.8	1.6	3.2
Brazil	21.3	18.2	18.9	(16.9)	(14.4)	3.8

Source: WSA ("Short Range Outlook" by World Steel Association released on October 2016).

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, fluctuations in steel imports and exports, and tariffs. With diverse product types and applications, steel is not completely fungible. The wide varieties in shape, chemical composition, quality and specifications impact sales prices. In addition, as there is a time lag between upticks in demand and increasing capacities to meet these needs and the high fixed costs involved, steel prices are cyclical and volatile in nature.

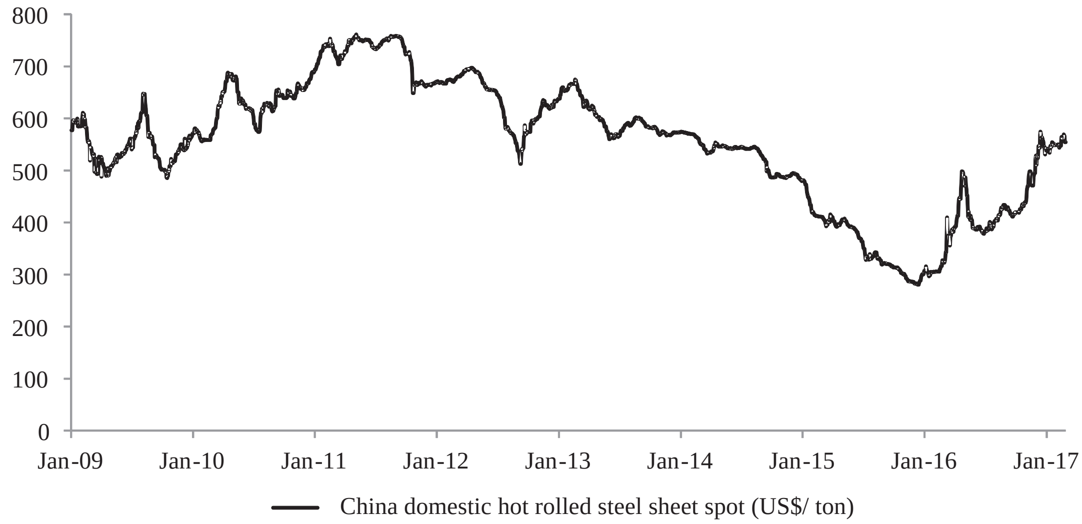
The steel industry witnessed a period of continuous growth between 2000 and 2008. Steel prices were on a steady upward trajectory with high apparent demand and tight supply, enabling stronger prices and enhancing steel producers' ability to pass on higher raw material costs. Steel prices decreased significantly 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. From 2013 onwards, oversupply of steel due to imports from China, economic slowdown in Europe and tempered growth in Asia, impacted steel prices. As a result, the Chinese hot rolled coil prices fell 55 per cent. by January 2016 compared to January 2013. The lower steel prices affected margins of major steelmakers in both developed markets and emerging markets especially in the years 2014 and 2015.

Steel prices bottomed in Jan-16 and since then have been on a recovery trail. From the lows of January 2016, steel prices are already up 87 per cent. year on year. This increase in steel prices is driven by: a) imposition of trade measures by various countries to clampdown cheaper imports from steel surplus countries, b) raw material cost push, c) unexpected recovery in apparent steel consumption in China in recent months, and d) increase in steel capacity closure targets by the Chinese government. In the down cycle, the steel inventory levels had also fallen to very low levels and global restocking is another factor providing support to steel prices.

The graph below reflects the variation in steel prices in the last few years (China HRC which is the benchmark for global steel):

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



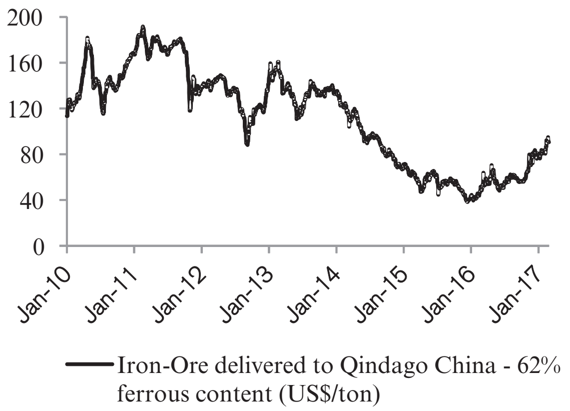
Source: Bloomberg

Raw Materials and Pricing

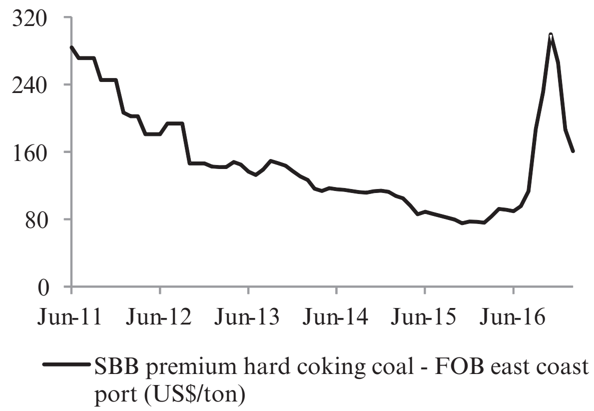
The primary inputs for the steel industry are iron ore and coking coal, as well as coke, scrap, alloys and base metal. The steelmaking process also requires natural gas, electricity and oxygen. However, iron ore and coal costs constitute the largest share of input costs. The demand for raw materials correlates closely with the steel market. Raw material prices generally fluctuate according to steel supply and demand dynamics, however, any raw material specific supply shock can also lead to temporary volatility in prices. Coking coal spot prices recorded a sharp jump from the end of August 2016 to the end of November 2016 driven by curbs in coal production in China as well as constrained supply due to a string of disruptions in Australia and China. This was further accentuated by steel producers' rush to find supplies in the spot market and better than expected steel demand in China. The coking coal prices in the spot market increased from sub U.S.$120/ton in Aug-16 to U.S.$300+/tone in November 2016, there has been normalization since then with coking coal prices now hovering at approximately U.S.$160/ton.

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: Bloomberg

India's Steel Industry

India's Economic Growth

In the early 1990s, 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 with weakening industrial growth and investment mainly due to high interest rates, rising inflation, and global financial crisis. 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 with a reduction in the current account deficit and expectations of post-election economic reform, resulting in a surge of inbound capital flows and stabilization of the Rupee.

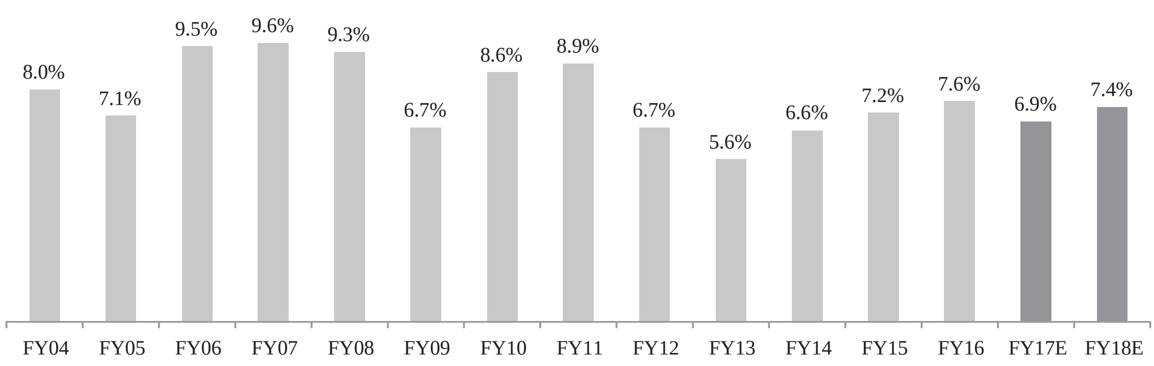
India, the world's second largest country in terms of population, had an estimated GDP on a purchasing power parity basis of approximately U.S.$8,720 billion in 2015 according to the CIA World Factbook. This makes it the third largest economy by GDP in the world after the U.S. and China.

The RBI expects the Indian GDP to grow by 6.9 per cent. in fiscal year 2017 and 7.4 per cent. in fiscal year 2018. RBI Governor Urjit Patel in latest monetary policy said that discretionary consumer demand held back by demonetization is expected to bounce back. Economic activity in cash-intensive sectors such as retail trade, hotels and restaurants, transportation as well as in the unorganized sector is expected to be rapidly restored.

As per RBI, demonetization-induced ease in bank funding conditions had led to a sharp improvement in transmission of past policy rate reductions into marginal cost-based lending rates, and in turn, to lending rates for healthy borrowers, which should spur a pick-up in both consumption and investment demand. According to RBI, the emphasis in the 2017-2018 Budget was on stepping up capital expenditure and boosting the rural economy and affordable housing, which will contribute to the economic growth.

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

India GDP Growth Trends



Source: RBI. Data for fiscal year ending31 March.

India's Steel Production Capacity

India is the third largest producer of crude steel in the world. As per ministry of Steel, the Indian steel sector contributes nearly 2 per cent. 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 2015 according to the WSA:

Top Ten Steel Producing Countries in 2015	Production	Per cent. share of total
	(in mt)	(per cent.)
China	804	49.6
Japan	105	6.5
India	89	5.5
U.S.	79	4.9
Russia	71	4.4
South Korea	70	4.3
Germany	43	2.6
Brazil	32	2.1
Turkey	23	1.9
Ukraine	22	1.4
Top Ten Countries Total	**1,348**	**83.2**
World total	**1,621**	**100**

Source: WSA (World Steel in Figures 2016)

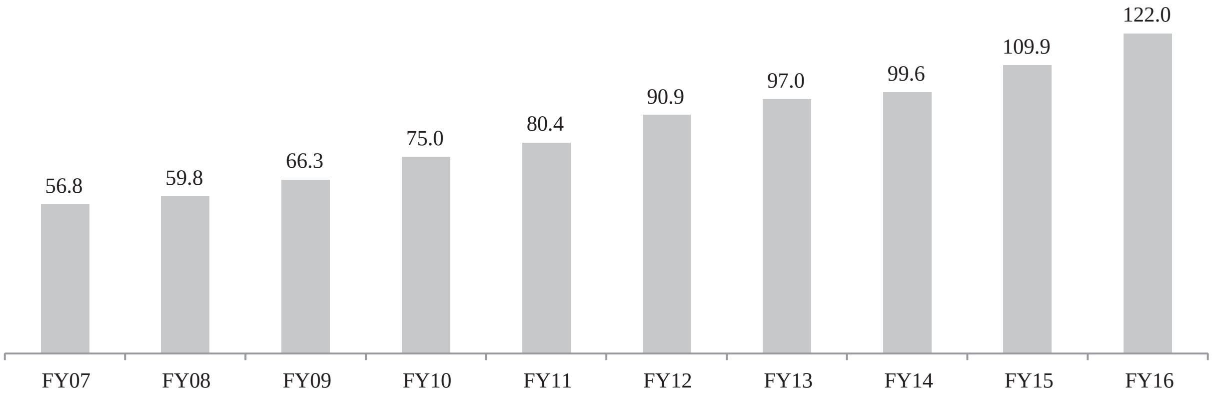
According to the WSA, India steel production was 89 mt in 2015, representing an increase of 2.4 per cent. compared to production in 2014. Crude steel capacity in the country stood at 121.97 mtpa in fiscal year 2016 a growth of 11.0 per cent. over fiscal year 2015 as per JPC.

Other key highlights of Indian steel industry in fiscal year 2016 relative to fiscal year 2015 include:

- Production for sale of sponge iron was 14.53 mt, a decline of 29 per cent.
- Pig iron production for sale was 9.23 mt, a decline of 4.8 per cent.
- Hot metal production was 58.70 mt, an increase of 4.1 per cent.
- Total finished steel production for sale was 90.98 mt, a decline of 1.3 per cent.
- Export of total finished steel reached 4.08 mt, a decline of 27 per cent.
- Import of total finished steel was 11.71 mt, an increase of 25.6 per cent.

- India was a net importer of total finished steel.
- Consumption of total finished steel was 81.52 mt, an increase of 5.9 per cent.

India Steel Production Capacity (mt per annum)



Source: Ministry of Steel Annual Report, JPC. Data for fiscal year ending 31 March.

It is important to note that more than 55 per cent. of the crude steel production in 2015-16 was from electric arc furnaces and induction furnaces. The shares of the different process routes in total production of crude steel in the country during the year 2015-16 and 9MFY2015-16 are shown in the table below:

India Crude Steel Production by Process	**2014-2015**	**April-Dec 2015-2016**
	(route share (per cent.))	
Basic Oxygen Furnace	42	44
Electric Arc Furnace	26	25
Induction Furnace	32	31
Total	100	100

Source: Ministry of Steel Annual Report. Data for fiscal year ending 31 March.

The private sector has been gaining share from the public sector in steel. The following chart highlights the trend in contribution of public sector in crude steel production in the country during the last six years.

Share of public sector in Steel production

Source: Ministry of Steel Annual Report. Data for fiscal year ending 31 March.

India's Steel Consumption

India's steel consumption 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. The WSA's estimate for India's steel consumption is 84 million tonnes in 2016, representing an increase of 5.4 per cent. compared to consumption in 2015, and is forecast to increase to 89 million tonnes in 2017 representing a further 5.7 per cent. increase.

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 2016, India's per capita apparent consumption of finished steel products was 64 kilograms as estimated by WSA, which is relatively low when compared to an average per capita finished steel consumption of 483 kilograms and 1,110 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 estimated 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 2016(f)	2016 Finished Steel Consumption per Capita(f)	2016 GDP Per Capita(f)
	(kilograms)	(U.S.$)
India	64	1,719
China	483	8,261
Japan	495	37,304
South Korea	1,110	27,633
U.S.	293	57,294
Italy	392	30,294
Germany	484	42,326

Source: WSA (Short range outlook — Oct 2016) and IMF World Economic Outlook (October 2016).

Key Growth Drivers

Higher rate of urbanisation is expected to lead to an increase in the intensity of steel consumption as the per capita consumption of steel in 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 U.S.$1 trillion for the infrastructure sector during 2012 to 2017, with 40.0 per cent. of the funds coming from the country's private sector.

The contribution of the automobile sector to domestic steel demand would be important in view of increasing per capita income level and the rising aspirations of the Indian population to enjoy a better quality of life. The demand for auto grade steel, particularly dual phase steel, TRIP steel, AHSS grade, ultra-fine grain steel, nano steel and so forth would increase from all the auto majors who have set up their facilities in the country or are in the process of setting up fresh units. According to Automotive mission plan, the automotive industry in India is forecasted to grow in size from U.S.$74 billion in 2015 to U.S.$260 to U.S.$300 billion in 2026.

Favourable operating environment for Indian steel sector

In view of a surge in imports of steel into India at predatory prices, the Government has taken necessary trade remedial measures in sync with steps implemented by various countries to provide a competitive environment for the Indian steel industry. In the past two years, the Government has announced various measures ranging from non-tariff (quality control) to tariff barriers (anti-dumping, safeguard duty, minimum import price) which have been met with varied degree of success.

The information in this section is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Offering Memorandum, including the information contained in "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements". All financial information derived from the annual audited non-consolidated financial statements of the Company as at and for the years ended 31 March 2014, 2015 and 2016 and the reviewed non-consolidated financial statements of the Company as at and for the nine month period ended 31 December 2015 have each been prepared in accordance with Indian GAAP while those derived from reviewed non-consolidated financial statements of the Company as at and for the nine month period ended 31 December 2016 have been prepared in accordance with IND-AS. See "Presentation of Financial Information".

Overview

JSW Steel Limited, the flagship company of the JSW Group and part of the O.P. Jindal Group, 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, galvanised and galvalume products, pre-painted galvanised and galvalume products, thermo mechanically treated ("TMT") bars, wire rods and special steel bars, rounds and blooms, plates and pipes of various sizes and cold rolled non-grain oriented products. 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 operations in India currently have a installed crude steel capacity of approximately 18.0 mtpa, which comprises 12.50mtpa (approximately 70.0 per cent. of the capacity) of flat products and 5.50 mtpa (approximately 30.0 per cent. of the capacity) of long products. Since the Group's incorporation in 1994, the Group gross revenues have grown to Rs. 463,040.6 million for the year ended 31 March 2016 and to Rs. 426,190.3 million (U.S.$6,271.7 million) for the nine months ended 31 December 2016.

In 2016, the Group was ranked amongst top ten world class steelmakers according to World Steel Dynamics, based on a variety of factors. In particular, the Group achieved the highest rating on the following criteria: conversion costs, yields, expanding capacity, location in high-growth markets and labour costs. This ranking puts the Group ahead of all other steelmakers based in India.

The Group has significantly expanded its steelmaking capacity at its Indian operations, which has increased from 1.6 mtpa in 2002 to 2.5 mtpa in 2006, 3.8 mtpa in 2007, 7.8 mtpa in 2010, 11.0 mtpa in 2012 and to 18.0 mtpa in 2016, through organic and inorganic growth. The Group's manufacturing facilities in India consist of Vijayanagar Works in Karnataka (12.0 mtpa), Dolvi Works in Maharashtra (5.0 mtpa) and Salem Works in Tamil Nadu (1.0 mtpa) in addition to downstream facilities for its coated products division at Vasind, Tarapur and Kalmeshwar Works in Maharashtra. The Group's major facilities in India 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. In 2016, the Group completed the expansion of its facilities in India, increasing its production capacity from 14.3 mtpa to 18 mtpa, through a brownfield expansion at Vijayanagar Works and Dolvi Works. The Group plans to expand its steel capacity to 40.0 mtpa in the next decade through a combination of organic and inorganic growth.

For fiscal year 2016 and for the nine months ended 31 December 2016, approximately 88.0 per cent. and 79.2 per cent., respectively, of the Group's sales from sale of products were derived within India through the Group's widespread sales and distribution network that sells its products directly to customers, wholesale traders and stock points. The Group's sales presence is particularly strong in South and West India, where a large number of automotive manufacturers are located. The Group is mainly focused on retail sales through its JSW Shoppes. As at 31 March 2016, the Group had 560 JSW Shoppe outlets located throughout India. For fiscal year 2016 and the nine months ended 31 December 2016, 12.0 per cent. and 20.8 per cent., respectively, of the Group's 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.

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 enjoys a substantial market share in South and West India. Vijayanagar Works, India's first single location 12 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 it has cost advantage in delivering finished steel products to customers in South and West India due to its proximity to 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 utilise 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 (pelletization and beneficiation plants) process, make use of coal fines, utilise 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 had introduced an innovative technology of mill scale briquetting in 2014, which reduced iron ore and lime consumption and helped 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 utilisation of sludge and fine dust from de-dusting systems. The Group has initiated the usage of Coke Oven Gas in place of Natural Gas to improve cost efficiency at its Dolvi Works.

In order to effectively enhance its operational capabilities, expertise and technology, the Group entered into a strategic collaboration with JFE of Japan to acquire energy reduction and environmental-friendly technologies, which will help the Group produce high-end value-added steel products for the automotive and construction industries as well as optimise its cost. JFE had also taken a 14.99 per cent. equity interest in the Company by an equity infusion of Rs. 54,100 million in 2010. The collaboration between the Group 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. Under this collaboration, the Company has also implemented a 0.2 MTPA state-of-the art annealing and coating line for production of fully-processed non-grain oriented electrical steel grades.

In 2016, the Company won Golden Peacock Innovative Product Award in the Steel Sector and also won an award in the innovation category, by the World Steel Association, recognising the Company's development of advanced high strength automotive steel with speed and innovation.

Integrated and efficient operations

The Group is an integrated manufacturer of a diverse range of products, utilising 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 galvanised 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 wholly owned subsidiary JSW Industrial Gases Private Limited (previously known as Jindal Praxair Oxygen Company Private Limited), among others.

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 as well as 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. The new MMDR Act passed in 2016, has called for a level playing field for industry players with a transparent allocation process of raw materials through competitive bidding. The Group has focused on this opportunity to enhance its raw material security and has won five mines in the auctions of C-category iron ore mines in Karnataka. The Group expects that of these five mines, two mines (with capacity of 0.71 mtpa) will be operational by April 2018 and the remaining three mines will be operational by end of December 2017. All five iron ore mines are expected to produce approximately 4.7 mtpa iron ore. The Group also secured the 'Moitra' coking coal block located in Jharkhand via an auction process, which has a total extractable coal reserve of approximately 30 mtpa located in Jharkhand.

This will further enhance the raw material security of the Group and lead to integrated and efficient operations.

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.

In 2016, the Company has been accredited with level 5 (Highest in the Category) Total Cost Management ("TCM") Maturity Model Assessment by the TCM division of the Confederation of Indian Industry.

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, galvanised and galvalume products, pre-painted galvanised and galvalume products, TMT bars, wire rods and special steel bars, rounds and blooms, plates and pipes, cold rolled electrical steel 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 its business and operations 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, electrical appliance 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, Customised galvanised and galvalume products for solar sector galvanised products and colour 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 galvanising and galvalume and colour coating production capacities 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.

Prior to 2014, when the Group ventured into the highly value-added product of vinyl coated metal, vinyl coated metal had only been imported into India. In 2016, the Group set up an electrical steel facility at Vijayanagar Works with a capacity of 200,000 tonnes per annum to further enhance its product offerings in the sector of manufacturing of motors, pumps and small transformers.

The Group has entered into strategic joint ventures as well as acquired equity interests 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 49.0 per cent. equity interest 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 centres in North and West India for just-in-time solutions to the automotive, white goods and construction sectors. In April 2014, the Group acquired a 50.0 per cent. equity interest in Vallabh Tinplate Private Limited, which had a capacity of 60,000 tpa, marking the Group's entry into the growing tinplate business in India. In October 2014, the Group also completed an acquisition of a 99.85 per cent. equity interest in Welspun Maxsteel to reduce the Group's cost of production by providing DRI to Dolvi Works while the Group's subsidiary, Amba River Coke Limited, will supply surplus pellets. In August 2016, the Group executed a Share Purchase Agreement with Praxair India Private Limited to acquire their entire shareholding of 74.00 per cent. in Jindal Praxair Oxygen Private Limited (now renamed as JSW

Industrial Gases Private Limited (JIGPL)). JIGPL is engaged in the business of production and sale of industrial gases such as oxygen, nitrogen and argon and has set up two air separation plants, each with a capacity of 2,500 tonnes per day, at Toranagallu, Bellary District, Karnataka. The Group currently sources industrial gases from JIGPL among others at prices based on long-term contracts. The Group believes the strategic acquisition of JIGPL will provide the Company with the benefit of backward integration. The Group is currently setting up a service centre in Delhi — JSW MI Steel Service Centre — in addition to its centre in Pune under its joint-venture, which is expected to further increase the serviceability to auto segment customers and enhance the value added products segment.

Strong project execution capabilities

The Group believes it has a track record of successful project implementation by its in-house team as opposed to 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 recognised by several significant awards, including the Prime Ministry's Trophy for Excellence in Performance in 2012-2013 for Vijayanagar Works, the Best Integrated Steel Plant in India and the Steel Minister's Trophy for the year in 2013-14. In 2015, the Group won 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 institutionalised 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 programmes. 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 and grow 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 and international market share through selective inorganic and organic 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.

In 2016, the Group completed its brownfield expansions at Vijayanagar Works and Dolvi Works, increasing capacity from 10 mtpa to 12 mtpa and 3.3 mtpa to 5 mtpa, respectively, providing the Group with an overall capacity of 18 mtpa. The Group also has in place environmental regulatory approvals for expansion of up to 16 mtpa capacity at Vijayanagar and up to 10 mtpa capacity at Dolvi Works.

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, the Group completed the establishment of a new 2.3 mtpa cold rolling mill and a 0.2 mtpa non-grain oriented electrical steel facility at Vijayanagar Works in 2016. The Group believes these expansions 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 to address the growth in the domestic infrastructure and construction sectors with an additional 1.4 mtpa of Bar Rod mill at Dolvi Works in addition to the extra 1.2 mtpa added at Vijayanagar Works in 2015-16. The Group has also diversified into the tinplate business in India with its acquisition of a 50.0 per cent. equity interest in Vallabh Tinplate Private Limited in April 2014 and further, the Group is setting up a 0.2 mtpa tin plate mill and related facilities at its Tarapur Works to cater to the increasing demand for tinplate

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 is also moving to build its JSW Steel brand across its product lines and across the country to cater to small and rural customers. As at 31 March 2016, the Group had over 6,500 retail outlets, covering approximately 75.0 per cent. of the districts across India.

Focus on resource optimisation

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 minimise fresh water consumption by maximising reutilisation 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, the Group has acquired coal and iron ore mines in Chile, the U.S. and Mozambique. The Group will continue to evaluate additional raw material assets that fit within its strategic criteria and intend 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. Pursuant to the auction conducted by the Government, the Group has been allotted the Moitra coking coal mine, located in Jharkhand state and five iron ore mines in the auction conducted by Government of Karnataka in October 2016. The Group believes this will further enhance the raw material security of the Group and lead to integrated and efficient operations.

The Group intends to strengthen its forward integration by expanding its retail outlets to sell higher value-added products, both within India and abroad.

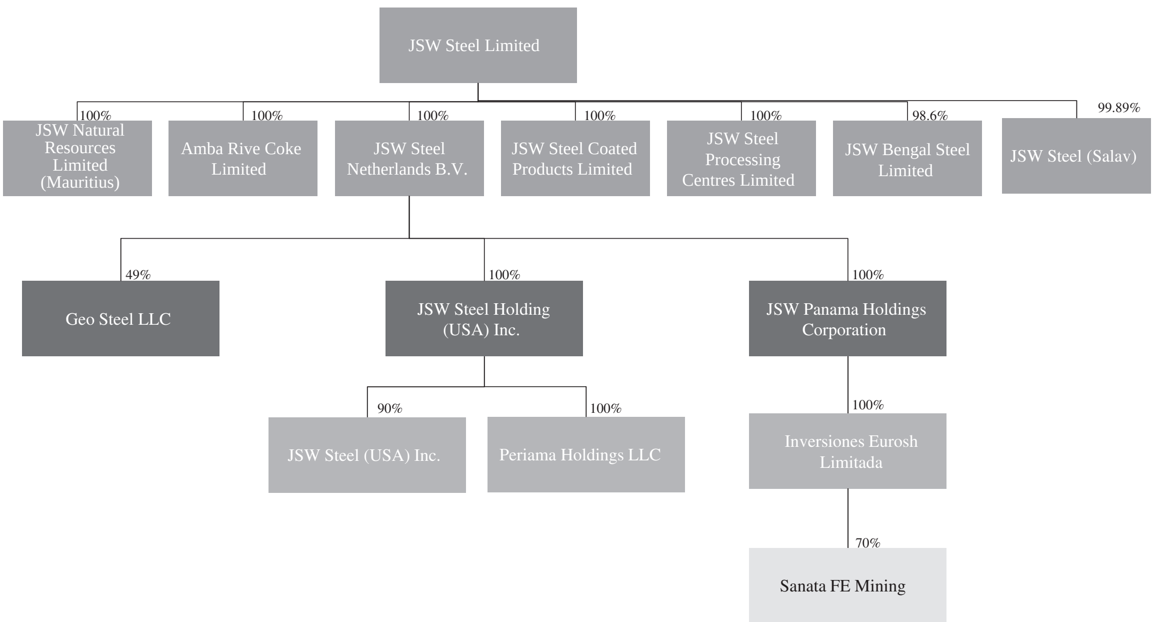
Prudent balance sheet management

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.

For fiscal year 2016, the Group recorded revenue from operations of Rs. 463,040.6 million and profit/(loss) after taxes, minority interests and share of profit of associates of Rs. (7,419.5) million. For the nine months ended 31 December 2016, the Group recorded revenue from operations of Rs. 426,190.3 million (U.S.$6,271.7 million) and profit after taxes, minority interests and share of profit of associates of Rs. 25,655.1 million (U.S.$377.5 million). The Group had net fixed assets (including capital work in progress) of Rs. 620,840.3 million (U.S.$9,136.1 million) and a net debt to equity ratio (excludes acceptances) of 2.11x as at 31 December 2016.

Corporate Structure

The chart below shows a summary of the Group's corporate structure as at 31 December 2016. 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.



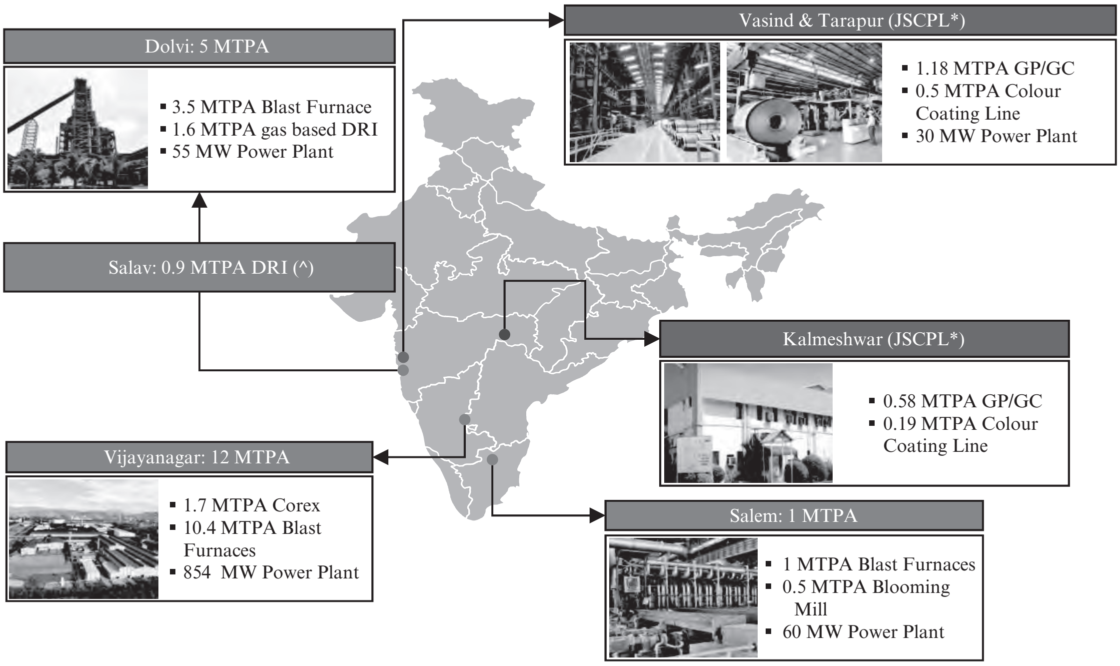
Note:

(1) JSW Steel Holding (USA) Inc. is held 99.9 per cent. by JSW Steel Netherlands B.V. and 0.1 per cent. by the Company.

(2) Inversiones Eurosh Limitada is held 94.9 per cent. by JSW Panama Holdings Corporation, 0.1 per cent. by JSW Steel Netherlands B.V. and 5.0 per cent. by the Company.

Facilities

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



Vijayanagar Works

Vijayanagar Works is an integrated steel plant with 12 mtpa capacity. It is the Group's flagship plant and uses the Corex process, the first in India to do so as well as the conventional blast furnace route 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 pair cross 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 — 4.62 mtpa
Iron and steel making	• Corex — 1.7 mtpa
	• Slab caster — 9.0 mtpa
	• Billet caster — 3.0 mtpa
	• Blast furnace — 10.4 mtpa
Rolling and value addition.	• Hot strip mill — 8.2 mtpa
	• Cold rolling mill — 3.13 mtpa
	• Wire rod — 0.6 — mtpa
	• Rebar mill — 2.2 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 Linde India Pvt Ltd. and Praxair India Pvt. Ltd.

Expansion and Development Projects

Projects recently completed or under progress at Vijayanagar Works include:

- implementation of a new cold rolling mill complex, consisting of two continuous annealing lines of 0.95 mtpa each and a Galvanising line of 0.40 mtpa completed in 2015;

- reconstruction of a blast furnace to increase its capacity from 0.9 mtpa to 1.9 mtpa, completed in 2016;

- enhancements to blast furnace 2 to increase its oxygen availability from 6 per cent. to 8 per cent., completed in 2016;

- 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 centre, with an annual capacity of 50,000 tons, to handle products from the electrical steel complex;

- 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 1,700 mm; and

- Pipe conveyor system of 20 mtpa capacity for Iron ore from mines to the plant premises directly and a water reservoir to augment the water storage capacity.

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
Iron and steelmaking	• Blast furnace — 1.0 mtpa
	• Billet/Blooms caster — 1.0 mtpa
Rolling and value addition	• Bar rod/Blooming mill — 0.95 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 recently completed or 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, completed in 2016;

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

- capacity expansion from 1 MTPA to 1.2 MTPA by setting up certain new facilities and debottlenecking/ modification of existing facilities; and

- setting-up of a reheating furnace in bar rod mill, coke oven and turbo generator.

Dolvi Works

Located on the western coast of India, Dolvi Works has a steel production capacity of 5.0 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 — 5.3 mtpa
Steelmaking	• Blast furnace — 3.5 mtpa
	• Sponge iron plant — 1.6 mtpa
	• Twin Shell Conarc — 5.0 mtpa
Rolling and value addition.	• Hot strip mill — 3.3 mtpa
	• Bar rod mill — 1.4 mtpa

Dolvi Works has a 55 MW captive power plant and also has a long-term power purchase agreement with JSW Energy Limited, a 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 plants aggregating 900 tpd capacity. In addition, Dolvi Works has tie-ups for utilities with INOX.

Expansion and Development Projects

Projects recently completed or under progress at Dolvi Works include:

- brownfield expansion by increasing capacity from 3.3 mtpa to 5.0 mtpa, completed in 2016. The expansion included setting up a sinter plant, a new billet caster and a 1.4 mtpa bar mill, modifying the blast furnace, hot strip mill and de-bottlenecking the existing steel melting shop;

- major facilities such as additional cross country conveyors from Jetty to RMHS, stacker re-claimer at RMHS and 23 km pipeline for water supply were also added along with few other small balancing facilities to attain the 5.0 mtpa target;

- modification of the tunnel furnace to replace natural gas input with surplus coke oven gas input. As the latter is a by-product 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

- setting up of 1.5 mtpa Coke Oven plant at Dolvi Coke Projects Ltd for captive use of Dolvi Works.

Vasind Works, Tarapur Works and Kalmeshwar Works

JSW Steel Coated Products Limited, a wholly owned subsidiary of the Group, 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 galvanised products are market leaders both domestically and abroad. Vasind Works was the first facility in India to commission a colour coating line to cater to the fast growing appliance industry. Tarapur Works specialises in manufacturing ultra-thin coated products. Meanwhile, Kalmeshwar Works has a state-of-the-art hot rolled galvanising line to cater to the pre-engineered building industry.

Processing . . . .

- Cold rolling mill — 1.76 mtpa
- Galvanising/galvalume — 1.76 mtpa
- Colour coating line — 0.69 mtpa

With respect to raw materials, JSW Steel Coated Products Limited obtains its hot rolling coils from the Group. Zinc, aluminium and silicon are either procured locally or imported from abroad. Paint is procured from leading paint producers in India. Further, the Group is setting up a 0.2 MTPA Tin Plate Mill and related facilities at its Tarapur Works to cater to the increasing demand for tinplate.

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

Facilities under development

The Group had undertaken two greenfield projects in the states of West Bengal and Jharkhand. The Group is not certain when they will become fully operational. See "*Risk Factors — Risks relating to the Group — The Group may not be able to successfully implement, sustain or manage its organic growth strategy*".

JSW Bengal Steel Limited ("JSW Bengal Steel")

As a part of the Group's overall growth strategy, the Group had planned to set up a 10 MTPA capacity steel plant in phases through its subsidiary JSW Bengal Steel. However, due to uncertainties in the availability of key raw materials such as iron ore and coal, post cancellation of allotted coal blocks, the implementation of the JSW Bengal Steel Salboni project is currently put on hold.

JSW Jharkhand Steel Limited

JSW Jharkhand Steel Limited was incorporated for setting up a 10 million tonnes steel plant in Jharkhand in phases. It is pursuing for various approvals and clearances for setting up the project.

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 & Galvanising
	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
Cold Rolled Electrical Steel	DG Set Alternators
	FHP Motors
	Fans
	Pump Motors
	Generators
	Auto Electricals and Small Transformers
	Hermetically Sealed Compressors
	Industrial Motors
Galvanised 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

Class of Products	Principal End Usage/Market Segments
	Commercial, Forming and Drawing Grades Boxes Coolers Furniture Heat Plates Solar Heating Panels Electrical and Light Fittings Agricultural Equipment Sandwich panels Automotive
Colour 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 18 mtpa, which comprises 12.50 mtpa (approximately 70.0 per cent. of the capacity) of flat products and 5.50 mtpa (approximately 30.0 per cent. 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 conceptualised 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 specific delivery and service objectives as explained below, to increase customer focus and market presence:

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 centre 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 31 March 2016, the Group had 560 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 popularise steel consumption in India, the Group organises training programmes across the country. The Group's promotional activities also include interaction with retailers and meetings with distributors across the country recognising high performers. The Group has focused on enhancing its domestic retail presence and in 2015-16 undertook a number of marketing and branding initiatives including a brand campaign for JSW Neosteel which incorporated TV, radio, print, outdoor and below-the-line activities and a greater branding presence at festivals like Navratri and Ganesh Utsav.

Sales and marketing offices

The Group currently has sales and marketing offices in major cities in India, including Ahmedabad, Bangalore, Chennai, Hyderabad, Mumbai, New Delhi, Indore, Faridabad, Ludhiana, Jaipur, Kolkata, Pune, Guwahati, Patna, Coimbatore, Noida, Kanpur, Kochi, Nagpur and Rudrapur. 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;

- co-ordinating 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 optimising input blend and cost.

With the pricing mechanism in world coking coal markets shifting from annual to quarterly to monthly to index, the Group has had to alter its buying pattern ratio of periodic and spot material to remain competitive. The Group now analyses market dynamics to maximise 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 stabilisation is achieved by rationalising 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 31 March 2016 and the nine months ended 31 December 2016, the Company consumed 10.8 mt and 9.89 mt of coke /coal (except steam coal), respectively.

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 2/3rd 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. During the year ended 31 March 2016 and the nine months ended 31 December 2016, the Group consumed 20.58 mt and 18.72 mt of iron ore (except pellet).

The Group incurs significant logistic costs to source the bulk raw materials. The Group has taken various initiatives across plants to optimise logistic costs from customised solutions. For example the development of a cape compliant port to handle imported cargo added to the Group's efficiency and cost competitiveness. In 2016, the Group has won the National Award for Supply Chain and Logistics Excellence under steel industry category by Confederation of Indian Industry.

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 utilising heat generated in its operations and processing gases to minimise fossil fuel consumption. Considering the volatility in fuel costs, the Group has introduced a comprehensive energy management programme, encompassing strategies for steam, fuel, special gases and heat. The Group intends to focus on optimising its energy usage by implementing the second stage of its optimisation exercise, which includes a linear optimisation 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.

The Bureau of Energy Efficiency in India awarded the second prize in the National Energy Conservation Award 2016 to the Group's Vijayanagar Works in the Integrated Steel Sector and Kalmeshwar in the Steel Re-Rolling Mills Sector.

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 all been 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 instalments 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 optimisation, waste utilisation 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 utilisation, solutions for using granulated slag in road and building construction were also developed. During 2015, the Group's research and development team initiated the promotion of industry-academic partnership through collaborative projects with leading academic and research institutes in India such as CSIR-NML Jamshedpur, IIT Bombay, ITT Madras, IIT Kharagpur, IISc Bangalore, NIT Surathkal, NCCBM Ballabhgarh, CSIR-IMMT Bhubaneswar and BITS Pilani. In addition, the Group initiated an international collaborative research programme with BASF, Germany to develop special purpose reagents for iron ore beneficiation.

As at 31 December 2016, the Group has also authored 15 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 31 December 2016:

Location	No. of Patents	No. of Copyrights
Vijayanagar	10	1
Salem	0	0
Dolvi	3	0
Total	**13**	**1**

Environmental Management

The Group's approach towards achieving environmental excellence is based on maximising the positive impact and minimising 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 endeavour is to ensure minimisation of freshwater consumption by increasing efficiency of the operations while ensuring maximum reutilisation of treated wastewater. The Group recycled and reused 30.0 per cent. of its water consumption during fiscal year 2016. The Group has also upgraded existing sewage treatment plants and commissioned the world's largest ceramem water treatment facility (the first in India) at Vijayanagar Works to aid the Group's treatment of wastewater. Minimisation 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 utilising waste from external sources. Nearly 958 million tons of waste scrap were recycled during fiscal year 2016. Innovative technologies have been implemented to recover iron from generated waste slime, thereby reducing consumption of iron ore.

In 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. In fiscal year 2016, the Group decreased its dust emissions by 24.0 per cent. at Vijayanagar through the introduction of six additional bag filters and five projects to reduce roof top emissions.

The Group's Dolvi works has been conferred with Greentech Environment Award 2015 in Gold Category from Greentech Foundation, New Delhi.

Preservation of biodiversity is also an important objective of the Group. Precautions are taken to reduce negative impacts on the native ecosystem. The Company has various initiatives where it engages with the local population and government bodies to preserve biodiversity in its operations in eco-sensitive areas.

The following are some highlights of the Group's achievements in its sustainability efforts during fiscal year 2016:

- Waste heat utilised: 71.0 per cent.
- Waste gas utilisation rate: 98.5 per cent.
- Waste recycled (hazardous + non-hazardous): 1,897 metric tonnes.
- Scrap recycled: 958 MT.
- Reduction in indirect GHG emissions from fiscal year 2015: 3,496 tCO2e.
- Decrease in lost time injury frequency rate since fiscal year 2015: 9.0 per cent.
- Reduction of indirect energy consumption from fiscal year 2015: 7,515 gigajoules.
- Total Energy saved: 3.51 million gigajoules.
- 0 per cent. liquid discharge from its manufacturing plants.

All of the Company's production units are ISO-9001, ISO-14001 and BS-OHSAS-18001 certified. The Company is also a life member of the UN Global Compact (Global Compact Society of India).

Mining Operations

The Group has mining assets in the United States, Chile, Mozambique and India.

In the U.S., the Group has a 100.0 per cent. equity interest in coal mining concessions in West Virginia, USA.. In Mozambique, JSW Natural Resources Mozambique Lda, a subsidiary of the Group, has completed its exploration activities in Mutarara, Tete in Mozambique 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. Pursuant to the auction conducted by the Government, the Group has been allotted the Moitra coking coal mine located in Jharkhand state.

United States

In May 2010, JSW Steel Holding (USA) Inc. acquired a 100.0 per cent. equity interest in Periama Holdings LLC ("Periama"), a West Virginia registered limited liability company, along with permits for coal mining; Periama also owns, permits for impoundment and a 500 tph coal handling and preparation plant and load out facility.

These mines are currently under care and maintenance shut down and the commencement of operations might be further delayed based on prevailing market conditions.

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 70.0 per cent. equity interest in SFM.

SFM has developed 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.

These mines are currently under care and maintenance shut down and the commencement of operations might be further delayed based on prevailing market conditions.

Mozambique

JSW ADMS Cavao Lda, an indirect wholly owned subsidiary of the Group, has a coal mining licence 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 modelling are in progress to confirm the coal resource estimate. The Group has completed activities, such as a pre-feasibility study and an EIA report Application for mining permit is under process.

India

Pursuant to the auction conducted by the Government, the Group has been allotted the Moitra coking coal mine, located in Jharkhand state. Moitra coking coal mine has coking grade coal and is in advanced stage of development. It will be an opencast mine.

The Group has also been allotted five iron ore mines in the auction conducted by the Government of Karnataka in October 2016. These mines are located in close proximity to the Groups flagship steel plant in Vijaynagar, Karnataka. The Group expects that of these fives mines (with capacity of 0.71 mtpa) will be operational by April 2018 and the remaining three mines will be operatonal by end of December 2017. All five iron ore mines are expected to proeduce approximately 4.7 mtpa iron ore.

Restructuring

The Company has made investments in the U.S., Chile and other overseas jurisdictions since 2007 in iron ore mines, coal mines and plate and pipe mill assets through its subsidiary, JSW Steel (Netherlands) B.V. ("Netherlands Co"). The Company has further infused funds for the operational requirements, interest servicing and repayment obligations of its subsidiaries from time to time in the form of equity or preference capital or debt, either directly or through Netherlands Co.

As part of the Company's overall efforts to restructure and consolidate its global operations and holding structure, including the operations in the U.S., and Chile, in line with the current market dynamics, the Company is in the process of implementing a reorganisation plan which broadly entails a capital reduction at the Netherlands Co level and liquidation of JSW Steel Holding (USA) Inc. ("US Hold Co") and transfer of the residual assets and liabilities to another wholly owned subsidiary company, Periama Holding LLC in US.

Consequent to the provision for impairment made in the books of accounts in the earlier years amounting to Rs. 62,087.4 million, the Company has taken steps to write off the loans given by the Company to US Hold Co with the ultimate objective of liquidating US Hold Co as well as write-off the Company's equity and preference capital in the Netherlands Co against the provision made in the books in the earlier years, amounting to Rs. 52,508.8 million.

The above restructuring and consolidation exercise does not entail any sale of the Company's overseas investments and the Company continues to have the same economic interests in the Netherland Co. and in its operations in U.S. and Latin America.

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 90.0 per cent. of global steel production in 2016. 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. As a result of the global overcapacity of steel and India being the only major steel consuming market increasing its demand in 2015-16, the Group faced increased competition in the domestic market as a result of countries including China, Japan, South Korea and Russia exporting steel at highly competitive rates, resulting in price cuts and reductions in operating margins.

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 endeavours 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 organisational development to attract, retain and develop talent. The Group believes in infusing talent across the organisation 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. The Group utilises a summer internship programme to facilitate the induction of undergraduates from some of India's most premier institutes. This programme is specifically designed to create future leaders for the organisation. New recruits are developed through various in-house training programmes to support the growth trajectory of the Group. The Group also operates various training programmes at its plant locations with internal faculties to impart technical and behavioural 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 programmes 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 endeavour to work towards zero harm operations by implementing occupational health and safety management systems at all of its locations. The Group has instituted a safety organisational structure and conducts monthly training programmes for employees including top management. In fiscal year 2016, the Group's training and safety programmes have resulted in the Group's lost time injury frequency rate showing a 9.0 per cent. improvement over 2014-15. All contractual personnel are also provided with mandatory safety training.

Corporate and Social Responsibility

The Group believes in inclusive growth to facilitate creation of a value-based and empowered society through continuous and purposeful engagement with society around. The Group is well on its course to execute programs under the theme 'Janam Se Janani Tak (JSJT) — JSW Aap Ke Saath', a long term commitment extending services to meet the pressing needs towards empowering women and children living in the Direct Influence Zone of JSW Steel's plant locations and beyond. Through JSJT the Group's efforts are directed towards enabling an ideal scenario where women and girls have access to quality education, healthcare and livelihood skills to build their own destinies while taking vital decisions in their families and society at large. The Group is also working towards eradicating poverty & hunger, tackling malnutrition, promoting social development, addressing social inequalities by empowering the vulnerable section of society, addressing environmental issues, preserving national heritage and promoting sports training.

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 programmes, including the following:

- outreach of Government programmes 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 co-operation for the conservation of all monuments;

- collaborative earth care initiatives;

- a need-based social development intervention 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 programme 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 Group 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 Group. The Group believes that the number of proceedings and disputes in which the Group 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 Group, which involve a claim of more than 2.0 per cent. of its EBITDA have been individually described below.

Mining Matters

The Mines and Mineral Development and Regulation Amendment Act 2015 ("Amended Act") which came into force on 12 January 2015, has brought lot of transparency in the matter of allotting mining leases to the industry by way of competitive bidding. The Supreme Court of India ("SCI") has cancelled leases in respect of C-category mines and permitted the C-category mines to be allotted or assigned through a transparent process of bidding to the highest bidders from amongst the end users. The Company had applied for 11 iron ore mines. However, out of the 14 iron ore mines, five iron ore mines were allocated to the Company and two iron ore mines to Mysore Steel and Power Limited and seven mines received low participants and were not bided. Rai Bahadur Bansi Sahay ("RBBS"), a beneficiation plant owner filed an application to the SCI seeking the court's direction to include the beneficiation plant among the end user category to allow them to participate in the auction of the remaining iron ore mines. The Company filed an impleadment application against RBBS's application. The matter is pending for final hearing before the SCI.

Pursuant to an order of the SCI dated 24 September 2014 regarding cancellation of the allotment of coal blocks, the Company 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 has recognised a provision of Rs. 212.00 million in its financial statements. The Company has filed a review petition with the SCI seeking review of the order relating to cancellation of allocations of the coal blocks. The review petition filed by the Company has been dismissed. Some companies have filed curative petitions with the SCI which are pending. In the event that no relief is granted in favour of the Company by the SCI, the Company will have to write off Rs. 212.0 million in the year the judgment is passed by the SCI.

Forest Development Tax

The Government of Karnataka has levied a forest development tax ("FDT") at the rate of 12.0 per cent. 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 Karnataka High Court in 2016.

The Karnataka High Court upholding the levy of FDT at 8.0 per cent. ruled that only the State Government, body or corporations controlled by the State Government could collect FDT from buyers and held that FDT is in the nature of a tax and not a fee. It also held that private lease holders and mining leases do not come within the definition of a "body" and hence are not statutorily bound to collect FDT from the purchasers. Therefore, iron ores sold by private lease holders including National Mineral Development Corporation ("NMDC"), a Central Government Corporation, were not liable to pay FDT to the State Government and enabled the Company to get a refund from the State Government as substantial purchases were made from NMDC. Against this order, the State of Karnataka filed an appeal and the Company filed a cross appeal with the SCI. The SCI granted a limited stay on the refund and since it did not stay the order, the State Government was bound to follow the order of the Karnataka High Court which restrained it from collecting FDT from private mining lease operators, including NMDC.

The State of Karnataka promulgated the Karnataka Forest (Amendment) Act 2016 dated 27 July 2016 ("Forest Amendment Act") with retrospective effect, substituting FDT with the forest development fund ("FDF") which will be in the nature of a fee and not tax. The State of Karnataka fixed the FDT rate at 12.0 per cent. with effect from 16 September 2008 and authorised retrospective collection of FDT.

The Company has filed a writ petition before the Karnataka High Court and the Karnataka High Court has restrained the State Government from collecting the FDF, subject to the Company furnishing a 25.0 per cent. bond in relation to future transactions. The State of Karnataka filed a special leave petition with the SCI, which directing the Company and other parties to pay a 50.0 per cent. deposit and balance to be secured through a bond. The SCI has remitted the appeal back to the Karnataka High Court with a direction to dispose the appeal within 6 months.

If the validity of the FDT is upheld by the SCI and FDF validity is upheld by Karnataka High Court and the matter is ultimately decided against the Company, the Company will be liable for FDT and FDF amounting to Rs. 12,114.8 million until 31 December 2016.

Income Tax

The Assistant Commissioner of Income Tax passed an order demanding Rs. 3,176.8 million as arrears of tax due for 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 ("CIT") (Appeals) which is pending for adjudication.

Sales Tax Deferral/Refund

The Excise Tax Department raised a demand for Rs. 1980.8 million from the 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 which has been included in the assessable value for the purpose of levy of excise duty which are pending for adjudication. In a similar matter, the Commissioner of Central Excise has ruled in favour of the Company and the Excise Tax Department filed an appeal before the Custom Excise and Service Tax Appellate Tribunal ("CESTAT") which was also dismissed.

Disputes regarding corex gas, mixed gas and direct reduced iron gas generated as by-products during the course of manufacture

The Central Excise department has raised cumulative demands amounting to Rs. 2,447.4 million for the clearance of corex gas, direct reduced iron gas or mixed gas which are generated as by-products during the course of their manufacture. All these gases are dutiable at a negligible rate of Central Excise duty and cleared accordingly. The Company believes that the gases are not manufactured products, but are only by-products which are generated as a technical necessity in the manufacturing process. The Central Excise department believes that central excise duty payable on these gases and applicability of central value added tax ("CENVAT") credit. The initial matter in relation to corex gas is pending with the SCI and subsequent demands are pending with appellate authorities at various stages. In the case of mixed gas and direct reduced iron gas, writ petitions filed by the Company are pending with Dharwad Bench of Karnataka High Court.

Availability 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. 1,933.9 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 paying 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.

Land Acquisition

In 2011, the Company 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 30 January 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 the landowners in the area by way of a writ petition before the Single Judge of the Karnataka High Court. The Single Judge of the Karnataka High Court, on hearing all parties, upheld the acquisition and dismissed the writ petition. Thereafter, the petitioners filed a special leave petition before the SCI, which has been admitted. Of the total area, the disputed area which is under challenge before the SCI is only 198 acres. The matter is pending its final hearing.

Central Bureau of Investigation

(a) In the matter pertaining to investigation against the then Chief Minister of Karnataka based on directions by Honble Supreme Court, the learned CBI Special Judge, after conducting a detailed trial acquitted all accused including our Company and its senior officer vide order dated 26 October 2016. The learned Judge found all charges baseless and unsubstantiated by the prosecution.

(b) CBI has alleged that the Vendor of Railways for supply and maintenance of in motion weighbridge has manipulated the software to show the displayed weight of the wagon less than the actual weight, which has allegedly caused wrongful loss to the Indian Railways with respect to penal freight chargeable for overloaded wagons. The Company has been accused as beneficiary of this wrongful loss along with other major customers of Southern Railways at various ports. The case is at a preliminary stage and proceedings are pending.

Criminal cases involving the Company, its directors and its employees

In the ordinary course of its 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.

FEMA case against the Company and two of its executives

The Directorate of Enforcement has imposed 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 Special Director Enforcement imposed penalties on the Company and two of its officers, which was confirmed by the Appellate Tribunal for foreign exchange. The review petition was dismissed and the Company and both the officers have field appeal before the High Court of Bombay. The High Court of Bombay has admitted the appeal and stayed the order of Appellate Tribunal against provision of bank guarantees.

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.

Enforcement Directorate

The Company purchased iron ore from Associated Mining Company, Bellary ("AMC") during the fiscal year ended 31 March 2010 and 31 March 2011. The Company had earlier entered into a purchase agreement with Obulapuram Mining Company Private Limited ("OMC"), a sister concern of AMC, for the supply of iron ore to its plant at Vijayanagar and made an advance of Rs. 1,300 million to be adjusted against supplies in accordance with the terms of purchase agreement. OMC, however, failed to deliver the contracted supplies and agreed for retention of a part of the amount payable to its sister concern AMC against supplies made by it. The Company accordingly retained a sum of Rs 348.2 million out of amount payable to AMC and set it off against the amount recoverable from OMC. There remained an unrecovered balance and the Company proceeded with arbitration against OMC and was granted an award dated 9 May 2014 for Rs. 1,109.0 million.

However, AMC and its partners came under investigation by CBI and the partners were charged for illegal mining and theft of iron ore before the court of law. Proceedings under the Prevention of Money Laundering Act, 2002 ("PMLA") were initiated against partners of AMC by the Enforcement Directorate. Disregarding the above financial adjustments and the arbitration award, the Enforcement Directorate alleged an amount Rs. 338.08 million receivable by AMC from the Company (appearing in AMC's financial statements as a retention amount) is categorised as proceeds of crime. In two independent orders, the Enforcement Directorate sought to provisionally attach Rs. 24.37 million and Rs. 94.38 million in the bank accounts of the Company. The Company has challenged legality of both orders by filing writ petitions before the High Court of Karnataka and obtained interim orders in its favour. Recently, the High Court of Karnataka in separate proceedings has quashed the PMLA proceedings initiated against the partners of AMC and therefore, the Company believes that the orders of provisional attachment have become redundant.

Other Litigations

Service Tax Credit

The dispute relates to utilisation of CENVAT credit in respect of services provided to the Company which comprised input services for manufacture of dutiable goods for the purpose of availing credit. With regard to certain show cause notices the matters are pending before the CESTAT, Bangalore and the Commissioner of Central Excise. The claim amount is approximately Rs. 1,550.4 million.

Denial of credit distributed as an Input Service Distributor

Show cause notices have been issued by the Commissioner of Service Tax to the Company denying the CENVAT credit availed for distribution by the Company. The claim amount is approximately Rs. 2,793.3 million.

Additionally, there are litigations filed against the subsidiaries of the Company before various authorities and tribunals. The Company may have other litigations pending against it in the normal course of its business.

MANAGEMENT

Board of Directors

The Board is responsible for the management and administration of the Company'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 41.56 per cent. of the Company's issued equity shares as at 31 December 2016 (41.56 per cent. 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	56	15 March 1994	Chairman & Managing Director, Non-Independent Executive Director	• Nomination & Remuneration Committee — Member • Share/Debenture Transfer Committee — Chairman
Seshagiri Rao M.V.S. . . .	58	6 April 1999	Jt. Managing Director & Group CFO, Non-Independent Executive Director	• Risk Management Committee — Member • Finance Committee — Chairman • JSWSL ESOP Committee — Member • Business Responsibility/Sustainability Reporting Committee — Member • Hedging Policy Review Committee — Member • Corporate Social Responsibility Committee — Member • JSWSL Code of Conduct Implementation Committee — Chairman
Vinod Nowal	61	30 April 2007	Dy. Managing Director, Non-Independent Executive Director	• Project Review Committee — Member • Risk Management Committee — Member • Finance Committee — Member • Business Responsibility/Sustainability Reporting Committee — Member • Corporate Social Responsibility Committee — Member • Share Allotment Committee — member • Share Debenture/Transfer Committee — member • JSWSL Code of Conduct Implementation Committee — member

Name	Age	Date Appointed	Board Position	Committee Positions
Jayant Acharya	53	7 May 2009	Director (Commercial & Marketing), Non-Independent Executive Director	• Risk Management Committee — Member • Finance Committee — Member • Business Responsibility/Sustainability Reporting Committee — Member • Corporate Social Responsibility Committee — Member • Share Debenture/Transfer Committee — member • JSWSL Code of Conduct Implementation Committee — member
Malay Mukherjee.	68	29 July 2015	Independent Non-Executive Director	• Audit Committee — member • Risk Management Committee —Chairman • Project Review Committee — Chairman • JSWSL ESOP Committee — member • Business Responsibility/Sustainability Reporting Committee - Chairman
Mr. Naveen Raj Singh. . .	48	20 September 2016	Nominee Director - KSIIDC	• Corporate Social Responsibility Committee - Member
Mr. Hiromu Oka	63	27 October 2016	Nominee Director — JFE Steel Corporation, Japan	• Project Review Committee - Member
Dr. Vijay Kelkar	74	20 January 2010	Independent Non-Executive Director	• Hedging Policy Review Committee — Member • Nomination & Remuneration Committee — Chairman • Corporate Social Responsibility Committee — Chairman
Dr. Punita Kumar Sinha. .	54	28 October 2012	Independent Non-Executive Director	• Stakeholders Relationship Committee — Member • Risk Management Committee — Member • Business Responsibility/Sustainability Reporting Committee — Member • Hedging Policy Review Committee — Chairman • Corporate Social Responsibility Committee — Member

Name	Age	Date Appointed	Board Position	Committee Positions
Kannan Vijayaragavan. . .	57	16 June 2008	Independent Non-Executive Director	• Audit Committee — Chairman • Stakeholders Relationship Committee — Chairman • Project Review Committee — member • Nomination & Remuneration Committee — member • Risk Management Committee — member • Business Responsibility/Sustainability Reporting Committee — member • CSR Committee — Member • Share Allotment committee — Chairman • JSWSL ESOP Committee — member
Haigreve Khaitan.	45	30 September 2015	Independent Non-Executive Director	• Nil
Seturaman Mahalingam . .	68	27 July 2016	Independent Non-Executive	• Audit Committee — member • Stakeholders' Relationship Committee — Member • Nomination & Remuneration Committee — Member • Hedging Policy Review Committee — Member • JSWSL ESOP Committee - Member

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

Mr. Sajjan Jindal, Chairman & Managing Director, was appointed as the Vice Chairman & Managing Director in February 2005 and Chairman of the Board of Directors in October 2011. He also serves as council member of the Indian Institute of Metals and is also a member of the Executive Committee and Chairman of the Sustainability Committee of World Steel Association, as well as the former 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 honoured 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, was appointed as the Joint Managing Director & Group CFO 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*

Dr. Vinod Nowal, Deputy Managing Director JSW Steel Ltd., 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 of JSW Steel Ltd. 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, Advisory Member on board of T John College, Bangalore and member of Advisory Committee of the Center of Excellence in Steel Technology (COEST) at IIT Bombay. Dr. Nowal holds a master's degree in Business Administration and a Doctorate in Inventory Management. He has also completed the Advanced Management Program (AMP), a comprehensive executive leadership programme, from the Harvard University Business School.

***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.

Mr. Naveen Raj Singh, IAS, *Nominee Director, KSIIDC*

Mr. Naveen Raj Singh, IAS is a graduate of Business Technology in Civil Engineering from University of National Institute of Technology, Kurukshetra, Haryana. He has joined Indian Administrative Service in year 1998. He has rich experience of working with the State Government and various Corporate Bodies. He is presently working as the Managing Director of Karnataka State Industrial & Infrastructure Development Corporation Limited. He is responsible for spearheading implementation of infrastructure projects including projects on Public Private Partnership basis. He is also the Managing Director of Mysore Paper Mills, Shimoga.

Mr. Hiromu Oka, *Nominee Director, JFE Steel Corpn, Japan*

Mr. Hiromu Oka a Japanese national and a graduate of the graduate school of engineering Kyoto University, Kyoto, Japan. He has a master's degree of Engineering in the field of Metal Science & Technology. He joined Kawasaki Steel Corporation in April 1980. He was the general manager of the Steelmaking Dept. at Mitzushima Works until July 2001 and the General Manager of Kurashiki production control dept. at West Japan Works, JFE Steel Corporation until April 2003. He was also the General Manager of the Production Control Dept. at West Japan Works until April 2005 then Vice President at Chita Works until April 2009. He was the Vice President Assistant General Superintendent of West Japan Works until April 2010. He was the Vice President General Superintendent of West Japan Works until April 2011. He was the Senior Vice President General Superintendent of West Japan Works until April 2012. He is currently the Senior Vice President of Facilities Planning Dept., Technical Cooperation Dept., Corporate Planning Dept., and India JSW Project Team at JFE Steel Corp.

***Malay Mukherjee**, Independent Non-Executive Director*

Mr. Malay Mukherjee has over 40 years of experience in a range of technical, commercial and managerial roles in the mining and steel industry. Between October 2009 and 2011, Mr. Mukherjee served as the CEO of the Essar Steel Global, a large integrated steel company in India. Prior to joining Essar Steel, Mr. Mukherjee was a member of the Board of Directors at Arcelor Mittal between 2008 and 2009. Between 2006 and 2008, Mr. Malay Mukherjee served as the Senior Executive Vice President at Arcelor Mittal and a Member of the Group Management Board. He was in charge of mines and operations in Africa, Asia, southern Europe (Bosnia, Macedonia), CIS, Ukraine, Kazakhstan, and also responsible for stainless steel, pipes and tubes and technology. He also served as the COO for Mittal Steel Company between 2004 and 2006. He also served as Executive Director of Works at the Bhilai Steel Plant at Steel Authority of India Limited between 1991 and 1992. Mr. Mukherjee is a recipient of the MECON Award from the Indian Institute of Metals. Mr. Mukherjee holds a Master's degree in mining from the USSR State Commission in Moscow and a Bachelor of Science degree from the Indian Institute of Technology in Kharagpur, India. Mr. Mukherjee is a member of the Academy of Natural Sciences of Kazakhstan and a Life Member in the Indian Institute of Metals. He was awarded a letter of appreciation from the President of Kazakhstan for work rendered in Kazakhstan from 1995 to 1999.

***Dr. 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, 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), of the Forum of Federations, Ottawa, Canada. He has also represented the Government 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.

***Dr. 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 the 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.

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

Kannan Vijayaraghavan, is a Fellow Member of the Institute of Chartered Accountants of India, Certified Management Consultant and Fellow of the Institute of Management Consultants. He is the chairman and founder of Sathguru Management Consultants Pvt Ltd, Hyderabad, a large consultancy and policy advisory firm founded in the year 1985. He is also Partner of DFK International, an international firm of accountants and business advisors, a Visiting Fellow and Faculty of Executive Education at Cornell University and a Regional Coordinator for Cornell University Research Programs in South Asia and South East Asian Region. Over the last twenty six years, he has handled over 300 assignments in the areas of Strategic Planning, Mergers and Acquisitions and Organisational Growth in Emerging Market related Environment. He also has wide exposure to overseas environments with consulting exposure to large Multinational and Emerging National Companies. Mr. Vijayaraghavan has engaged in consulting assignments for 20 Fortune 500 Companies, approximately 100 Mid Cap Enterprises and NASDAQ listed Companies. He is a member of the International Advisory Committee of AUTM and Honorary President of the Society for Technology Management, the Indian Association of Technology Management Professionals.

Haigreve Khaitan, *Independent Non-Executive Director*

Mr. Haigreve Khaitan has rich experience in all aspects of mergers & acquisitions, due diligence, structuring, documentation involving listed companies, cross border transactions, and medium and small businesses, among others. His experience in restructuring include advice and documentation involving creditors, restructuring, distressed companies, de-mergers, spin-offs, sale of assets in Foreign Investment, Joint Ventures and Foreign Collaborations. He advises a range of large Indian conglomerates and multinational clients in various business sectors including infrastructure, power, telecom, automobiles, steel, software and information technology, and retail among others.

Seturaman Mahalingam*, Independent Non-Executive Director*

Mr. Seturaman Mahalingam, a Chartered Accountant by qualification, began his career as an IT consultant and thereafter played a major role in marketing Tata Consultancy Services ("TCS") services across the globe, developing processes and creating large software development centres for the Group. He has held key positions such as Executive Director and Chief Financial Officer of TCS. Mr. Mahalingam retired from TCS in February 2013 after serving TCS for over 42 years. Prior to becoming the Chief Financial Officer in February 2003, Mr. Mahalingam managed many of the key functions in TCS including marketing, operations, education and training as well as human resources. He managed TCS's operations in London and New York in the early days of TCS' international expansion. Mr. Mahalingam was also the President of the Computer Society of India, and the Chairman of the Southern Region of Confederation of Indian Industry ("CII"). He was also the President of the Institute of Management Consultants of India. Mr. Mahalingam is the Chairman of CII National Council Task Force on Sector Skills Councils & Employment and was a member of the Tax Administration Reform Commission set up by the Government under the chairmanship of Dr. Parthasarathi Shome. Mr. Mahalingam was recognised as the best 'CFO' in various years by Business Today, International Market Assessment, CNBC TV18, CFO Innovation, Finance Asia and Institutional Investors. In 2012, Treasury & Risk, a U.S.-based magazine, named him as one of the 16 most globally influential CFOs.

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 Group'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 behaviour 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 Standing Committees and is authorised to constitute additional committees from time to time, depending on the business needs of the Group.

Audit Committee

The Audit Committee comprises three 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:

- overseeing the Group's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing, with the management, the financial statements before submission to the Board, focusing primarily on:
    - matters to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of subsection 3 of Section 134 of the Companies Act, 2013;
    - changes to any accounting policies and practices;
    - major accounting entries based on the exercise of judgement by management;
    - significant adjustments if any, arising out of audit findings;
    - compliance with respect to accounting standards, listing agreements and legal requirements concerning financial statements;
    - disclosure of any related party transactions; and
    - modified opinion(s) in the draft audit report;
- recommending to the Board, the appointment, reappointment, remuneration and terms of appointment of statutory auditors, cost auditors of the Company;
- reviewing reports of the management auditors and internal auditors and discussion on any significant findings and follow up there on;
- reviewing, with the management, external and internal auditors, the adequacy of internal control systems, and the Group's statement on the same prior to endorsement by the Board;
- evaluating of the internal financial controls and risk management systems;

- reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- approving transactions of the company with related parties and subsequent modifications of the transactions with related parties; and

- reviewing the powers and role of the Audit Committee as set forth under Regulation 18(3) and Part C of Schedule II of the of the SEBI (LODR Regulations) and Section 177 of the Companies Act, 2013.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises four Directors. The role and powers of the Nomination & Remuneration Committee are in compliance with provisions of the Companies Act, 2013 and Regulation 19 and Part D of the Schedule II of the SEBI (LODR Regulations). The terms of reference of the Committee, *inter alia*, include the following:

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out an evaluation of every director's performance;

- the criteria for determining the qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

- formulating criteria for the evaluation of Independent Directors and the Board;

- devising a policy on Board diversity; and

- whether to extend or continue the term of appointment of an independent director on the basis of the report of performance evaluation of independent directors.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises three 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;

- reviewing the reports submitted by the Registrars and Share Transfer Agents of the Group at half-year intervals;

- 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 projects, 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 six Directors. The Risk Management Committee is primarily responsible for:

- periodically reviewing risk assessment and minimisation procedures to ensure that the Executive Management controls risk through means of a properly defined framework; and

- reviewing major risks and proposed action plans.

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 realise 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 authorising 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/firms 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.

JSWSL ESOP Committee

The JSWSL ESOP Committee comprises of four Directors. The JSWSL ESOP Committee is primarily responsible for:

- determining the terms and conditions of the grant, issue, re-issue, cancellation and withdrawal of employee stock options from time to time;

- formulating, approving, evolving, deciding upon and bringing into effect, suspending, withdrawing or reviving any sub-scheme or plan for the purpose of granting of options to the employees and making any modifications, changes, variations, alterations or revisions in such sub-scheme or plan from time to time;

- issuing any direction to the trustee of the JSW Steel Employees Welfare Trust to sell, transfer or otherwise dispose of any Shares held by them;

- making necessary amendments to the JSW Steel Employees Welfare Trust Deed, if necessary;

- setting forth the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of Change in the Capital Structure and/or Corporate Action;

- setting forth the method for satisfaction of any tax obligation arising in connection with the options or such Shares;

- setting forth the procedure for cashless exercise of options, if any; and

- providing for the granting, vesting and exercising of options in case of employees who are on long leave or whose services have been seconded to any other company or who have joined the Company; a subsidiary or an associate company.

Business Responsibility/Sustainability Reporting Committee

The Business Responsibility/Sustainability Reporting Committee comprises six 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.

Hedging Policy Review Committee

The Hedging Policy Review Committee comprises five Directors. The Hedging Policy Review Committee is primarily responsible for taking protective measures to hedge forex losses, to decide on all matters related to commodities hedging and to take protective measures to hedge commodity price fluctuations.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises seven 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 programmes 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 programmes or activities undertaken by the Group.

Management Organisation Structure

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

Group Corporate Functions

- Rajeev Pai, *Chief Financial Officer*

- Mr. Lancy Varghese, *Company Secretary*

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

SHARE OWNERSHIP

As at 31 December 2016, the Company's promoters, Sajjan Jindal and Savitri Devi Jindal, together with other promoter group companies, held 41.56 per cent. 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.

As at 31 December 2016, the directors of the Company, including Mr. Sajjan Jindal, held 40,709 equity shares of the Company (approximately 0.0168 per cent. of the Company's issued equity shares).

As at 31 December 2016, JFE Steel International Europe B.V., the next largest shareholder, owned, directly and indirectly, 15.0 per cent. 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 Company and was previously the Chairperson of the Company from April 2005 to 21 October 2011. She had previously served on the board of a number of companies belonging to the O.P. Jindal Group. She is also the patron of the Managing Committee of the Vidya Devi Jindal Public School, Hissar, Haryana.

RELATED PARTY TRANSACTIONS

The Group, 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 Group has a material interest. These transactions are pursuant to terms that are no less favourable than those arranged with third parties.

The following table summarises related party transactions and balances included in the financial statements for the nine months ended and as at 31 December 2016. See the Group Consolidated Annual Financial Statements and the Group Consolidated Interim Financial Statements for further information on related party transactions determined in accordance with Indian GAAP and/or IND-AS, as applicable.

Particulars	Associates & Joint ventures	Key managerial personnel & Enterprises over which KMP and relatives of such personnel exercise significant influences
		(Rs. million)
Transactions with related parties		
Purchase of Goods / power and fuel / services	656.6	66,694.7
Reimbursement of Expenses incurred on our behalf by	—	15.8
Sales of Goods/Power & Fuel	2,707.3	10,138.5
Other Income/ Interest Income/ Dividend Income	46.7	326.2
Purchase of Assets	302.0	1,027.9
Donation/ CSR Expenses	—	12.4
Recovery of Expenses incurred by us on their behalf	24.7	155.5
Advance Taken Refunded	—	289.9
Remuneration to key managerial personnel	—	349.8
Advance given	—	192.2
Finance Lease Obligation Repayment	—	1,346.3
Finance Lease Interest Cost	—	1,571.9
Post employment benefit plans	—	279.1
Closing balance of related parties		
Trade payables	4.2	10,140.6
Notes Payable	—	1,043.2
Advance received from Customers	2.0	20.7
Lease & Other deposit received	115.5	200.3
Trade receivables	442.8	971.1
Capital / Revenue Advances Given	532.0	1,956.2
Share Application Money	3.9	—
Investments held by the Company	2,441.0	5,495.3
Loans & Advances Taken	—	1,101.3
Finance Lease Obligation	—	18,776.6
Post employment benefit plans	—	653.4

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 in relation 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 2 February 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.

The MMDR Act has been amended pursuant to the Mines and Minerals (Development and Regulation) Amendment Act, 2015 ("Amendment Act"), *inter alia*, in relation to the following (i) ability of a holder of a mining lease who has failed to undertake mining operations for two years to extend their lease, (ii) specifying certain minerals in respect of which any reconnaissance permit, prospecting license or mining lease requires prior Government approval; (iii) specifying certain minerals where a minimum mining lease period will be twenty years and maximum thirty years, with a subsequent renewal for twenty years with prior Government approval, and others for fifty years with auction on expiry; (v) establishment of District Mineral Foundation by State Governments following which contributions from leaseholders may be required, (vi) establishing conditions and process of grant of mining leases based on whether they are notified minerals or not notified minerals; (viii) grant of non exclusive reconnaissance permits and (ix) transfer of mineral concessions.

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 16 May 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 4 April 2011 and modified Guidelines for Preparation of Mine Closure Plan issued on 7 January 2013.

National Mineral Policy, 2008 (the "NMP")

The Government approved the NMP, for non-coal and non-fuel minerals on 13 March 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) Act, 2015 ("CMSP")

Following the Supreme Court's judgment dated 25 August 2014 and order dated 24 September 2014, 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. CMSP was enacted 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 CMSP *inter alia*, provides that prior allottees may participate in the public auction, subject to certain conditions. However, any prior allottee who is convicted of an offence relating to the Coal Block allocation and sentenced with imprisonment for more than three years is not be eligible to participate. 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 per cent. interest from the date of acquisition of the Coal Block till the date of vesting or allotment order. Proceeds raised from land and mine infrastructure of Coal Blocks are utilized for (i) payment to the secured creditors for the unpaid amount and (ii) compensation to the prior allottee.

The Government can allot Coal Blocks to a government company or a joint venture company or a company with a power project, payment of additional levy is required. Government joint venture companies are prohibited from transferring any interest except for any loans from a financial institution or bank. A successful bidder or allottee may negotiate with a prior allottee to own or ulitise movable property and adopt and continue with any contracts for coal mining operations. If the prior allotee is a successful bidder or an allottee, then the secured creditors of such allotee can continue with their loans and security and if not then the security shall only be satisfied from the compensation and outstanding debt be recovered from the prior allotee.

All alienations of land and mine infrastructure and creation of encumbrances, which relate to Coal Blocks prior to August 25, 2014 are void save and except those registered by a bank or a financial institution or any other secured creditor.

The CMSP also amends the CMN Act and the MMDR Act and 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.

Land Laws

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 a requirement of obtaining the consent of up to 80.0 per cent. of people whose land is acquired for private projects by the developers and consent of 70.0 per cent. 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 is amended pursuant to the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Second Ordinance 2015 which has come into force on 31 December 2014 which gives power to the appropriate Government to exempt certain projects. All existing land acquisition proceedings under New Land Acquisition Act in relation to Coal Blocks shall continue thereunder and other proceedings under the Coal Bearing Areas (Acquisition and Development) Act, 1957.

Environmental Laws

The Company is also required to obtain clearances under the EPA, the Forest (Conservation) Act, 1980 as amended, if any forest land is involved, and other environmental laws such as the Water (Prevention and Control of Pollution) Act, 1974 as amended, the Water (Prevention and Control of Pollution) Cess Act, 1977 as amended and the Air (Prevention and Control of Pollution) Act, 1981 as amended, 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 as amended, the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 as amended and Noise Pollution (Regulation & Control) Rules, 2000 as amended.

The Bureau of Indian Standards Act, 1986 ("BIS Act")

The Bureau of Indian Standards Act, 1986, as amended from time to time, provides for the "harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith". Specifically, it establishes a bureau for the standardization, marking and quality certification of goods, called the Bureau of Indian Standards ("BIS"). The BIS Act provides for the powers, duties and functions of the BIS, which, inter alia, include:

(i) Recognition of any standard established for any article or process by any other institution in India, or elsewhere as an 'Indian Standard';

(ii) Establishment, publishing and promotion, in such manner as may be prescribed, of the Indian Standard, in relation to any article or process;

(iii) Specification of a standard mark to be called the 'Bureau of Indian Standards Certification Mark' which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian Standard;

(iv) Granting, renewal, suspension or cancellation of a license use for the use of the standard mark; and

(v) Making such inspection and taking such samples of any material or substance, as may be necessary, to see whether any article or process in relation to which the standard mark has been used, conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

Further, there are various orders passed from time to time in exercise of Section 14 of the BIS Act.

Foreign Exchange Laws

The current laws relating to ECBs as applicable to the issue of Notes are embodied in the ECB Guidelines. ECBs 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 requires a prior RBI approval. The ECB Guidelines classify ECBs under the categories:

(i) medium term foreign currency denominated ECBs with minimum average maturity of three to five years ("Track I ECBs");

(ii) long-term foreign currency denominated ECBs with minimum average maturity of ten years ("Track II ECBs"); and

(iii) Indian Rupee denominated ECBs with minimum average maturity of three to five years ("Track III ECBs").

Automatic route

The following entities have been classified as recognised borrowers for raising Track I ECBs: (i) companies in the manufacturing and software development sectors; (ii) shipping and airlines companies; (iii) Small Industries Development Bank of India; (iv) units in special economic zones in India; and (v) companies in the infrastructure sector, NBFC-Infrastructure Finance Companies, NBFCs-Asset Finance Companies, holding companies and core investment companies. For Track II ECBs, all entities eligible under Track I ECBs can raise ECBs in addition to real estate investment trusts and infrastructure investment trusts coming under the regulatory framework of SEBI. In case of Track III ECBs, all entities eligible under Track II ECBs can raise ECBs in addition to (i) all NBFCs coming under the purview of RBI; (ii) NBFCs-micro finance institutions, not for profit companies registered under the companies act 1956 or 2013, societies, trusts and co-operatives, non-government organisations engaged in micro-finance activities; (iii) companies engaged in miscellaneous services such as research and development, companies supporting infrastructure and companies providing logistics services; and (iv) developers of special economic zones and national manufacturing and investment zones.

The following lenders are eligible to provide ECBs for Track I ECBs: (i) international banks; (ii) international capital markets; (iii) multilateral financial institutions or regional financial institutions and Government-owned financial institutions; (iv) export credit agencies; (v) suppliers of equipment; (vi) foreign equity holders (vii) overseas long term investors and (viii) overseas branches or subsidiaries of Indian banks. For Track II ECBs all entities listed under Track I ECBs other than overseas branches or subsidiaries of Indian banks. For Track III ECBs all entities listed under Track I ECBs other than overseas branches or subsidiaries of Indian banks. In case of NBFCs-MFIs, other eligible MFIs, not for profit companies and non-government organisations. ECBs can also be availed from overseas organisations and individuals.

ECB proceeds under Track I can be utilised for, *inter alia* (i) capital expenditure in the form of import and local sourcing of capital goods, new projects and modernisation or expansion of existing units; (ii) overseas direct investment; (iii) acquisition of shares in the Government's disinvestment programme of public sector units; (iv) refinancing of existing ECBs, provided the residual maturity is not reduced. The proceeds of Track II ECBs and Track III *inter alia* can be used for all purposes, excluding (i) real estate activities; (ii) investing in capital markets or equity in the domestic market; (iii) on-lending to other entities for the above mentioned objectives; and (iv) purchase of land.

NBFCs, under Track III ECBs, can use ECB proceeds only for (i) on-lending to infrastructure sector; (ii) providing hypothecated loans to domestic entities for acquisition of capital goods and equipment; and (iii) providing capital goods and equipment to domestic entities by way of lease and hire-purchases.

Further, the maximum amount which can be raised every fiscal year under the automatic route is U.S.$750 million or its equivalent for companies in the infrastructure and manufacturing sector, NBFC — infrastructure finance companies, NBFC — asset finance companies, holding companies and core investment companies, U.S.$200 million or its equivalent for companies in the software development sector, U.S.$100 million or its equivalent for entities engaged in micro finance activities and U.S.$500 million or its equivalent for remaining entities. The all-in cost (which includes rate of interest, other fees and expenses in foreign currency or Indian Rupees but does not include commitment fees, prepayment fees, payments for withholding tax in Rupees) ceilings for (i) Track I ECBs is 300 basis points per annum over six month LIBOR for ECBs with minimum average maturity between three and five years and 450 basis points per annum over six month LIBOR for ECBs with minimum average maturity of more than five years; (ii) Track II ECBs is 500 basis points per annum over the benchmark; and (iii) Track III ECBs will be in compliance with market conditions.

Approval route

All ECBs falling outside the automatic route limits are considered by the RBI under the approval route.

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. To obtain this, ECB borrowers are required to submit a completed Form 83 certified by a company secretary or a chartered accountant to the AD Bank of the ECB borrower. The AD Bank is then required to forward the completed 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.

Hedging requirements in relation to issuance of ECB

An ECB borrower is required to have a board approved risk management policy and is required to keep 100 per cent. of the ECB principal and interest hedged at all times. A minimum one year financial hedge is required with a periodic rollover to ensure the ECB is not un-hedged at any point. The designated AD Bank will have the responsibility of verifying the 100 per cent. hedging requirement is complied with.

Procedure in relation to any change to the Terms and Conditions of the Notes

Any change in the terms and conditions of the Notes after obtaining the LRN requires the prior approval of the RBI or AD Bank, as the case may be. Certain changes (such as amendments to the repayment date, currency, the name of the borrower, recognised lender, the purpose for which the ECB is utilised, all-in costs, cancellation of LRN, reduction in amount of the ECB or any change to the AD Bank) may be approved by the AD Bank under a delegated authority from the RBI subject to certain conditions being complied with. Any redemption of the Notes prior to their stated maturity, including on occurrence of an early redemption event, event of default or for taxation reasons (as further described in the Terms and Conditions of the Notes) will require the prior approval of the RBI or the AD Bank, as the case may be.

Indemnity

Remittances of funds 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.

Corporate Laws

Companies Act, 2013

We are incorporated and registered under the Companies Act, 1956 and are governed by the provisions and the rules under the Companies Act, 1956. In 2013, the Indian Parliament enacted the Companies Act, 2013 which was published in the official gazette on 30 August 2013. The Companies Act, 2013 replaced the Companies Act, 1956, although some provisions are yet to come into effect. The Companies Act, 2013 introduced new regulations which significantly and substantially modify, repeal and replace the entire legal framework governing Indian companies including our Company.

Compliance with Other Applicable Laws

The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (the "Bankruptcy Code") was passed by both houses of the Parliament of India on 11 May 2016 and received the assent of the President of India on 28 May 2016. The Bankruptcy Code primarily consolidates the existing insolvency laws, *inter alia*, relating to companies and bodies corporate with the objective of providing clarity and consistency, in treatment, to all the stakeholders in the insolvency process. The Bankruptcy Code seeks to establish an Insolvency and Bankruptcy Board of India (Board) which will, *inter alia*, function as a regulator to oversee functioning of insolvency professionals, insolvency professional agencies and information utilities. The Board will exercise a range of legislative, administrative and quasi-judicial functions.

The Bankruptcy Code classifies creditors into, *inter alia*, financial creditors, and operational creditors, which include creditors of financial loans for interest and loans arising from the operational nature of the debtor, respectively. The Bankruptcy Code proposes to appoint specialised insolvency professionals to assist companies and bodies corporate through the insolvency process. The Bankruptcy Code provides a one hundred and eighty day timeline for insolvency resolution applications which may be extended by ninety days. As part of the insolvency resolution process, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 75 per cent. of financial creditors and by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation.

The National Company Law Tribunal will be the adjudicating authority with jurisdiction over companies and limited liability entities. However, the provisions and sections under the Bankruptcy Code are being notified in a staggered manner and some provisions and sections are not effective yet.

To the extent notified, the Bankruptcy Code has amended relevant provisions of, *inter alia*, the Companies Act, 2013 and the other legislations as specified therein, and shall further amend relevant provisions of, *inter alia*, the Companies Act, 2013 and such specified legislations upon future notification of the Bankruptcy Code.

Other Laws

Additionally, the Company is also required to comply with, *inter alia*, the following laws:

(i) Apprentices Act, 1961 as amended;

(ii) Central Excise Act, 1944 as amended;

(iii) Central Sales Tax Act, 1956 as amended;

(iv) Chapter V of Finance Act, 1994 (Service Tax) as amended;

(v) Child Labour (Prevention and Regulation) Act, 1986 as amended;

(vi) Contract Labor (Regulation and Abolition) Act, 1970 as amended;

(vii) Customs Act, 1962 as amended;

(viii) Employee's Compensation Act, 1923 as amended;

(ix) Employees' Provident Funds and Miscellaneous Provisions Act, 1952 as amended;

(x) Equal Remuneration Act, 1976 as amended;

(xi) Employees' State Insurance Act, 1948 as amended;

(xii) Factories Act, 1948 as amended;

(xiii) Foreign Exchange Management Act, 1999 as amended;

(xiv) Income Tax Act, 1961 as amended;

(xv) Foreign Trade (Development and Regulation) Act, 1992 as amended;

(xvi) Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957 as amended;

(xvii) Industries (Development and Regulation) Act, 1951 as amended;

(xviii) Industries Employment (Standing Orders) Act, 1946 as amended;

(xix) Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 as amended;

(xx) Maternity Benefit Act, 1961 as amended;

(xxi) Minimum Wages Act, 1948 as amended;

(xxii) Payment of Bonus Act, 1965 as amended;

(xxiii) Payment of Gratuity Act, 1972 as amended;

(xxiv) Payment of Wages Act, 1936 as amended;

(xxv) Shops and Commercial Establishments Act applicable to relevant states, as amended;

(xxvi) Value Added Tax Act applicable to relevant states, as amended;

(xxvii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act), 2013 as amended; and

(xxviii) Trade Union Act, 1926 as amended.

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 utilises 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 31 December 2016, the Group had total borrowings of Rs. 455,870.9 million (U.S.$6,708.5 million), compared to Rs. 422,040.2 million as at 31 March 2016. As at 31 December 2016, the Group's borrowings by its subsidiaries and the Company accounted for 18.11% per cent. and 81.89% per cent., respectively, of its total borrowings. As at 31 December 2016, 36.9 per cent. of the Group's borrowings were denominated in foreign currency, principally in United States dollars. As at 31 December 2016, the Group had a long-term debt of Rs. 398,889.2 million (U.S.$5,869.9 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 31 December 2016, the aggregate amount under these loans totaled approximately Rs. 224,532.7 million (U.S.$3,304.1 million) (on a standalone basis, excluding working capital 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/MCLR 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 31 December 2016, the interest rate on the Rupee Bank Loans ranged from 9.50 per cent. to 12.15 per cent. 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 further 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 March 2011, the Company entered into a loan agreement for U.S.$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 U.S.$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 June 2012, the Company entered into a loan agreement for U.S.$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 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 U.S.$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 U.S.$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 U.S.$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 U.S.$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 U.S.$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 U.S.$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 U.S.$250 million with Axis Bank Ltd. for the various ongoing capital expenditures of the Company.

In November 2014, the Company issued U.S.$500 million 4.75 per cent. notes due 2019 to the international debt capital markets for redeeming Rupee term loans and for capital expenditure of the Company.

In January 2015, the Company entered into two loan agreements for U.S.$6 million and JPY639 million, respectively, with both Japan Bank for International Cooperation and The Bank of Tokyo-Mitsubishi UFJ, for financing the purchase of equipment from Japanese corporations.

In January 2015, the Company entered into a loan agreement for EUR10.85 million with KfW IPEX-Bank GmbH for payment of capital goods equipment.

In February 2015, the Company entered into a loan agreement for U.S.$4.2 million with both Japan Bank for International Cooperation and The Bank of Tokyo-Mitsubishi UFJ, for financing the purchase of equipment from Japanese corporations.

In April 2015, the Company entered into a loan agreement for approximately U.S.$86 million with Abu Dhabi Commercial Bank and The Bank of Tokyo-Mitsubishi UFJ for refinancing some of its foreign currency loans.

In June 2015, the Company entered into a loan agreement for U.S.$150 million with Mizuho Bank Limited and Industrial and Commercial Bank of China Limited for refinancing some of its foreign currency loans.

In July 2015, the Company entered into two loan agreements for total commitment of EUR16.8 million with KfW IPEX-Bank GmbH for payment of capital goods equipment.

In August 2016, the Company entered into a loan agreement for JPY 758 million 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.

Most of the Group's non-Rupee loans bear interest at a floating rate linked to U.S.$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 31 December 2016, the aggregate outstanding amount under these loans totaled approximately Rs. 170,267.2 million.

The Group's financing agreements and debt arrangements typically 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 other indebtedness and result in the outstanding amounts under each such indebtedness 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

10.25 per cent. Non-Convertible Debentures

During the first and second quarters of the year ended 31 March 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 10.2 per cent. per annum. The NCDs will be redeemed in equal installments in 2016, 2017 and 2018.

10.60 per cent. Non-Convertible Debentures

During the third quarter of the year ended 31 March 2010, the Company raised Rs. 3,500 million through the issuance of 10-year NCDs at a fixed rate of 10.6 per cent. per annum. The NCDs will be redeemed in eight equal semi-annual installments commencing from 2016.

10.10 per cent. Non-Convertible Debentures

During the last quarter of the year ended 31 March 2010, the Company raised Rs. 10,000 million through the issuance of NCDs at a fixed rate of 10.1 per cent. per annum. The NCDs will be redeemed in 16 equal quarterly installments commencing from 2014.

11.00 per cent. Non-Convertible Debentures

During the first quarter of the year ended 31 March 2013, the Company raised Rs. 10,000 million through the issuance of 11 NCDs at a fixed rate of 11.0 per cent. per annum. The NCDs will be redeemed in equal installments in 2021, 2022 and 2023.

10.34 per cent. Non-Convertible Debentures

During the first quarter of the year ended 31 March 2014, the Company raised Rs. 10,000 million through the issuance of 11-year NCDs at a fixed rate of 10.34 per cent. per annum. The NCDs will be redeemed in equal installments in 2022, 2023 and 2024.

10.02 per cent. Non-Convertible Debentures

During the second quarter of the year ended 31 March 2014, the Company raised Rs. 10,000 million through the issuance of 10-year NCDs at a fixed rate of 10.02 per cent. per annum. The NCDs will be redeemed in May 2023 and July 2023.

10.50-10.55 per cent. Non-Convertible Debentures

During the first quarter of the year ended 31 March 2015, the Company raised Rs. 3,000 million through the issuance of NCDs at fixed rates of 10.5 per cent. and 10.55 per cent. per annum. The 10.50 per cent. NCDs will be redeemed in 2016 while the 10.55 per cent. NCDs will be redeemed in 2017.

10.55 per cent. Non-Convertible Debentures

During the first quarter of the year ended 31 March 2015, the Company raised Rs. 10,000 million through the issuance of three-year NCDs at a fixed rate of 10.55 per cent. per annum. The NCDs will be redeemed in bullet repayment in 2017.

10.40 per cent.-10.60 per cent. Non-Convertible Debentures

During the second quarter of the year ended 31 March 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 cent. per annum. The NCDs will be redeemed in 2017, 2018 and 2019, respectively.

10.20 per cent. Non Convertible Debentures

During the second quarter of the year ended 31 March 2015, the Company raised Rs. 5,000 million through the issuance of three-year NCDs at a fixed rate of 10.2 per cent. per annum, compounded quarterly. The NCDs will be redeemed in 2017.

10.20 per cent. Non-Convertible Debentures

During the second quarter of the year ended 31 March 2015, the Company raised Rs. 2,000 million through the issuance of NCDs at a fixed rate of 10.2 per cent. per annum, compounded quarterly. The NCDs will be redeemed in 2017.

9.62—9.75 per cent. Non Convertible Debentures

During the third quarter of the year ended 31 March 2015, the Company raised Rs. 10 billion through the issuance of three-year, four-year and five-year NCDs at a fixed rate of 9.62 per cent., 9.665 per cent. and 9.72 per cent., compounded quarterly respectively. The NCDs will be redeemed in 2017, 2018 and 2019, respectively.

Debt and Debt Funding

The Group has stable relationships with a large variety of debt providers, investors, principally commercial banks and export credit agencies. As at 31 December 2016, approximately 38.1 per cent. of the Group's total long-term debt carried a fixed interest rate. As at 31 December 2016, the proportion of the Group's short-term debt to total debt was 12.5 per cent.

Maturity of Borrowings

The table below summarizes the maturity profile of the Group's long term borrowings based on contractual undiscounted payments. The details given below are gross of debt origination cost.

	Expected maturity as at 31 December 2016[(1)]	
	(Rs. million)	(U.S.$ million)[(2)]
Within one year	75,504.2	1,111.0
Between one and two years	44,707.9	657.9
Between two and five year	188,881.7	2,779.5
Over five years	85,627.5	1,260.1
Total	**394,721.3**	**5,808.5**

Notes:

(1) Excludes unamortized fees and actual redeemable value of preference shares whereas in calculation of outstanding debt, fair value of preference shares has been used.

(2) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = INR67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

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 31 December 2016:

	Currency of borrowings as at 31 December 2016			
	Floating rate borrowings[1]	Fixed rate borrowings	Total borrowings	
		(Rs. million)		(U.S.$ million)[2]
Rupee	119,719.4	105,812.9	225,532.3	3,318.8
Japanese Yen	1,772.9	3,373.5	5,146.4	75.7
U.S. Dollar	122,762.4	40,033.8	162,796.2	2,395.7
Euro	—	1,246.4	1,246.4	18.3
Total	**244,254.7**	**150,466.6**	**394,721.3**	**5,808.5**

Notes:

(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/mclr.

(2) Excludes unamortized fees and actual redeemable value of preference shares whereas in calculation of outstanding debt, fair value of preference shares has been used.

(3) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.$1.00 = Rs. 67.9547, which was the exchange rate as reported by the RBI on 30 December 2016.

TERMS AND CONDITIONS OF THE NOTES

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 U.S.$500,000,000 5.25 per cent. notes due 2022 (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 39th Floor, Champion Tower, Three Garden Road, 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 S.A. ("Clearstream") 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 U.S.$200,000 each and higher integral multiples of U.S.$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 at its specified office. 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 3.0 per cent. 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 U.S.$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 at 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 at 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 U.S.$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 U.S.$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 per cent. 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 IND-AS.

"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.

"IND-AS" means Indian Accounting Standards.

"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 IND-AS, 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 IND-AS 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 13 April 2022;

(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 recognised 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 Memorandum" means the offering memorandum dated 5 April 2017 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 one Officer.

"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 Memorandum) 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 recognised 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 per cent. 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) 12 April 2017 to (but excluding) 13 April 2022 at the rate of 5.25 per cent. per annum, in each case payable semi-annually in arrear on 13 April and 13 October in each year (each an "Interest Payment Date"). The first interest payment will be made on 13 October 2017 in the amount of U.S.$13,197,916.67 (representing six months' and one day's interest on the total principal amount of U.S.$500,000,000). 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 Reserve Bank of India ("RBI") including the Master Direction on External Commercial Borrowing Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers dated 1 January 2016 as amended and the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated 1 January 2016, as amended from time to time (the "ECB Guidelines") as described in the Offering Memorandum.

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 13 April 2022 ("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 12 April, 2017 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 per cent. 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 101.0 per cent. 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 recognised and named as a "promoter" in the filing made with the Indian stock exchange for the quarter ended December 2016.

(G) **Promoter Group** means the promoter group of the Company recognised and named as a "promoter group" in the filing made with the Indian stock exchange for the quarter ended December 2016 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 U.S.$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 subject to applicable law. 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 in accordance with applicable law. 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 except in accordance with applicable law.

Early redemption of the Notes under Conditions 6.2 or 6.3 may require a prior approval from the 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, 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 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; (iii) a Transfer Agent; and (iv) such other agents as may be required by any stock exchange on which the Notes may be listed. 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 receivable 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) presented for payment in the Relevant Jurisdiction; or

(c) 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 and in accordance with any specific approvals from the Reserve Bank of India or the designated authorised dealer bank, as the case may be, obtained by the Company.

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 25.0 per cent. 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 U.S.$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 10.0 per cent. 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 25.0 per cent., 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 75.0 per cent. 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 12 (*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 25.0 per cent. 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.

Repatriation of proceeds outside India by the Company under an indemnity clause requires the prior approval of the Reserve Bank of India, in accordance with the extant applicable laws and regulations of India, including the rules and regulations framed under the Foreign Exchange Management Act, 1999, as amended.

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, notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream 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 U.S.$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 ten 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 advisers 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 legal or tax advice and is not intended to represent a complete analysis of all the Indian tax consequences under Indian law relating to the acquisition, ownership or disposal 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 advisers 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 5.0 per cent (plus applicable surcharge, education cess and secondary and higher education cess), on any interest paid on the Notes, subject to and in accordance with the conditions set out in the IT Act as the Notes are long term bonds in foreign currency issued between 1 October 2014 and 30 June 2017 in accordance with Section 115A and section 194LC of the IT Act and CBDT Circular no. 15/2014 on 17 October 2014.

The Finance Bill, 2017 proposes to amend Section 194LC of the IT Act and extend the reduced tax rate of 5.0 per cent. to any long term foreign currency bonds issued up to 30 June 2020, provided that the proposed amendment is approved in the same form as proposed in the Finance Bill 2017 and is included in the IT Act.

Since the interest payable on the Notes is subject to taxation in India, there is a requirement to withhold tax at the applicable rate for the Notes, subject to any lower rate of tax provided by an applicable Tax Treaty (as defined below), depending on the legal status of the non-resident investor and its taxable income in India

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 relating to utilising Tax Treaty benefits by submitting a tax residency certificate and other documents) are fulfilled.

A non-resident investor is obligated to pay such income tax in an amount equal to, or is entitled to a refund of, as the case may be, any difference between amounts withheld in respect of interest paid on the Notes from India and its ultimate Indian tax liability for such interest, subject to and in accordance with the provisions of the IT Act. The non-resident Noteholders shall be obliged to provide all necessary information and documents, as may be required by the Company.

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 5.0 per cent. (plus applicable surcharge, education cess and secondary and higher education cess) subject to any lower rate of tax provided by an applicable Tax Treaty.

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.

In respect of interest income on long term bonds to non residents, pursuant to section 206AA of the IT Act, the payee is not required to provide its permanent account number to the payer. Hence, the Noteholders being non residents are not required to provide their permanent account number.

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 a rate of 10.0 per cent. of the capital gains (plus applicable surcharge, education cess and secondary and higher education cess) 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 40.0 per cent. 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 income arising to 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 40.0 per cent. 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.

If applicable under the tax law, tax shall be withheld by the person making any payment to a non-resident on long-term capital gains at 10.0 per cent. (plus applicable surcharge, education cess and secondary and higher education cess) and short-term capital gains at 30.0 per cent. or 40.0 per cent. (plus applicable surcharge, education cess and secondary and higher education cess), depending on the legal status of the recipient of income, subject to any lower rate provided for by an applicable Tax Treaty. Tax payable shall be computed in such manner as prescribed in this regard under the IT Act. For the purpose of tax withholding, the non-resident Noteholders may be obliged to provide all prescribed information/documents, including tax residency certificate (issued by the tax authorities of the country in which the investor is resident) for claiming the Tax Treaty benefits.

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 back into India. Stamp duty would be payable if the Notes are brought into India for enforcement or for any other purpose. The amount of stamp duty payable would depend on the applicable stamp act 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 capitalised terms used in this section.

Investors in the Notes may hold Notes through Euroclear or Clearstream. Initial settlement and all secondary trades will settle as described below. Although the Group understands that Euroclear and Clearstream will comply with the procedures provided below in order to facilitate transfers of Notes among participants of Euroclear and Clearstream, 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 Group, 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 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, the Group understands as follows:

THE CLEARING SYSTEMS

Euroclear and Clearstream

Euroclear and Clearstream hold securities for participating organisations 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 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 interface with domestic securities markets. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organisations. Indirect access to Euroclear or Clearstream 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 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 depositary for Euroclear and Clearstream. Investors' interests in Notes held in book-entry form by Euroclear or Clearstream, as the case may be, will be represented through financial institutions acting on their behalf as direct and indirect participants in Euroclear or Clearstream, as the case may be. In addition, Euroclear and Clearstream 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 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 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 participants

Secondary market trading between Euroclear participants and/or Clearstream 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 5 April 2017 (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 Notes
Credit Suisse Securities (Europe) Limited	100,000,000
Citigroup Global Markets Limited	100,000,000
BNP Paribas	100,000,000
Deutsche Bank AG, Singapore Branch	100,000,000
J.P. Morgan Securities plc	100,000,000
Total	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 Group 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 Group 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 Group 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 Group.

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 (including M&A advisory and extending credit, for example, with respect thereto) and other banking services for the Group 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 Group, including the Notes. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Group and some or all of the proceeds of the Notes offered hereby could be used to refinance certain of those loans. In addition, the Joint Lead Manager, in the capacity as lenders, may routinely hedge their credit exposure to the Group 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 Group'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 Group, 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 Group 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 advisers. 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 Group in such jurisdiction.

Selling Restrictions

United States

The Notes to be issued have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States except in certain transactions exempt from or 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. Each Joint Lead Manager represents and warrants that it has not offered or sold, and agrees that it will not offer or sell, any Notes constituting part of its allotment except in accordance with Rule 903 of Regulation S under the Securities Act or pursuant to another exemption from the registration requirements of the Securities Act. Each Joint Lead Manager represents, warrants and agrees that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Memorandum as completed by the pricing supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) if the pricing supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the pricing supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable and we have consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Joint Lead Manager nominated by the Group for any such offer; or

(d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Group or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes 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 (as amended including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

The Joint Lead Managers represent, warrant and agree that:

(a) in relation to any Notes having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Group;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Group; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Singapore

Each Joint Lead Manager has acknowledged that the Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, each Joint Lead Manager has represented, warranted and agreed that, and each further Joint Lead Manager appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Certificates or caused the Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Certificates or cause the Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Certificates, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) 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

(b) 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 Certificates 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 of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

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 2015 as amended, and under the listing agreement with any Indian stock exchange or pursuant to the sanction of any regulatory and adjudicatory body in India and the Notes will not be offered or sold, and have not been offered or sold, in India by means of any document, whether as a principal or agent nor have the Joint Lead Managers circulated or distributed, nor will they circulate or distribute, the Offering Memorandum or any other offering document or material relating to the Notes, directly or indirectly, to any person or the public or any member of the public in India or otherwise generally distributed or circulated in India. The Notes have not been offered or sold, and will not be offered or sold to any person, in India in circumstances which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities (whether to the public or by way of private placement) within the meaning of the Companies Act or any other applicable Indian laws for the time being in force. Except as provided by law, the acquisition of these Notes by Indian residents may be prohibited under FEMA and ancillary regulations.

Hong Kong

Each Joint Lead Manager has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates other than (i) 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 (ii) 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 "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not 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 Certificates, 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 Certificates which 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 Act of Japan (Act No. 25 of 1948, as amended; the "FIEA") and each Joint Lead Manager has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The Offering Memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither the Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations and neither the Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

People's Republic of China

The Joint Lead Managers has acknowledged that the Offering Memorandum does not constitute a public offer of the Notes, whether by way of sale or subscription, in the People's Republic of China (the "PRC"). Each of the Joint Lead Managers represents and agrees that, except to the extent consistent with applicable laws and regulations in the PRC, the Notes are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to the laws and regulatory requirements in the PRC, with the exception to the extent consistent with applicable laws and regulations in the PRC, the Notes may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(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 Group, 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 Group 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 Group or the Joint Lead Managers that would permit a public offering of the notes or the possession, circulation or distribution of this Offering Memorandum 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 Consolidated Summary Financial Statements and the Standalone Summary Financial Statements included in this Offering Memorandum have been audited by Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, as stated in their audit reports. The Condensed Consolidated Interim Financial Statements and the Condensed Standalone Interim Financial Statements have been reviewed by Deloitte Haskins & Sells LLP, Chartered Accountants, as stated in their review reports.

GENERAL INFORMATION

1. The issue of the Notes has been authorised by resolutions of the Company's board of directors dated 27 July 2017.

2. 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.

3. 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 Company 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 Company's financial position.

4. Save as disclosed in this Offering Memorandum, there has been no material change in the Company's or the Group's financial or trading position since 31 December 2016 and, since such date, save as disclosed in this Offering Memorandum, there has been no material adverse change in the Company's or the Group's financial position or prospects.

5. 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.

6. The International Securities Identification Number in respect of the Notes is XS1586341981. The Common Code in respect of the Notes is 158634198.

7. Listing of the Notes:

Approval-in-principle 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 Group or their associated companies or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000, or foreign currency equivalent, 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 Group 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 Group 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, IFRS AND IND-AS

The Group Consolidated Annual Financial Statements and the Group Consolidated Interim Financial Statements (except for the Group Consolidated Interim Financial Statements for the nine month period ended 31 December 2016, which have been prepared in accordance with IND-AS) have been prepared in accordance with Indian GAAP, which differs in certain material respects from IFRS.

The following table summarises certain of the areas in which differences between Indian GAAP, IFRS and IND-AS could be significant to the financial position and results of operations of the Group. IFRS is an exhaustive set of standards, rules and interpretations issued by various authoritative agencies, and accordingly, no assurance can be given that the differences listed below cover all differences.

Further, no attempt has been made to identify future differences between Indian GAAP, IFRS and IND-AS as a result of prescribed changes in accounting standards. The respective regulatory bodies that promulgate Indian GAAP and IFRS are engaged in significant projects that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between Indian GAAP, IFRS and IND-AS that may affect the financial information as a result of transactions or events that may occur in the future.

Public companies in India, including the Group, are now required to prepare annual and interim financial statements under IND-AS in accordance with the roadmap announced on 2 January 2015 by the Ministry of Corporate Affairs, the Government (the "MCA"), in consultation with the National Advisory Committee on Accounting Standards for convergence with IFRS. On 16 February 2015, the MCA notified the public of the Companies (Indian Accounting Standards) Rules, 2015, which have come into effect from 1 April 2016. Accordingly, the Group Consolidated Interim Financial Statements for the nine month period ended 31 December 2016 have been prepared in accordance with IND-AS. The following table also includes summaries of the effect of the transition from Indian GAAP to IND-AS.

Potential investors should consult their own advisers for an understanding of the principal differences between Indian GAAP, IFRS and IND-AS, and how these differences might affect the financial statements appearing in this Offering Memorandum.

	Indian GAAP	IFRS	IND-AS
Revenue definition	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 disclosed net of excise duty.	Revenue is the gross inflow of economic benefits during the period 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.	Similar to IFRS As per Schedule III of the Companies Act 2013; revenue from operations shall be disclosed as under: Sale of products Sale of services Other operating revenue

Revenue measurement	Revenue is recognised at the nominal amount of consideration receivable.	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 recognised as interest revenue using the effective interest method.	Similar to IFRS
Revenue recognition	Revenue from sale of goods is recognized when the seller of goods has transferred to the buyer the property in the goods for a price or all significant risks and rewards of ownership have been transferred to the buyer and the seller retains no effective control of the goods transferred to a degree usually associated with ownership; and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods. In a transaction involving the rendering of services, performance should be measured either under the completed service contract method or under the proportionate completion method, whichever relates the revenue to the work accomplished. Such performance should be regarded as being achieved when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service	Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied: (A) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods; the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably. In case of rendering of services; where revenue is recognised by reference to the transaction's stage of completion at the balance sheet date.	Similar to IFRS
Revenue — contract costs . .	Capitalization of contract cost is not permitted	IFRS 15 contains criteria for determining when to capitalize costs associated with obtaining and fulfilling a contract	Similar to IFRS
Multipleelement contracts . .	There is no specific guidance.	To present the substance of a transaction appropriately, it may be necessary to apply the recognition criteria to the separately identifiable component of a single transaction.	Similar to IFRS

Accounting Treatment for Changes in Accounting Policies	The effect of a material change in accounting policies must be recorded in the income statement of the period in which the change is made, subject to certain limited exemptions. No restatement of past years' figures is required. If a change is made to a company's accounting policies that has no material effect on the financial statements for the current period but which is reasonably expected to have a material effect in later periods, the fact of such change should be appropriately disclosed in the period in which the change is adopted. Up to March 31, 2016, changes in the method of depreciation for existing assets is considered as a change in accounting policy and the cumulative effect thereof is accounted. For accounting period beginning April 1, 2016; any change in the method of depreciation will be accounted for as change in accounting estimate in accordance with AS-5.	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.	Similar to IFRS
Consolidation and Investment in Subsidiaries	Reporting date differences between the parent and the subsidiary cannot be more than six months. Adjustments should be made for effects of significant transactions occurring between two dates. Consolidated financial statements should be prepared using uniform accounting policies. If not practicable, the proportions of the items accounted for using the different accounting policies should be disclosed.	The difference between the reporting date of the subsidiary and that of the parent shall be no more than three months. Uniform accounting policies should be followed. No exception is provided	Similar to IFRS Uniform accounting policies to be followed unless impracticable to do so

Control	Control exists if: the ownership, directly or indirectly through subsidiary(ies), of more than one half of the voting power of an enterprise; or 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	Investor controls an investee if the investor has following: Power over the investee Exposure, or rights, to variable returns from its investment with the investee The ability to use power over the investee to affect the amount of investor's return.	Similar to IFRS
Consolidation- Investment in Associates and Joint Ventures	Significant influence is the power to participate in the financial and/ or operating policy decisions of the investee but not control over those policies	Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies	Similar to IFRS
	Joint Control: It is the contractually agreed sharing of control over an economic activity	Joint control: The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control	Similar to IFRS
	Potential voting rights are not considered in assessing significant influence	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	Similar to IFRS
	In consolidated financial statements, interest in jointly controlled entities is to be accounted for using proportionate consolidation	A joint venture applies the equity method, as described in IAS 28.	Similar to IFRS.
Impairment of assets	Goodwill and other intangibles are tested for impairment only when there is an indication that they may be impaired	Goodwill, intangible assets not yet available for use and indefinite life intangible assets are required to be tested for impairment at least on an annual basis or earlier if there is an impairment indication	Similar to IFRS

Financial instruments	No specific guidance	All financial instruments are initially measured at fair value plus or minus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not have a significant financing component should initially be measured at transaction price as defined in IFRS 15.	Similar to IFRS
	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 flow of debtors. Different methods are used for making provision for bad debts including ageing analysis, individual assessment of recoverability. Impairment losses recognized in profit or loss for equity investments are reversed through profit or loss.	Impairment model in IFRS9 is based on expected credit losses and it applies equally to debt instruments measured at amortized cost FVTOCI (the loss allowance is recognized in Other Comprehensive Income and not reduced from carrying amount of financial asset), lease receivables, contract assets within scope of IFRS 15 and certain written loan commitments and financial guarantee contracts. Expected credit losses (with the exception of purchased or original credit impaired financial assets) are required to be measured through a loss allowance at an amount equal to a) 12 months expectedcredit losses b) lifetime expected credit losses if credit risk has increased significantly since initial recognition of financial instrument. Trade receivables or contract assets within the scope of IFRS 15, loss allowance is measured at lifetime expected credit losses. For lease receivables within scope of IAS 17, an entity can elect to always measure loss allowances at an amount equal to lifetime expected credit losses.	Similar to IFRS
	Transaction costs incurred in connection with long term borrowings are charged to statement of profit and loss as no future economic benefits are envisaged.	The transaction costs are amortised to profit or loss using the effective interest method	Similar to IFRS

Property, Plant and Equipment	For accounting periods beginning April 1, 2016; Company has an option to select either 'Cost Model' or 'Revaluation Model' for an entire class of assets. Under Cost Model, an asset is carried at cost less accumulated depreciation and accumulated impairment losses. Under the Revaluation Model, an asset is carried at the revalued amount, which is the fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses. For periods up to March 31, 2016, historical cost is used. Revaluations are permitted, however, no requirement on frequency of 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. IFRS mandates entire class of assets to be revalued.	Similar to IFRS
Intangible assets	No guidance on determining the cost of intangible asset when acquired with a group of other assets.	If an intangible asset is acquired with a group of other assets (but not those acquired in a business combination), the cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill	Similar to IFRS
	Measured only at cost	Measured at cost or revalued amounts	Similar to IFRS
Deferred Taxation	Deferred tax is generally recognised for all timing differences. Timing differences are the differences between taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the enacted or the substantially enacted tax rate.	Deferred income taxes are recognised 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) the initial recognition of asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither the accounting nor the tax profit.	Similar to IFRS except that if the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in other comprehensive income.

	A deferred tax asset should be recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on unabsorbed depreciation and carried forward losses under tax laws should be recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.	Deferred tax asset is recognised 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 utilised.	Similar to IFRS
	Deferred tax assets and liabilities should be disclosed under a separate heading in the balance sheet of the enterprise, separately from current assets and current liabilities.	Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised in the same or a different period, outside profit or loss. Therefore the tax on items recognised in other comprehensive income, or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate.	
	No exemptions are available for providing for deferred tax.		
Foreign Exchange Differences	All exchange difference relating to monetary assets and liabilities are required to be charged to profit and loss account with an option in respect of long term monetary items in relation to acquisition of fixed assets, where the exchange difference can be adjusted to the carrying value of such fixed assets or for other long term monetary items, in which case the exchange difference is transferred to “Foreign Currency Monetary Item Translation Difference Account” to be amortised by 31 March 2020 or settlement of such assets/liabilities, whichever is earlier.	Exchange differences arising on translation or settlement of foreign currency monetary items are recognised in profit or loss in the period in which they arise, except when hedge accounting is applied.	Similar to IFRS. However an entity may continue the policy adopted for exchange differences arising from translation of long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first IND AS financial reporting period as per previous GAAP.

First time adoption	There is no specific standard dealing with the preparation of the first Indian GAAP financial statements. Thus, full retrospective application of Indian GAAP is required	IFRS 1 gives detailed guidance on preparation of the first IFRS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exemptions/voluntary exemptions from the full retrospective application	Ind-AS 101 gives detailed guidance on preparation of the first Ind-AS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exemptions/voluntary exemptions from the full retrospective application. Ind-AS 101 gives few additional voluntary exemptions as compared to IFRS. For example, it gives an exemption whereby an entity can continue using its Indian GAAP carrying value of all its property, plant and equipment as deemed cost at transition date, provided that there is no change in functional currency. It also gives an exemption whereby a company can continue using its accounting policy under previous GAAP for capitalisation/deferral of exchange differences arising on long term foreign currency monetary items recognised in financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.
Presentation of financial statements	Financial statements in relation to a company, includes: Balance sheet as at the end of the financial year; Profit or loss account for the financial year; Cash flow statement for the financial year; Explanatory notes annexed to, or forming part of, any document referred to above	A complete set of financial statements under IFRS comprises: Statement of financial position as at the end of the financial year; Statement of profit or loss and other comprehensive income for the financial year — Either as single statement or two separate statements; Statement of changes in equity; Statement of cash flows for the financial year; and Notes comprising significant accounting policies and other explanatory information	Similar to IFRS

Comparative figures	Comparative figures are presented for one year as per the requirements of schedule III.	Comparative figures are presented for minimum one year. However, when a change in accounting policy has been applied retrospectively or items in financial statements have been restated/reclassified which has an impact beyond the comparative period, a statement of financial position is required as at the beginning of the earliest comparative period	Comparative figures are presented for minimum one year. However, when a change in accounting policy has been applied retrospectively or items in financial statements have been restated/reclassified which has an impact beyond the comparative period, a balance sheet is required as at the beginning of the earliest comparative period
Formats for presentation of financial statement.	Schedule III of the Companies Act 2013 prescribes the minimum requirements for disclosure on the face of the balance sheet and profit and loss account and notes. AS 3 provides guidance on the line items to be presented in the statement of cash flows.	IAS 1 does not prescribe any rigid format for presentation of financial statement. However, it specifies the line items to be presented in the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity. IAS 7 provides guidance on the line items to be presented in the cash flow statement	Ind AS 1 does not prescribe any rigid format for presentation of financial statement. However, it specifies the line items to be presented in the balance sheet, statement of profit and loss and statement of changes in equity. Ind AS 7 provides guidance on the line items to be presented in cash flow statement. In addition to above, Ind AS compliant Schedule III of the Companies Act, 2013 prescribes the format for presentation of balance sheet and statement of profit and loss which companies need to follow.
Presentationof income statement.	Schedule III of the Companies Act 2013 requires an analysis of expenses by nature	An analysis of expenses is presented using a classification based either on the nature of expenses or their function whichever provides information that is reliable and more relevant. If presented by function, specific disclosure by nature are provided in the notes. When items of income or expense are material, their nature and amount are separately disclosed.	Entities should present an analysis of expenses recognized in profit or loss using a classification based only on the nature of expense Ind AS compliant Schedule III of the Companies Act 2013 also requires an analysis of expenses by nature.

Statement of other comprehensive income . .	No concept of other comprehensive income prevails	Among other items, the components of other comprehensive income includes: Changes in the revaluation surplus; Foreign exchange translation differences; Re-measurements of post-employment benefit obligations; Gains or losses arising on fair valuation of financial assets; Effective portion of gains or losses on hedging instruments in cash flow hedge; Share of other comprehensive income of investments accounted for using the equity method; Foreign currency exchange gains and losses arising on translation of net investment in a foreign operation. These components are grouped into those that, in accordance with other IFRSs (a) will not be reclassified subsequently to profit or loss, and (b) will be reclassified subsequently to profit or loss when specific conditions are met.	Similar to IFRS
Presentation of profit or loss attributable to non-controlling interests .	Profit or loss attributable to the minority interests is disclosed as deduction from the profit or loss for the period as an item of income or expense	Profit or loss attributable to non-controlling interest and equity holders of the parent are disclosed in the statement of profit or loss and other comprehensive income as allocations of profit or loss and total comprehensive income for the period	Similar to IFRS
Extraordinary items	Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period.	Presentation of any items of income or expense as extraordinary is prohibited	Similar to IFRS

Correction of prior period items	These are reported as a prior period adjustment in the current year results. Comparative information of the earlier years is not restated	Material prior period errors are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts for the prior period(s) presented in which the error occurred, or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.	Similar to IFRS
Disclosure of critical judgements and capital disclosures	There is no such requirement in AS 1 or Schedule III.	IAS 1 requires disclosure of critical judgements made by the management in applying accounting policies and key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. It also requires disclosure of information that enables the users of financial statements to evaluate an entity's objectives, policies and processes for managing capital.	Similar to IFRS
Measurement of investments	Under Indian GAAP, current investments are measured at lower of cost or market value. Accordingly unrealised increase in the value is not recognised in Income statement, only the unrealised diminution in the value is recognized. Long term investments are measured at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long term investments	Under IAS 39, the investments are categorised as financial assets and can be classified in following four categories based on the conditions mentioned therein: Fair value through profit or loss; Held to maturity; Loans and receivables; Available for sale	Under Ind AS 109, the investments are categorized as financial assets and can be classified in the following three categories based on the conditions mentioned therein: Amortised cost; Fair value through profit or loss; Fair value through other comprehensive income
Functional currency	Under Indian GAAP, there is no concept of functional currency. Generally, the books and records are maintained in the currency of the country in which the company is incorporated.	IAS 21 requires the assessment of functional currency basis the conditions specified therein. Functional currency is defined as the currency of the primary economic environment in which the entity operates. The functional currency could be different from the currency of the country in which the company is incorporated.	Similar to IFRS

Employee benefits	Net actuarial gains/ losses (i.e. after adjusting for changes in fair value of planned liabilities (asset)) are recognised in profit and loss	IAS 19, Employee Benefits requires the impact of re-measurement in net defined benefit liability (asset) to be recognized in other comprehensive income (OCI). Re-measurement of net defined benefit liability (asset) comprises actuarial gains or losses, return on plan assets (excluding interest on net asset/liability). Further, the amount recognised in OCI is not reclassified to the Statement of Profit and Loss.	Similar to IFRS.
	Market yield at the balance sheet date on government bonds are used as discount rates	Discount rate is determined by reference to market yields at the end of reporting period on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yield on government bonds denominated in that currency should be used	Discount rate is determined by reference to market yields at the end of reporting period on government bonds. However, subsidiaries, associates, joint ventures and branches domiciled outside India should use rate determined by reference to market yields on high quality corporate bonds at the end of reporting period. In case such subsidiaries, associates, joint ventures and branches are domiciled in countries where there is no deep market in such bonds, market yield at the end of reporting period on government bonds of that country should be used. The currency and term of government bonds or corporate bonds should be consistent with the currency and estimated term of post-employment benefits.
Commoncontrol business combinations	Under Indian GAAP, none of the standards differentiate between common control and other business combinations. However, AS 14 requires the pooling of interest method to be applied to an "amalgamation in the nature of merger," which is an amalgamation that satisfies five prescribed conditions. Under the pooling of interest method prescribed in AS 14, no goodwill or capital reserve is recognized in the financial statements. Also, if consideration paid through issuance of securities, AS 14 requires such securities to be recognized at fair value.	IFRS 3 does not prescribe any specific method for accounting of common control business combinations. Hence, either pooling or acquisition method may be possible.	Ind-AS 103 mandates the recording of common control transactions using pooling of interest method

	Excess of consideration over the value of net assets of transferor company acquired by the transferee company is recognized as goodwill in the financial statement of transferee company. If the amount of consideration is lower than value of net assets acquired, the difference is recognized as capital reserve.	Goodwill is measured as the difference between: Aggregate of (A) the acquisition-date fair value of the consideration transferred (B) amount of non-controlling interest in a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquire and (C) net of acquisition date fair values of the identifiable assets acquired and the liabilities assumed. If the above difference is negative, resultant gain is recognized as bargain purchase in profit and loss.	Similar to IFRS. However, any gain on bargain purchase is recognized in other comprehensive income and accumulated in equity as capital reserve. If there is no clear evidence of the underlying reason for classification of the business combination as a bargain purchase, the resultant gain is recognized directly in equity as capital reserve.
	If two or more investments are made over a period of time, the equity of the subsidiary at date of investment is generally determined on a step by step basis.	For business combinations achieved in stages, if the acquirer increase an existing equity interest so as to achieve control of the acquire, the previously held equity interest is re-measured at acquisition date fair value and any resulting gain or loss is recognised in profit & loss.	Similar to IFRS
Dividend adjustment	As per requirements of AS 4, dividends proposed or declared after the balance sheet date but before approval of the financial statements are recorded as a provision in the balance sheet.	Liability for dividends declared to holders of equity instruments is recognized in the period when declared. It is a non- adjusting event.	Similar to IFRS

Government Grant	Two broad approaches may be followed — the capital approach or the income approach. Government grants in the nature of promoters' contribution i.e. they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay and no repayment is ordinarily expected,are credited directly to shareholders' funds. Grants related to revenue are recognised in the statement of profit and loss on a systematic and rational basis over the periods necessary to match them with the related costs. Grants related to depreciable assets are either treated as deferred income and transferred to the statement of profit and loss in proportion to depreciation, or deducted from the cost of the asset.	Government grants are recognised as income to match them with expenses in respect of the related costs for which they are intended to compensate on a systematic basis. Government grants are not directly credited to shareholders' interests. 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 asset.	Grants related to assets, including non-monetary grants at fair value should be presented in the balance sheet only by setting up the grant as deferred income
Inventories	No specific guidance in AS-2 for reversal of write down inventories. However, reversals may be permitted as AS-5 requires this to be disclosed as a separate lime item in the statement of profit and loss.	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 net realizable value because of change in economic conditions. The amount of reversal is limited to amount of original write down	Similar to IFRS
	Inventories to be classified as per the requirements of Schedule III as: Raw material Work in progress, Finished goods, Stock in trade, Stores and spares, Loose tools and Others	No specific classification requirements — however, classification should be appropriate to the entity.	Inventories to be classified as per the requirements of Schedule III.
Borrowing costs	A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use or sale. A period of twelve months is considered a substantial period unless a shorter or longer period can be justified	Similar to Indian GAAP. However, unlike Indian GAAP, there is no bright line for the term 'substantial period'.	Similar to IFRS

	No such scope exception similar to Ind AS	Borrowing costs need not be capitalized in respect of i) qualifying assets measured at fair value (e.g. biological assets) ii) inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis. This is an option.	Similar to IFRS
Provisions	Provisions are not recognised 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	A provision is recognised only when a past event has created a legal or constructive obligation, an outflow of resources is probable, and the amount of the obligation can be estimated reliably. A constructive obligation is an obligation that derives from an entity's actions where, by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.	Similar to IFRS
	Discounting of liabilities is not permitted and provisions are carried at their full values except for decommissioning/ restructuring liabilities with effect from 1 April 2016	When 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	Similar to IFRS
Segment reporting.	AS 17 requires an entity to identity two sets of segments (business and geographical), using a risk and rewards approach, with the enterprise's system of internal financial reporting to key management personnel serving only as the starting point for identification of such segments.	Operating segments are identified based on financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in accessing performance	Similar to IFRS

INDEX TO FINANCIAL STATEMENTS

Unaudited condensed interim consolidated financial statements as at and for the nine months ended 31 December 2015 and 2016

Unaudited condensed interim standalone financial statements as at and for the nine months ended 31 December 2015 and 2016

Consolidated summary financial statements as at and for the years ended 31 March 2014, 2015 and 2016

Standalone summary financial statements as at and for the years ended 31 March 2014, 2015 and 2016

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 (022) 6185 4000
Fax: +91(022) 6185 4501/4601

INDEPENDENT AUDITOR'S REVIEW REPORT ON UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
JSW STEEL LIMITED

Introduction

1. We have reviewed the accompanying Unaudited Condensed Interim Consolidated Financial Statements of **JSW STEEL LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the profit / (loss) of its joint ventures and its associate for the nine months ended December 31, 2016, which comprise the Unaudited Condensed Consolidated Balance Sheet as at December 31, 2016 and the related Unaudited Condensed Consolidated Statement of Profit and Loss (including other comprehensive income), the Unaudited Condensed Consolidated Statement of Changes in Equity and the Unaudited Condensed Consolidated Statement of Cash Flows for the nine months ended December 31, 2016 together with summary of significant accounting policies and selected explanatory notes (the "Unaudited Condensed Interim Consolidated Financial Statements").

Management's Responsibility for the Unaudited Condensed Interim Consolidated Financial Statements

2. The Company's Board of Directors is responsible with respect to preparation and presentation of the Unaudited Condensed Interim Consolidated Financial Statements in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), as notified under the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Auditors' Responsibility

3. We conducted our review of the Unaudited Condensed Interim Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial statements 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

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Interim Consolidated Financial Statements have not been prepared, in all material respects, in accordance with Ind AS 34, as notified under the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Emphasis of Matter

5. Attention is invited to notes 17 and 18 to the Unaudited Condensed Interim Consolidated Financial Statements regarding the Company's assessment that carrying amounts aggregating to Rs. 9,335.2 million, Rs. 52,881.8 million, Rs. 2282.0 million and Rs. 1,214.8 million as at December 31, 2016 relating to Goodwill, Property, plant and equipment, Advances and Inventories respectively relating to certain businesses of the Group, are fully recoverable/realisable.

   Our report is not qualified in respect of this matter.

Other Matters

6. We did not review the interim condensed standalone / consolidated financial information of certain subsidiaries included in the Unaudited Condensed Interim Consolidated Financial Statements, whose interim standalone / consolidated financial information reflect total assets of Rs. 87,288.9 million as at December 31, 2016, total revenues of Rs. 76,394.5 million for the nine months ended December 31, 2016, and total loss after tax of Rs. 2,454.0 million and Total comprehensive loss of Rs. 3910.1 million for the nine months ended December 31, 2016, respectively, as considered in the Unaudited Condensed Interim Consolidated Financial Statements. These interim condensed standalone / consolidated financial information has been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Unaudited Condensed Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the review reports of the other auditors.

7. The Unaudited Condensed Interim Consolidated Financial Statements includes the interim condensed standalone / consolidated financial information of certain subsidiaries, whose interim standalone / consolidated financial information reflect total assets of Rs. 20,119.2 million as on December 31, 2016, total revenue of Rs. 639.6 million for the nine months ended December 31, 2016, and total loss after tax of Rs. 892.1 million and Total comprehensive loss of Rs. 1420.0 million for the nine months ended December 31, 2016, and joint ventures and an associate with Group's share of loss after tax of Rs. 7.0 million and Total comprehensive loss of Rs. 7.0 million for the nine months ended December 31, 2016, which have not been reviewed by their auditors and are considered in the preparation of the Unaudited Condensed Interim Consolidated Financial Statements based on their interim condensed standalone / consolidated financial information which are certified by the Management. Our report on the Unaudited Condensed Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and an associate, is based solely on such unaudited/ unreviewed interim condensed standalone / consolidated financial information certified by the Management. According to the information and explanations given to us by the Management, these interim standalone / consolidated financial information are not material to the Group.

   Our report is not modified in respect of this matter.

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8. The Company will prepare and issue its first complete Ind AS consolidated financial statements as at and for the year ending March 31, 2017. Until the first complete Ind AS consolidated financial statements are issued, the balances in the Unaudited Condensed Interim Consolidated Financial Statements can change if (a) there are any new Ind AS standards issued through March 31, 2017, (b) there are any amendments/ modifications made to existing Ind As standards or interpretations thereof through March 31, 2017 effecting the Ind AS balances in these financial statements and (c) if the Company makes any changes in the elections and/ or exemptions selected on adoption of Ind As at its transition date of April 1, 2015.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. Siddharth
Partner
(Membership No. 31467)

MUMBAI, March 22, 2017

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

Rs in million

		Notes	As at 31.12.2016	As at 31.03.2016
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	4	582,345.1	549,367.4
	(b) Capital work-in-progress		35,329.3	70,350.7
	(c) Intangible assets		772.5	855.3
	(d) Intangible assets under development		2,393.4	2,357.8
			620,840.3	622,931.2
	(e) Goodwill		9,373.9	9,549.0
	(f) Financial assets			
	(i) Investments	6	10,169.7	11,946.1
	(ii) Loans	7	956.7	931.7
	(iii) Other financial assets	8	2,402.6	2,565.6
	(g) Deferred tax assets (net)	9	632.8	5,581.7
	(h) Other non-current assets		19,322.9	22,148.9
	Total non-current assets		**663,698.9**	**675,654.2**
(2)	**Current assets**			
	(a) Inventories	10	123,109.8	83,211.8
	(b) Financial assets			
	(i) Investments	6	2,316.4	-
	(ii) Trade receivables		38,674.5	27,273.7
	(iii) Cash and cash equivalents		7,706.4	8,837.5
	(iv) Bank balances other than (iii) above		3,192.9	1,366.5
	(v) Loans	7	1,891.1	1,667.0
	(vi) Other financial assets	8	5,107.3	2,706.9
	(c) Current tax assets (net)		186.3	5.9
	(d) Other current assets	11	30,477.3	22,303.7
	Total current assets		**212,662.0**	**147,373.0**
	TOTAL - ASSETS		**876,360.9**	**823,027.2**
II	**EQUITY AND LIABILITIES**			
(1)	**EQUITY**			
	(a) Equity share capital		3,012.7	3,009.0
	(b) Other equity		209,124.5	185,891.4
	Equity attributable to owners of the Company		**212,137.2**	**188,900.4**
	Non-controlling interest		(2,518.5)	(1,381.3)
	Total equity		**209,618.7**	**187,519.1**

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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (Contd.)

Rs in million

		Notes	As at 31.12.2016	As at 31.03.2016
	LIABILITIES			
(2)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	12 (a)	326,301.7	353,982.7
	(ii) Other financial liabilities	13	4,210.2	7,839.5
	(b) Provisions		1,185.1	946.2
	(c) Deferred tax liabilities (net)	9	25,239.3	17,969.4
	(d) Other non-current liabilities		644.1	640.5
	Total non-current liabilities		**357,580.4**	**381,378.3**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	12 (b)	56,981.7	23,428.4
	(ii) Trade payables		131,972.4	127,576.0
	(iii) Other financial liabilities	14	104,467.8	92,289.7
	(b) Other current liabilities	15	13,359.4	9,000.5
	(c) Provisions		2,055.1	1,708.6
	(d) Current tax liabilities (net)		325.4	126.6
	Total current liabilities		**309,161.8**	**254,129.8**
	Total liabilities		**666,742.2**	**635,508.1**
	TOTAL – EQUITY AND LIABILITIES		**876,360.9**	**823,027.2**

See accompanying notes forming part of the Unaudited Condensed Interim 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 : 22 March, 2017

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Rs. in million

		For the nine months ended 31.12.2016	For the nine months ended 31.12.2015
I	Revenue from operations	426,190.3	342,295.7
II	Other income	962.9	1,124.3
III	**Total income (I + II)**	**427,153.2**	**343,420.0**
IV	**Expenses:**		
	Cost of materials consumed	203,280.4	164,433.7
	Purchases of stock-in-trade	-	397.9
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(13,667.8)	5,475.3
	Employee benefits expense	12,930.2	11,707.9
	Finance costs	28,205.6	27,452.8
	Depreciation and amortization expense	26,375.4	24,946.0
	Excise duty expense	36,705.9	32,918.2
	Other expenses	95,992.4	82,595.8
	Total expenses	**389,822.1**	**349,927.6**
V	**Profit / (loss) before exceptional items and tax (III-IV)**	**37,331.1**	**(6,507.6)**
VI	Exceptional items (refer note 17)	-	21,242.7
VII	**Profit / (loss) before tax (V-VI)**	**37,331.1**	**(27,750.3)**
VIII	**Tax expenses:**		
	Current tax	2,154.9	1,612.0
	Less: MAT credit entitlement	(1,042.8)	(220.1)
	Deferred tax	11,763.9	(21,140.1)
	Tax provision for earlier years written back	(124.6)	-
		12,751.4	**(19,748.2)**
IX	**Profit / (loss) for the period (VII-VIII)**	**24,579.7**	**(8,002.1)**
X	Share of (loss) / profit from an associate	(89.1)	106.6
XI	Share of profit from joint ventures (net)	96.1	82.3
XII	**Total Profit / (loss) for the period (IX+X+XI)**	**24,586.7**	**(7,813.2)**

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JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS (Contd.)

Rs. in million

		For the nine months ended 31.12.2016	For the nine months ended 31.12.2015
XIII	**Other Comprehensive Income / (loss)**		
A	(i) Items that will not be reclassified to profit or loss		
	a) Remeasurements of the defined benefit plans	(154.8)	-
	b) Equity instruments through Other Comprehensive Income	(882.1)	(3,463.8)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	53.3	-
	Total (A)	**(983.6)**	**(3,463.8)**
B	(i) Items that will be reclassified to profit or loss		
	a) The effective portion of gain /(loss) on hedging instruments	2,622.6	(551.6)
	b) Changes in Foreign currency monetary item translation difference account	(205.7)	(1,986.5)
	c) Foreign currency translation reserve	(990.7)	(3,011.6)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(836.4)	825.4
	Total (B)	**589.8**	**(4,724.3)**
	Total other comprehensive income/(loss) (A+B)	**(393.8)**	**(8,188.1)**
XIV	**Total comprehensive income/(loss) (XII+XIII)**	**24,192.9**	**(16,001.3)**
	Total Profit /(loss) for the period attributable to:		
	- Owners of the Company	25,655.1	(6,316.0)
	- Non-controlling interests	(1,068.4)	(1,497.2)
		24,586.7	**(7,813.2)**
	Total comprehensive income/(loss) for the period attributable to:		
	- Owners of the Company	25,330.1	(14,416.7)
	- Non-controlling interests	(1,137.2)	(1,584.6)
		24,192.9	**(16,001.3)**
	Earnings per equity share of Re 1 each (refer note 20)		
	Basic	10.68	(2.64)
	Diluted	10.61	(2.64)

See accompanying notes forming part of the Unaudited Condensed Interim Consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

A. SIDDHARTH
Partner

Place: Mumbai
Dated : 22 March, 2017

LANCY VARGHESE
Company Secretary

For JSW Steel Limited

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

RAJEEV PAI
Chief Financial Officer

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Rs. in million

	For the nine months ended	
	31.12.2016	**31.12.2015**
Net cash generated from operating activities	37,662.3	39,493.6
Net cash used in investing activities	(43,171.3)	(32,495.5)
Net cash generated from / (used) in financing activities	4,377.9	(10,963.9)
Net decrease in cash and cash equivalents	**(1,131.1)**	**(3,965.8)**
Cash and cash equivalents – at the start of the period	8,837.5	13,959.7
Cash and cash equivalents – at the end of the period	**7,706.4**	**9,993.9**
Add : Margin money / fixed deposit balance	2,939.1	1,429.2
Add : Balance in debenture interest/ installments/dividend payment accounts	253.8	234.2
Cash and bank balances	**10,899.3**	**11,657.3**

See accompanying notes forming part of the Unaudited Condensed Interim 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 : 22 March, 2017

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December, 2016

A. Equity share capital

Rs. in million

Particulars	Balance as at 1st April 2016	Change in equity share capital during the period	Balance as at 31st December 2016
Equity shares of Re. 1 each	3,009.0	3.7	3,012.7

B. Other equity

Rs in million

	Reserves and Surplus								Other Comprehensive Income / (loss)							
	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Share options outstanding account	General reserve	Capital reserve on bargain purchase	Foreign currency translation reserve (FCTR)	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Foreign currency monetary item translation difference account (FCMITDA)	Re-measurement of net defined benefit plans	Attributable to owners of the parent	Non-controlling interest	Total
Balance as at 1st April 2016	35,845.0	54,166.3	99.0	4,327.8	(16,263.8)	-	104,203.7	6,099.9	(5,568.3)	4,544.3	458.9	(1,981.8)	(39.6)	185,891.4	(1,381.3)	184,510.1
Total comprehensive income/(loss) for the period	-	-	-	-	25,655.1	-	-	-	(921.9)	(882.1)	1,715.0	(134.5)	(101.5)	25,330.1	(1,137.2)	24,192.9
Dividends	-	-	-	-	(2,182.0)	-	-	-	-	-	-	-	-	(2,182.0)	-	(2,182.0)
Loss on sale of treasury shares	-	-	-	-	(49.9)	-	-	-	-	-	-	-	-	(49.9)	-	(49.9)
Movement during the period	-	-	-	-	-	-	-	115.1	-	-	-	-	-	115.1	-	115.1
Recognition of share based payments	-	-	-	-	-	88.1	0.9	-	-	-	-	-	-	89.0	-	89.0
Other adjustments	-	-	-	-	(69.2)	-	-	-	-	-	-	-	-	(69.2)	-	(69.2)
Balance as at 31st December 2016	35,845.0	54,166.3	99.0	4,327.8	7,090.2	88.1	104,204.6	6,215.0	(6,490.2)	3,662.2	2,173.9	(2,116.3)	(141.1)	209,124.5	(2,518.5)	206,606.0

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Contd.)

For the nine months ended 31st December, 2015

A. Equity share capital

Rs. in million

Particulars	Balance as at 1st April 2015	Change in equity share capital during the period	Balance as at 31st December 2015
Equity shares of Re. 1 each	3,001.8	2.4	3,004.2

B. Other equity

Rs in million

	Reserves and Surplus							Other Comprehensive Income / (loss)						
	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	General reserve	Capital reserve on bargain purchase	Foreign Currency Translation Reserve (FCTR)	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Foreign currency monetary item translation difference account (FCMITDA)	Attributable to owners of the parent	Non-controlling interest	Total
Balance as at 1st April 2015	35,845.0	54,166.3	99.0	1,303.4	(6,641.3)	104,203.7	5,904.4	(2,684.5)	9,595.7	163.0	(946.2)	201,008.5	(461.6)	200,546.9
Total comprehensive income/(loss) for the period	-	-	-	-	(6,316.0)	-	-	(2,924.2)	(3,463.8)	(465.7)	(1,247.0)	(14,416.7)	(1,584.6)	(16,001.3)
Dividends	-	-	-	-	(3,200.2)	-	-	-	-	-	-	(3,200.2)	-	(3,200.2)
Profit on sale of treasury shares	-	-	-	-	191.3	-	-	-	-	-	-	191.3	-	191.3
Movement during the period	-	-	-	-	-	-	204.1	-	-	-	-	204.1	-	204.1
Other adjustments	-	-	-	-	(36.7)	-	-	-	-	-	-	(36.7)	20.0	(16.7)
Balance as at 31st December 2015	35,845.0	54,166.3	99.0	1,303.4	(16,002.9)	104,203.7	6,108.5	(5,608.7)	6,131.9	(302.7)	(2,193.2)	183,750.3	(2,026.2)	181,724.1

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NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2016

1. General Information

JSW Steel Limited ("the Company" or 'the Parent') is primarily engaged in the business of manufacture and sale of Iron and Steel Products.

JSW Steel Limited is a public limited company incorporated in India on 15th March, 1994 under the Companies Act, 1956 and listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai - 400051.

The Company has production facilities in the states of Karnataka, Tamil Nadu and Maharashtra in India.

2. Significant Accounting policies

I. Statement of compliance

Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with the requirements of Ind AS 34 'Interim Financial Reporting', specified under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31st March 2016, the Group prepared its consolidated financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS Unaudited Condensed Interim Consolidated Financial Statements of the Group. The date of transition to Ind AS is 1 April, 2015. Refer Note XXIII for the details of first-time adoption exemptions availed by the Group.

II. Basis of preparation and presentation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its consolidated financial statements under the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2016. Accordingly, the Company has prepared these Unaudited Condensed Interim Consolidated Financial Statements which comprise the Unaudited Condensed Consolidated Balance Sheet as at 31st December, 2016, the Unaudited Condensed Consolidated Statement of Profit and Loss, the Unaudited Condensed Consolidated Statement of Cash Flows and the Unaudited Condensed Consolidated Statement of Changes in Equity for the nine-months ended 31 December, 2016, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Unaudited Condensed Interim Consolidated Financial Statements" or "financial statements").

The Company will prepare and issue its first complete Ind AS consolidated financial statements as at and for the year ending 31st March, 2017. Until the first complete Ind AS consolidated financial statements are issued, the balances in the Unaudited Condensed Interim Consolidated Financial Statements can change if (a) there are any new Ind AS standards issued through 31st March, 2017, (b) there are any amendments/modifications made to existing Ind AS standards or interpretations thereof through 31st March, 2017 effecting the Ind AS balances in these financial statements and (c) if the Company makes any changes in the elections and/or exemptions selected on adoption of Ind AS at its transition date of 1st April, 2015.

The Unaudited Condensed Interim Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these condensed consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, that are quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

III. Basis of consolidation

The Unaudited Condensed Interim Consolidated Financial Statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company and its subsidiaries. Control is achieved where the Company:

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

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

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including;

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- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

IV. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former

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owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of bargain purchase, before recognizing gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in the profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

V. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note VI below.

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VI. **Investment in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these condensed consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109 – Financial Instruments. The difference

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between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

VII. Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

VIII. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

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

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

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

Dividend and interest income

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

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

IX. Leasing

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

The Group as a lessor

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

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Where the leases are structured solely to increase in line with expected general inflation to

DHU

compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

The Group as a lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

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

Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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

Arrangements in the nature of lease

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

X. Foreign currencies

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

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

XI. Borrowing costs

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

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

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

XII. Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

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

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

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

XIII. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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

1. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
2. net interest expense or income; and
3. remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the condensed consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

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

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

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

XIV. Share-based payment arrangements

Share-based payment transactions of the Group

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 26.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the statement of profit and loss for the peirod.

XV. Taxation

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

Current tax

Current tax is the amount of tax payable based on the taxable profit for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Group operates and generates taxable income. Taxable profit differs from 'profit before tax' as reported in the condensed consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

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

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

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

Current and deferred tax for the period

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

XVI. Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

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

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

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the condensed consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

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

XVII. Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as

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under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of assets	Years
Plant and machinery	8 to 40 years
Work-rolls	1 year

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

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

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

Depreciation on the property, plant and equipment of the Company's foreign subsidiaries and jointly controlled entities has been provided on straight-line method as per the estimated useful life of such assets as follows:

Class of assets	Years
Buildings	15 to 50 years
Plant and machinery	3 to 30 years
Furniture and fixtures	3 to 10 years
Vehicles and aircrafts	4 to 5 years
Office equipment	3 to 10 years

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XVIII. Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

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

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

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

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

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

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

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Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer software	3 to 5 years
Licenses	Over the period of license

Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with carrying value of all its intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

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

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

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

XX. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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XXI. **Provisions**

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

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

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

Onerous contracts

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

XXII. **Financial Instruments**

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

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

A. **Financial assets**

a) **Recognition and initial measurement**

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

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

b) **Classification of financial assets**

On initial recognition, a financial asset is measured at amortised cost, FVTOCI or FVTPL

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

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

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

A debt instrument is classified as FVTOCI only if it meets both the of the following conditions and is not recognised at FVTPL;

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

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

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

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

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

c) **Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

d) **Impairment**

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest

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rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

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

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

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, The Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

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

e) **Effective interest method**

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

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

B. Financial liabilities and equity instruments

a) Classification as debt or equity

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

b) Equity instruments

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

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

c) Compound instruments

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium/other equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

d) Financial liabilities

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

Financial liabilities at FVTPL:

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

A financial liability is classified as held for trading if:

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

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

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

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Standalone Statement of Profit and Loss.

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

Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

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

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e) **Derivative financial instruments**

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

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

f) **Reclassification of financial assets**

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

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

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

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Original classification	Revised classification	Accounting treatment
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

g) **Embedded derivatives**

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

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

h) **Hedge accounting**

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

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

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

- Hedges of net investments in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving

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offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the Statement of Profit and Loss as other costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the Statement of Profit and Loss as finance costs.

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

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

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

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

Amounts recognised as other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability. Furthermore, if the Group expect that some or all of the loss accumulated in Other Comprehensive Income (OCI) will not be recovered in the future, that amount is immediately reclassified to profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

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(iii) Hedges of net investments in a foreign operation

Hedges of net investments in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognised immediately in the profit or loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to Statement of Profit and Loss on the disposal of the foreign operation.

XXIII. First time adoption – mandatory exceptions, optional exemptions

a. Overall principle

The Group has prepared the opening Consolidated Balance Sheet as per Ind AS as of 1 April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Group as detailed below. Since, the condensed consolidated financial statements are the first interim financial statements, the first time adoption – mandatory exceptions and optional exemptions have been explained in detail.

b. Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2015 (the transition date).

c. Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The Group has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

d. Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

e. Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

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f. Assessment of embedded derivatives

The Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

g. Past business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April, 2015. Consequently,

- The Group has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Group has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Group has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Group has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

h. Deemed cost for property, plant and equipment, investment property, and intangible assets

The Group has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

i. Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

j. Cumulative translation differences on foreign operations

The Group has not elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.

k. Equity investments at FVTOCI

The Group has designated investment in equity shares of JSW Energy Limited as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

l. Accounting for joint arrangements

All the joint arrangements were earlier accounted for using the proportionate consolidation method under previous GAAP whereas now they need to be accounted using the equity method as all the joint arrangements are joint ventures as per Ind AS 111- Joint Arrangements. Therefore, as required by Ind AS 101, the Group has:

- On the transition date, recognised investment in all the joint arrangements by measuring it at the aggregate of the carrying amount of the assets and liabilities that the Group had proportionately consolidated under previous GAAP as of the transition date;
- This investment amount has been deemed to be the cost of investment at initial recognition;
- The Group has tested the investments in the joint arrangements for impairment as of the transition date;
- After initial recognition at the transition date, the Group has accounted for all joint arrangements using the equity method in accordance with Ind AS 28; and
- The break-down of the assets and liabilities of joint arrangements that have been aggregated into the single line investment balance at the transition date.

3. Key sources of estimation uncertainty and critical accounting judgements

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

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

A) Key sources of estimation uncertainty

i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

ii) Impairment of property plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of plant and equipment. The value in use calculation requires the Management to estimate the future cash flows expected to arise from the property, plant and equipment and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

iii) Impairment of investments in joint ventures and associate

Determining whether the investments in joint ventures and associate are impaired requires an estimate in the value in use of investments. In considering the value in use, the Management have anticipated the future commodity prices, capacity utilization of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses / operations of the investee companies as more fully descried in note 18. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

iv) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

v) Contingencies

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

vi) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 25.

vii) Taxes

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

B) Critical accounting judgements

i) Control over JSW Realty & Infrastructure Private Limited (RIPL)

RIPL has developed a residential township in Vijaynagar, Karnataka on the land taken on lease from the Company for a period of 30 years and provides individual housing units on rent to the employees of the Company or other group companies. RIPL is not allowed to sub-let or assign its rights under the arrangement without prior written consent of the Company. Though the Company does not hold any ownership interest in RIPL, the Company has concluded that it has practical ability to direct the relevant activities of RIPL unilaterally, considering RIPL's dependency on the Company for funding significant portion of its operation through subscription to 97.54% of preference share capital amounting to Rs. 199.15 crore issued by RIPL and significant portion of RIPL's activities either involve or are conducted on behalf of the Company on the land provided on long-term lease by the Company.

ii) Control over Dolvi Minerals & Metals Private Limited (DMMPL) and Dolvi Coke Private Limited (DCPL)

DMMPL is an investment company and is setting up 3 MTPA recovery type coke oven plant and by-product plant ("Coke Plant") through its wholly owned subsidiary DCPL. Although, the Company owns only 40% of ownership interest, the Company has concluded that it has practical ability to direct the relevant activities of DMMPL unilaterally, considering

- the relevant activities of DCPL are directed through the long-term take or pay arrangement entered into between the Company and DCPL,
- Significant portion of DMMPL and DCPL activities either involve or are conducted on behalf of the Company, and

Return from Company's involvement with DMMPL and in turn with DCPL is disproportionately greater than it voting rights considering the take or pay arrangement is at cost plus fixed margin basis.

iii) Assessment of control over JSW Projects Limited (JSWPL)

JSWPL operates Direct Reduced Iron Processing Plant (DRI), Coal Dry Quenching Plant (CDQ) and two thermal power plants. Although the long-term take or pay arrangements entered into by the Company with JSWPL for processing of DRI and CDQ have been identified to be the arrangements in the nature of lease, the Company has concluded that it does not have any ownership interest, voting right or representation in the Board of Directors of JSWPL to direct its relevant activities unilaterally and accordingly it is not controlled by the Company.

iv) Arrangements in the nature of lease

The Company has entered into long-term arrangements with third parties to facilitate continuous supply of gases to its steel plant at Vijaynagar. These arrangements involve setting up of gas plants by the vendor/ supplier in the Company's premises to supply minimum specified gas quantities to the Company on take or pay basis. Based on assessment of the terms of the arrangements, review of past trends and confirmations received from the counter parties, the Company has concluded that these arrangements are not in the nature of lease considering more than insignificant amount of output from these plants are being also supplied by the vendor / suppliers to third parties on consistent basis.

v) Separating payments of lease from the other payments

If an arrangement contains a lease, the parties to the arrangement shall apply the requirements of Ind AS 17 to the lease element. Therefore, the Company is required to separate payments and other consideration required by the arrangement into those for the lease and for other elements on the basis of their relative fair values.

However, Management has concluded that it is impracticable to separate both the elements reliably and has recognized an asset and a liability at an amount equal to the carrying value of the specified asset in the books of the lessor. Subsequently, the liability has been reduced as payments are made and an imputed finance charges on the liability recognized using the Company's incremental borrowing rate of interest over the tenure of the arrangement. The total payments less payments made towards lease obligation and imputed finance charges have been considered to be the consideration for elements other than lease.

In case of arrangements which are identified to be in the nature of finance lease, the management concluded that it is impracticable to derive the relative fair values of lease and other elements of the arrangement and has accordingly determined the consideration for elements other than lease as a residual post appropriation of lease payments derived based on lessee's incremental borrowing rate of interest on the lease obligation corresponding to the respective gross asset values in the books of lessor.

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4. **Property, plant and equipment:**

Rs. in million

Particulars	Freehold land	Leasehold land	Buildings	Plant and machinery	Plant and machinery (on finance lease)	Furniture and fixtures	Vehicles and aircrafts	Office equipment	Mining development and projects	Total
Cost										
At 1st April, 2016	13,813.3	7,087.0	76,612.7	459,683.2	25,019.1	806.7	1,250.2	412.5	9,126.6	593,811.3
Additions	214.4	-	4,823.9	49,948.3	1,701.6	29.1	82.1	62.0	(6.6)	56,854.8
Disposals	11.6	-	179.7	1,383.2	-	-	37.1	1.8	-	1,613.4
Other adjustments	-	-	-	1,673.3	-	-	-	-	-	1,673.3
Translation reserve	4.0	-	16.7	1,048.5	-	(7.8)	0.3	-	161.1	1,222.8
At 31st December, 2016	**14,020.1**	**7,087.0**	**81,273.6**	**510,970.1**	**26,720.7**	**828.0**	**1,295.5**	**472.7**	**9,281.1**	**651,948.8**
Accumulated depreciation and impairment										
At 1st April, 2016	37.8	68.1	4,364.1	32,944.7	1,507.8	170.3	146.6	100.0	5,104.5	44,443.9
Depreciation expense	-	27.6	2,564.5	21,787.1	1,168.7	94.8	110.6	70.8	-	25,824.1
Disposals	-	-	5.7	1,153.1	-	0.4	16.2	1.8	-	1,177.2
Other adjustments	-	-	-	140.7	-	-	-	-	-	140.7
Translation reserve	0.9	(0.1)	30.9	208.1	-	(1.4)	-	(0.1)	133.9	372.2
At 31st December, 2016	**38.7**	**95.6**	**6,953.8**	**53,927.5**	**2,676.5**	**263.3**	**241.0**	**168.9**	**5,238.4**	**69,603.7**
Carrying value										
At 31st December, 2016	**13,981.4**	**6,991.4**	**74,319.8**	**457,042.6**	**24,044.2**	**564.7**	**1,054.5**	**303.8**	**4,042.7**	**582,345.1**
At 31st March, 2016	**13,775.5**	**7,018.9**	**72,248.6**	**426,738.5**	**23,511.3**	**636.4**	**1,103.6**	**312.5**	**4,022.1**	**549,367.4**
Useful life of the assets (range) (years)	NA	95-99	5-60	3-40	8-30	8-15	8-15	8-15		
Method of depreciation (SLM/WDV)	NA	SLM	SLM	SLM	SLM	SLM	SLM	SLM	UOP	

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Acquisitions during the period:

Additions during the period mainly includes:

i) Capital expenditure towards expansion of capacities at Dolvi and Vijayanagar.

ii) The long-term gas purchase agreement dated 16th November, 2015 entered into by the Company with JSW Techno Projects Management Limited has become effective from 1st September, 2016. Considering the arrangement in the nature of finance lease, the Company has recognized underlying plant and equipment and corresponding lease loan liability at Rs. 1,701.6 million as on the effective date.

Disposals during the period:

Assets with a net book value of Rs. 436.2 million were disposed of by the Group during the nine months ended 31st December 2016.

5. Business combination

Acquisition of JSW Industrial Gases Private Limited (formerly known as JSW Praxair Oxygen Private Limited)

On 16th August 2016, the Group acquired control over JSW Industrial Gases Private Limited ("JIGPL"), associate company (26% equity stake) through acquisition of balance 74% of the equity shares. JIGPL is an unlisted company based in Vijaynagar specialising in the manufacture of gases and is primarily engaged in the separation and sale of oxygen, nitrogen and argon recoverable from the air through its 2 air separation units with a capacity of 2500 tonnes per day each at Toranagallu, Bellary in the state of Karnataka. The said acquisition is strategic in nature as it will provide the Company the benefit of backward integration. The acquisition has been accounted by applying the acquisition method and accordingly the underlying assets, liabilities, equity, income, expenses and cash flows of JIGPL have been combined after giving effect to necessary adjustments in the Unaudited Condensed Interim Consolidated Financial Statements.

I. Fair values of the identifiable assets and liabilities of JIGPL as at the date of acquisition

Particulars	Rs. in million
Assets	
Property, plant and equipment	1,622.6
Non-current Investment	0.1
Long term loans and advances	180.9
Inventories	87.1
Trade receivable	702.8
Cash and bank valances	1,296.3
Short term loans and advances	16.2
Other current assets	49.4
Total assets (A)	**3,955.4**
Liabilities	
Deferred tax liabilities	395.7
Long term provision	7.5
Trade payable	15.5

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Particulars	Rs. in million
Other current liability	84.8
Short term provision	101.6
Tax provision	42.7
Total liabilities (B)	**647.8**
Acquisition date fair value of net assets C = (A-B)	**3,307.6**

II. Remeasurement of the Group's previously held 26% stake in JIGPL

Rs. in million

Carrying value of Group's 26% stake in JIGPL as on the acquisition date **(D)**	960.7
Proportionate fair value of the Group's previously held stake **(E)**	843.2
Resulting loss charged to the Unaudited Condensed Consolidated Statement of Profit and Loss (F=D-E)	**117.5**

III. Gain on bargain purchase

Rs. in million

Acquisition date fair value of Net Assets **(C)**	3,307.6
Fair value of consideration (previously held stake and balance stake acquired) **(G)**	3,243.2
Gain on bargain purchase directly recognised in equity H = (C-F)	**64.4**

IV. Cash flow on acquisition

Rs. in million

Consideration paid in cash **(I)**	1,296.3
Cash and cash equivalents balance acquired (included in cash flows from investing activities) **(J)**	2,400.0
Net cash outflow on acquisition K = (I-J)	**1,103.7**

At the date of the acquisition, the fair value and carrying value of the trade receivables was Rs 702.8 million.

From the date of acquisition, JIGPL has contributed Rs 2,021.6 million of revenue and Rs. 92.3 million to the net profit before tax (gross of inter-company adjustments) to the continuing operations of the Group. If the acquisition had taken place at the beginning of the period, revenue from continuing operations of JIGPL would have been Rs 4,139.7 million and the profit from continuing operations for the period would have been Rs 220.7 million (gross of inter-company adjustments).

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6. Investments

Current Investments as at 31st December, 2016 represents surplus funds parked in Mutual Fund investments on temporary basis.

The movement in non-current investments is mainly due to the following:

1) Reduction in fair value of investments in equity instruments by Rs. 882.1 million.
2) Investments in JSW Industrial Gases Private Limited (JIGPL) of Rs. 1,049.8 million as on 31st March, 2016 (formerly known as Jindal Praxair Oxygen Company Limited) was accounted as an associate till 15th August, 2016. However, due to acquisition of balance 74% stake, JIGPL has become a subsidiary of the Company (Refer note 5).

7. Financial assets - Loans

Rs. in million

Particulars	As at 31.12.2016 Non -current	As at 31.12.2016 Current	As at 31.03.2016 Non -current	As at 31.03.2016 Current
Loans				
- to related parties	43.7	3.9	-	3.9
- to other body corporates	91.0	-	91.0	-
Security deposits	801.4	1,887.2	1,005.2	1,663.1
Others	20.6	-	21.8	-
Less : Allowance for doubtful loans	-	-	(186.3)	-
Total	**956.7**	**1,891.1**	**931.7**	**1,667.0**

8. Financial assets - Others

Rs. in million

Particulars	As at 31.12.2016 Non -current	As at 31.12.2016 Current	As at 31.03.2016 Non -current	As at 31.03.2016 Current
Derivative Contracts - MTM	-	2,705.8	-	893.6
Derivative Contracts - Receivable	-	1,321.3	-	440.3
Export benefit and entitlements	784.1	-	796.6	-
Advance towards equity and preference shares	3.9	-	127.0	-
Others	1,614.6	1,878.5	1,642.0	2,152.5
Less: Allowance for doubtful advances	-	(798.3)	-	(779.5)
Total	**2,402.6**	**5,107.3**	**2,565.6**	**2,706.9**

9. Deferred tax

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Deferred tax liabilities	25,239.3	17,969.4
Deferred tax assets	632.8	5,581.7
Total	**24,606.5**	**12,387.7**

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Deferred tax liabilities :		
Difference between book balance and tax balance of fixed assets	100,425.5	93,985.8
Others	175.7	291.2
Total deferred tax liabilities (A)	**100,601.2**	**94,277.0**
Deferred tax asset :		
Unabsorbed depreciation / business loss	41,314.6	35,233.6
Expenses allowable on payment basis (under section 43B of Income Tax Act, 1961)	1,042.2	752.0
Allowance for doubtful debts / advances	4,001.1	16,845.8
MAT credit entitlement	27,826.9	26,737.2
Others	1,809.9	2,320.7
Total deferred tax assets (B)	**75,994.7**	**81,889.3**
Net deferred tax liabilities (A-B)	**24,606.5**	**12,387.7**

10. Inventories

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Raw materials	57,726.5	33,248.9
Work-in-progress	17,420.7	6,156.8
Semi-finished/ finished goods	34,143.4	30,174.3
Production consumables and stores and spares	13,819.2	13,631.8
Total	**123,109.8**	**83,211.8**

11. Other current assets

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Advances to suppliers	11,462.1	7,430.6
Indirect tax balances	14,409.2	11,770.6
Export benefits receivable	2,820.2	1,207.4
Security deposits	746.3	751.7
Prepayment and others	1,039.5	1,163.2
Less: Allowance for doubtful receivables	-	(19.8)
Total	**30,477.3**	**22,303.7**

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12. Borrowings
   a) Long-term borrowings

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Borrowings - non-current	326,301.7	353,982.7
Current maturities of long-term debt	72,587.5	44,629.1
	398,889.2	398,611.8

Rs. in million

Particulars	Foreign currency bonds	Debentures	Term loans	Sales tax deferral loan	Finance lease obligation	Preference shares	Total borrowings
Opening balance as on 1st April, 2016	**32,863.5**	**81,431.3**	**257,821.8**	**1,146.6**	**18,875.5**	**6,473.1**	**398,611.8**
Add : Disbursements							
Secured - rupee term loan	-	-	18,250.4	-	-	-	18,250.4
Finance lease obligations	-	-	-	-	1,701.6	-	1,701.6
Others	-	-	1,014.5	-	-	155.0	1,169.5
	-	**-**	**19,264.9**	**-**	**1,701.6**	**155.0**	**21,121.5**
Less : Redemption/Repayments							
Secured non-convertible debentures	-	(3,082.0)	-	-	-	-	(3,082.0)
Secured - rupee term loans	-	-	(10,189.5)	-	-	-	(10,189.5)
Secured - foreign currency loan	-	-	(3,565.5)	-	-	-	(3,565.5)
Unsecured - foreign currency loan	-	-	(7,503.9)	-	-	-	(7,503.9)
Sales tax deferral loan	-	-	-	(83.7)	-	-	(83.7)
Finance lease payments	-	-	-	-	(1,337.1)	-	(1,337.1)
Total	**-**	**(3,082.0)**	**(21,258.9)**	**(83.7)**	**(1,337.1)**	**-**	**(25,761.7)**
Add: Other movements	872.7	18.1	3,748.8	-	-	278.0	4,917.6
Total borrowings as on 31st December, 2016	**33,736.2**	**78,367.4**	**259,576.6**	**1.062.9**	**19,240.0**	**6,906.1**	**398,889.2**

Notes:

A. **Additional loans taken during the nine months ended 31st December, 2016:**

i. Rs. 6,745.83 million drawn during the period out of Rupee term loan facilities of Rs. 16,000 million sanctioned by a consortium of banks. These loans are secured by first charge on entire movable and immovable fixed assets situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/machinery procured out of proceeds of ECA/ECB/FCL) both present and future. The loans are bearing interest rate at bank's MCLR plus 110 bps and are repayable from March, 2017 to March, 2024 in various installments.

ii. In June 2016, the Company had received a sanction of Rs. 5,000 million from a bank at an interest rate of MCLR plus 20 bps. The loan is secured by way of charge on certain fixed assets at Vijayanagar works,

DHU

Karnataka. The outstanding amount of Rs. 4,800 million is repayable from March, 2017 to June, 2021 in various installments.

iii. In August 2016, the Company had received a sanction of rupee term loan facilities of Rs. 5,000 million from a bank at an interest rate of bank reference rate plus 30 bps. The loan is secured by way of charge on certain fixed assets at Vijayanagar works, Karnataka. The outstanding amount of Rs. 3,700 million is repayable from September, 2019 to June, 2023 in various installments.

iv. Rs. 2,754.6 million drawn during the period out of Rupee term loan facilities of Rs. 8,300 million from a bank secured by first ranking charge / mortgage / collateral on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of coke oven project situated at Village JuiBapuji, Taluka Alibag, District Raigad, Maharashtra bearing interest rate of the bank's base rate plus 75 bps. Outstanding of Rs. 4,170.8 million is repayable from 31st March, 2017 to 31st March, 2023 in various instalments.

v. The Group has further drawn loans amounting to Rs. 1,014.5 million from various lenders.

B. <u>Redemption / Repayments during the nine months ended 31st December, 2016:</u>

i. Non-convertible debentures (NCDs) redeemed during the period are as follows

	Rs. in million
10.10% NCDs of Rs. 0.9375 million each	1,875.0
10.50% NCDs of Rs. 1 million each	750.0
10.60 % NCDs of Rs. 0.875 million each	437.5
10.98 % NCDs of Rs. 0.025 million each	19.5
Total	**3,082.0**

ii. Rs. 6,136.3 million repaid towards secured rupee term loan secured against Dolvi 1.5 Mtpa Project.

iii. Rs. 950.0 million repaid towards secured rupee term loan secured against 3.8 Mtpa Expansion Project at Vijayanagar.

iv. Rs. 3,755.8 million repaid toward unsecured foreign currency loan towards ECB facility.

v. Rs. 3,399.3 million repaid towards unsecured foreign currency loan for CRM 2 facility at Vijayanagar.

vi. Rs. 1,510.1 million repaid towards secured foreign currency loan for US plate and pipe mill operations.

vii. Rs. 880.9 million repaid towards secured foreign currency loan for US plate and pipe mill operations.

viii. Rs. 1,174.5 million repaid towards secured foreign currency loan for US Coal operations.

ix. Rs. 637.5 million repaid towards secured rupee term loan towards facility of Rs. 8,500 million taken by a subsidiary in India.

x. Rs. 882.8 million repaid towards secured rupee term loan towards facility of Rs. 8,300 million taken by a subsidiary for coke oven plant at Dolvi.

xi. Rs. 642.8 million repaid towards secured rupee term loan towards facility of Rs. 6,000 million taken by a subsidiary for pellet plant at Dolvi.

xii. Rs. 750 million repaid towards secured rupee term loan towards facility of Rs. 10,000 million taken by a subsidiary in India.

xiii. Other repayments of Rs. 622.6 million towards various facilities

C. <u>Other movements</u>

Other movements mainly include foreign exchange differences and amortization of upfront fees during the period.

b) Short-term borrowings

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Working capital loan (secured)		
Rupee term loan	2,113.3	3,723.4
Foreign currency loan	-	200.0
Rupee term loan (unsecured)	15,039.2	16,320.0
Commercial papers (unsecured)	39,829.2	-
Total	**56,981.7**	**23,428.4**

13. Non-current financial liabilities - others

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Rent and other deposits	915.8	1,162.0
Retention money for capital projects	271.9	222.9
Premium on redemption of debentures	2,091.6	1,308.3
Acceptances on capital projects	89.2	3,401.3
Other payables	841.7	1,745.0
Total	**4,210.2**	**7,839.5**

14. Current financial liabilities- others

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Current maturities of long term debt	72,587.5	44,629.1
Current dues of other long term liabilities	4,434.3	7,311.0
Payable for capital projects	21,458.8	33,112.9
Interest accrued but not due on borrowings	4,504.4	5,296.6
Other payables	1,482.8	1,940.1
Total	**104,467.8**	**92,289.7**

15. Other current liabilities

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Advances from customers	2,159.2	3,266.8
Statutory liabilities	10,934.5	5,361.0
Matured debenture and accrued interest thereon	3.8	3.8
Unclaimed dividends	183.7	163.7
Unclaimed amount of sale proceeds of fractional shares	66.3	66.3
Others	11.9	138.9
Total	**13,359.4**	**9,000.5**

16. **Related party disclosures**

A **List of Related Parties**

1	**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
2	**Associate**
	JSW Industrial Gases Private Limited till 15 August, 2016. (Formerly known as JSW Praxair Oxygen Company Limited)
3	**Key management personnel**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
	Mr. Rajeev Pai
	Mr. Lancy Varghese
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
	Jindal Stainless Limited
	Jindal Saw Limited
	Jindal Saw USA LLC
	Jindal Steel & Power Limited
	JSOFT Solutions Limited
	Jindal Industries Private Limited
	JSW Cement Limited
	JSW Jaigarh Port Limited
	Reynold Traders Private Limited
	Raj West Power Limited
	JSW Power Trading Company Limited

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	JSW Infrastructure Limited
	South West Port Limited
	JSW Techno Projects Management Limited
	JSW Global Business Solutions Limited (Formerly known as Sapphire Technologies Limited)
	South West Mining Limited
	JSL Architecture Limited
	JSW Projects Limited
	JSW Foundation
	O P Jindal Foundation
	Jindal Technologies & Management Services Private Limited
	JSW Dharamatar Port Private Limited
	Jindal Tubular (India) Limited
	M/S Shadeed Iron & Steel Co. LLC
	JSW Investment Private Limited
	JSW IP Holdings Private Limited (w.e.f. 01.04.2015)
	Epsilon Carbon Private Limited (Formerly known as AVH Private Limited)
	JSW International Trade Corp PTE Limited
	Heal Institute Private Limited (ceased w.e.f 19.10.2016)
	JSL Lifestyle Limited
	Jindal Power Limited
	Jindal Fittings Limited
	Jindal Education Trust
	Jindal Stainless Steelway Limited
	Tranquil Homes & Holdings Private Limited
	Windsor Residency Private Limited
	Ganga Ferro Alloys Private Limited
	St. James Investment Limited
6	**Post-employment benefits entity**
	JSW Steel EPF Trust
	Group Gratuity Fund

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Rs. in million

Particulars	Associate	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
B. Transactions with related parties					
Purchase of goods / power and fuel / services	**529.4**	**127.2**	-	**66,694.7**	**67,351.3**
	783.5	*11.7*	-	*41,136.6*	*41,931.8*
Reimbursement of expenses incurred on our behalf by	-	-	-	**15.8**	**15.8**
	-	-	-	*17.4*	*17.4*
Sales of goods/power and fuel	-	**2,707.3**	-	**10,138.5**	**12,845.8**
	6.2	*2,637.4*	-	*14,327.6*	*16,971.2*
Other income/ Interest income/ Dividend income	-	**46.7**	-	**326.2**	**372.9**
	108.3	*41.8*	-	*281.4*	*431.5*
Purchase of assets	-	**302.0**	-	**1,027.9**	**1,329.9**
	-	*1,932.0*	-	*2,085.6*	*4,017.6*
Donation / CSR expenses	-	-	-	**12.4**	**12.4**
	-	-	-	*16.4*	*16.4*
Recovery of expenses incurred by us on their behalf	-	**24.7**	-	**155.5**	**180.2**
	-	*16.4*	-	*88.9*	*105.3*
Interest expense	-	-	-	-	-
	-	-	-	*54.2*	*54.2*
Advance taken refunded	-	-	-	**289.9**	**289.9**
	-	-	-	*248.0*	*248.0*
Remuneration to key managerial personnel	-	-	**349.8**	-	**349.8**
	-	-	*234.4*	-	*234.4*
Advance given	-	-	-	**192.2**	**192.2**
	-	-	-	*997.5*	*997.5*
Finance lease obligation repayment	-	-	-	**1,346.3**	**1,346.3**
	-	-	-	*1,253.3*	*1,253.3*
Finance cost – finance lease	-	-	-	**1,571.9**	**1,571.9**
	-	-	-	*1,640.9*	*1,640.9*
Post-employment benefits plans	-	-	-	**279.1**	**279.1**
	-	-	-	*235.5*	*235.5*
C. Closing balances of related parties					
Trade payables	-	**4.2**	-	**10,140.6**	**10,144.8**
	64.8	*50.1*	-	*6,640.5*	*6,755.4*
Notes payable	-	-	-	**1,043.2**	**1,043.2**
	-	-	-	*2,852.3*	*2,852.3*
Advance received from customers	-	**2.0**	-	**20.7**	**22.7**
	-	-	-	*9.0*	*9.0*
Lease and other deposit received	-	**115.5**	-	**200.3**	**315.8**
	38.3	*107.4*	-	*199.3*	*345.0*
Trade receivables	-	**442.8**	-	**971.1**	**1,413.9**
	-	*267.8*	-	*1,439.1*	*1,706.9*
Capital / Revenue advances given	-	**532.0**	-	**1,956.2**	**2,488.2**
	-	*446.1*	-	*1,403.2*	*1,849.3*

Particulars	Associate	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Share application money	-	3.9	-	-	3.9
	-	*127.0*	-	-	*127.0*
Investments held	-	2,441.0	-	5,495.3	7,936.3
	-	*2,311.0*	-	*7,309.7*	*9,620.7*
Loans and advances taken	-	-	-	1,101.3	1,101.3
	-	-	-	*1,214.8*	*1,214.8*
Finance lease obligation	-	-	-	18,776.6	18,776.6
	-	-	-	*18,421.2*	*18,421.2*
Post-employment benefits plans	-	-	-	653.4	653.4
	-	-	-	*658.9*	*658.9*

Note: Related party transactions for the nine months ended 31st December, 2015 and year end balance as on 31st March, 2016 have been disclosed in Italics in the table above.

17. Exceptional Items

Exceptional items for the nine months ended 31st December 2015 include (a) impairment of (i) Rs. 6,133.1 million pertaining to PPE of steel operations at USA; (ii) Rs. 6,370.2 million and Rs. 4,074.9 pertaining to Goodwill and PPE respectively relating to iron ore mines at Chile; and (iii) Rs. 628.4 million and Rs. 1,090.3 million pertaining to Goodwill and PPE, respectively relating to coal mines at West Virgina, USA., which provisions were recognised based on estimates of values of their businesses/assets. The net carrying amounts of the aforesaid PPE and Goodwill aggregating to Rs 47,708.2 million and Rs. 8,770.4 million, respectively as at 31st December 2016 are considered recoverable. In making the said assessment, reliance has been placed on external estimates of market participants in respect of future prices of coal and iron ore, minable resources, and assumptions relating to operational performance including improvement in capacity utilisation of the plants and margins, and availability of infrastructure for mines; (b) provision of Rs. 2,915.3 million in relation to a legal dispute.

18. In respect of certain operations of the Group, following factors have been considered by the management in concluding that no further provision is presently necessary, in respect of carrying amounts of the related assets:

i. Integrated Steel Complex at Salboni, Bengal [Capital work in progress Rs. 1,416.8 million, Fixed assets Rs. 1,198.2 million, and Advances Rs. 2,273.8 million] - Evaluation of current status of the integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal, and the projections relating to the said complex considering estimates for the future prices of raw materials, foreign exchange rates, operating margins, etc. and the plans for commencing construction of the said complex.

ii. Integrated Steel Complex at Ranchi, Jharkhand [Capital work in progress Rs. 303.4 million, Fixed assets Rs. 452.4 million, and Advances Rs. 8.2 million] - Evaluation of current status of the integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand and the projections relating to the said complex

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considering estimates for the future prices of raw materials, foreign exchange rates, operating margins, etc. and the plans for commencing construction of the said complex.

iii. Goodwill Rs. 492.1 million and Inventories Rs. 1,214.8 million relating to interest in a real estate property – Valuation of the property by an independent expert.

iv. Mining development and projects, license fees, fixed assets and goodwill aggregating to Rs. 891.2 million relating to coal mines at Mozambique - Assessment of minable reserves by independent experts and cash flow projections based on plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities and infrastructure is developed.

v. Joint control in structural steel works [Fixed Assets (including capital work in progress) Rs 984.3 million - Value in use based on estimates and assumptions relating to order book, capacity utilisation, operational performance, market prices of materials, inflation, terminal value, etc.

19. Dividend distribution

On 18th May, 2016 the board of directors recommended a final dividend of Rs. 7.50 per equity share be paid to shareholders for financial year 2015-16, which was approved by the shareholders at the Annual General Meeting dated 27th July, 2016.
The dividend amounting to Rs. 1,812.9 million has been paid on 29th July, 2016.

20. Earnings per share

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

PARTICULARS		For nine months ended 31st December 2016	For nine months ended 31st December 2015
Profit/(Loss) attributable to equity shareholders (A)	Rs in million	25,655.1	(6,316.0)
Weighted average number of equity shares for basic EPS (B)	Nos	2,402,504,090	2,391,947,929
Effect of dilution :			
Weight average number of treasury shares	Nos	14,716,350	25,272,511
Weighted average number of equity shares adjusted for the effect of dilution (C)	Nos	2,417,220,440	2,417,220,440
Basic EPS (A / B)	Rs	10.68	(2.64)
Diluted EPS (A / C)	Rs	10.61	(2.64)

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21. Sub-division of equity shares

Pursuant to the approval of the members accorded on 17th December, 2016 by way of a Postal ballot, the equity shares of the Company having a face value of Rs. 10/- (Rupees Ten only) each were sub-divided into 10 (Ten) equity shares having a face value of Re. 1/- (Rupee One only) each. Accordingly, 241,722,044 equity shares of face value of Rs. 10 each were sub-divided into 2,417,220,440 equity shares of face value of Re. 1 each. The earnings per share in respect of all the reported periods has been restated considering the aforesaid sub-division of shares.

22. Contingent liabilities:

a) Guarantees provided Rs. 1,413.1 million (as at 31st March, 2016 Rs. 1,296.6 million).

b) Disputed claims/levies, in respect of:

(i) Excise duty Rs. 3,951.7 million (as at 31st March, 2016 Rs. 3,883.6 million);

(ii) Custom duty Rs. 7,574.8 million (as at 31st March, 2016 Rs. 4,311.0 million);

(iii) Income tax Rs. 1,729.2 million (as at 31st March, 2016 Rs. 1,807.8 million);

(iv) Sales tax / Special entry tax Rs. 2,398.6 million (as at 31st March, 2016 Rs. 2,423.0 million);

(v) Service tax Rs. 5,023.5 million (as at 31st March, 2016 Rs. 1,973.0 million);

(vi) Miscellaneous Rs. 0.5 million (as at 31st March, 2016 Rs. 0.5 million);

(vii) Levies by local authorities Rs. 30.4 million (as at 31st March, 2016 Rs. 30.4 million);

(viii) Claims by suppliers and other parties Rs. 1,409.7 million (as at 31st March, 2016 Rs. 1502.2 million) and

(ix) Claims related to Forest Development Tax and Forest Development Fees Rs. 12,114.8 million (as at 31st March, 2016 Rs. 9,669.8 million) (including FDT amount paid under protest Rs. 7,038.4 million (as at 31st March, 2016 Rs. 6,650.0 million)).

(a) The Hon'ble High Court of Karnataka has granted partial relief by a judgement dated 3rd December, 2015 delivered in response to a petition filed by the mine owners and purchasers of iron ore including JSW Steel Limited contesting levy of Forest Development Tax (FDT) by the State of Karnataka. The High Court vide its judgment has directed refund of the entire amount of FDT collected by State Government on sale of iron ores by Private Lease operators and NMDC. The State Government has filed an appeal before the Supreme Court of India (SCI). The Hon'ble Court has not granted stay on the operation of the judgment but only stayed refund of FDT. The matter is yet to be heard by the Hon'ble Supreme Court of India.

(b) The State of Karnataka on 27th July, 2016, has amended Section 98-A of the Forest Act retrospectively and substituting the levy as Forest Development Fee instead of FDT. The Company has filed writ petition before the Hon'ble High Court of Karnataka and the Hon'ble High Court has restrained the State of Karnataka from collecting FDF against furnishing of Bank Guarantee for an amount of 25% of the sale value of iron ores by the petitioners. The Company has not recognized any liability towards FDF based on the merits of the case.

The State Government of Karnataka filed a Special Leave Petition with the Supreme Court of India (SCI) which directed the Company and other parties to pay a 50% deposit and balance to be

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secured through a bond, by its order dated 13th February, 2017. The SCI has remitted the appeal back to the Karnataka High court with a direction to dispose the appeal within 6 months.

23. Commitments

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 72,209.6 million (as at 31st March, 2016: Rs. 69,836.4 million).

Other commitments:

a) The Group has imported capital goods under the export promotion capital goods scheme to utilize the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports. Such export obligations at the period end aggregate to Rs. 16,669.1 million (as at 31st March, 2016: Rs. 13,907.1 million) by the Company within the stipulated period.

b) The Group has imported 73,707 Hot Rolled Coils during the period under Advance License Scheme to utilize the benefit of a zero customs duty rate. This benefit is subject to future exports to be fulfilled over a period of 18 months. Balance export obligation to be fulfilled as on 31st December, 2016 is 12,666 MT having duty liability of Rs. 42.8 million (as at 31st March, 2016 is Rs. 63.3 million).

24. Financial Instruments

Rs. in million

Particulars	As at 31st December 2016		As at 31st March 2016	
	Carrying value	Fair value	Carrying value	Fair value
<u>Financial assets</u>				
Measured at amortised cost				
Loans	2,847.8	2,841.6	2,598.7	2,594.9
Others financial assets	4,804.1	4,804.1	4,378.9	4,378.9
Trade receivables	38,674.5	38,674.5	27,273.7	27,273.7
Cash and cash equivalents	7,706.4	7,706.4	8,837.5	8,837.5
Bank balances other than cash and cash equivalents	3,192.9	3,192.9	1,366.5	1,366.5
Total financial assets at amortised cost (a)	**57,225.7**	**57,219.5**	**44,455.3**	**44,451.5**
Measured at fair value through other comprehensive income				
Investments	6,223.3	6,223.3	7,105.4	7,105.4
Total financial assets at fair value through other comprehensive income (b)	**6,223.3**	**6,223.3**	**7,105.4**	**7,105.4**
Measured at fair value through profit and loss				
Investments	6,356.4	6,356.4	4,840.7	4,840.7
Other financial assets	2,705.8	2,705.8	893.6	893.6
Total Financial assets at fair value through profit and loss (c)	**9,062.2**	**9,062.2**	**5,734.3**	**5,734.3**
Total financial assets (a+b+c)	**72,511.2**	**72,505.0**	**57,295.0**	**57,291.2**

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Particulars	As at 31st December 2016 Carrying value	Fair value	As at 31st March 2016 Carrying value	Fair value
Financial liabilities				
Measured at amortised cost				
Long-term borrowings	398,889.2	404,921.0	398,611.8	403,024.9
Short-term borrowings	56,981.7	56,981.7	23,428.4	23,428.4
Trade Payables	131,972.4	131,972.4	127,576.0	127,576.0
Other financial liabilities	36,090.5	35,636.2	55,500.1	55,138.9
Total financial liabilities	**623,933.8**	**629,511.3**	**605,116.3**	**609,168.2**

25. Methodologies to measure fair value of financial instruments

Rs in million

Particulars	As at 31st December 2016	As at 31st March 2016	Level	Valuation technique and key inputs
Non-current investments in the equity shares measured at FVTOCI	6,182.7	7,066.4	1	Quoted bid prices in an active market
Non-current investments in the equity shares measured at FVTOCI	40.6	38.9	3	Net asset value
Non-current investments in unquoted Preference shares measured at FVTPL	1,479.7	1,386.1	3	Discounted cash flow- Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks
Forward contracts - Liability	318.4	3,369.4	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Commodity contracts - Assets	2,254.3	910.6	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Interest rate swaps - Assets	176.6	-	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Interest rate swaps - Liability	-	17.0	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Foreign currency options - Asset	223.2	0.3	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

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Sensitivity analysis of Level III:

	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate	0.50%	0.50% Increase / (decrease) in the discount would decrease / (increase) the fair value Rs. 30.5 million (Rs. 15.4 million)

26. Employee share based payment plans:

ESOP SCHEME 2012:

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

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

The number of options to be granted to each eligible employees is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

The details of an employee share based payments plan operated through a trust for ESOP 2012 are as follows:

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
Initial grant - 26th July, 2012	31,35,744	26,31,868	26-Jul-12	30-Sep-13 till 30- Sep-17	700	368.10	Equity
1st Subsequent grant - 26th July, 2012	16,02,480	12,43,041	26-Jul-12	30-Sep-14 till 30- Sep-17	700	332.25	Equity

ESOP SCHEME 2016:

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

A total of 28,68,700 options would be available for grant to the eligible employees of the Company and a total of 3,16,300 options would be available for grant to the eligible employees of the Indian Subsidiaries of the Company under the ESOP Plan.

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The details of an employee share based payments plan operated through a trust for ESOP 2016 are as follows

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
1st Grant - 17th May, 2016	743,685	NIL	17-May-16	17-05 2016 till 31-03-2019 (for 50% of the grant) and 17-05-2016 to 31-03-2020 (for remaining 50% of the grant)	1036.48	674.79	Equity

The outstanding position as on 31 December 2016 is summarised below

Particulars	ESOP 2012		ESOP 2016
	Initial Grant (Junior Manager & Above)	1st Subsequent Grant (Junior Manager & Above)	1st Grant (L-16 and above Grade)
Date of grant	26 July, 2012	26 July, 2012	17 May, 2016
Outstanding as on 1st April, 2016	7,90,965	10,34,387	Nil
Granted During the period	Nil	Nil	7,43,685
Forfeited during the period	11,674	18,942	Nil
Exercised during the period	2,23,843	3,25,504	Nil
Outstanding as on 31st December, 2016	5,55,448	6,89,941	7,43,685
Vesting Period	30 September, 2013 till 30 September, 2017	30 September, 2014 till 30 September, 2017	17 May, 2016 till 31 March, 2019 (for 50% of the grant) and 17 May, 2016 to 31 March, 2020 (for remaining 50% of the grant)
Exercise Price	700	700	1,036.48

27. Operating segment

Chief Operating Decision Maker decides the allocation of resources and assesses the performance of the manufacturing of steel products as a whole and accordingly the business of manufacturing of steel products constitutes to be a single reportable segment.

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28. Reconciliation

The Company has adopted Indian Accounting Standards ("IND-AS") with effect from 1st April, 2016 and accordingly the Unaudited Condensed Interim Consolidated Financial Statements for all the periods presented have been prepared in accordance with recognition and measurement principles laid down in the IND AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. A reconciliation of Net Profit/(Loss) and Networth to those reported under previous GAAP (IGAAP) is summarised below:

Rs. in million

IND AS adjustments	Note ref	Net Profit/(Loss)		Networth		
		Nine months ended	Year ended	As on		
		31.12.2015	31.03.2016	31.03.2016	31.12.2015	31.03.2015
Net Profit/(Loss) / Networth under IGAAP		(10,072.7)	(8,369.8)	216,439.0	215,698.7	230,540.8
Effect of componentization of fixed assets		24.3	-	-	19.1	(1,187.1)
Net Profit/(Loss) / Networth under IGAAP after the effect of componentization		(10,048.4)	(8,369.8)	216,439.0	215,717.8	229,353.7
Effect of treating certain arrangements as leases	A	142.3	205.6	44.7	(18.6)	(160.8)
Measurement of financial liabilities at amortised cost	B	(545.1)	(705.5)	(6,387.8)	(6,552.4)	(6,049.5)
Equity accounting for Joint Ventures which were proportionately consolidated as per previous GAAP	C	1.5	-	-	-	-
Deferred taxes	D	3,214.6	4,398.9	(25,308.8)	(26,061.1)	(30,106.7)
Other Ind-AS adjustments	E	(578.1)	(335.5)	(513.0)	(33.6)	(22.2)
Net Profit /(loss) for the period under IND-AS (A)		(7,813.2)	(4,806.3)			
Other Comprehensive Income(OCI)						
Measurement of equity investments at fair value through OCI	F1	(3,463.8)	(5,045.1)	4,555.3	6,126.1	9,595.7
Foreign currency translation reserve	F2	(3,011.6)	(2,897.0)	(842.3)	(817.3)	
Others	F3	(1,712.7)	(772.3)	-	-	
Total other comprehensive income / (loss) (B)		(8,188.1)	(8,714.4)			
Dividend and tax on dividend	G			2,182.0	-	3,200.2
Effect of Consolidation of Employee welfare trust	H			(1,268.7)	(1,606.4)	(1,800.1)
Total Comprehensive income/(loss) (A+B)/ Networth under IND-AS		(16,001.3)	(13,520.7)	188,900.4	186,754.5	204,010.3

A. <u>Arrangements in the nature of leases</u>: The Group has evaluated certain arrangements for purchase or processing of raw materials based on facts and circumstances existing at the date of transition to Ind AS and

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have identified them in the nature of lease as the fulfilment of the arrangements depend on the asset specified in the respective arrangements and the Group has committed to obtain substantially all of the production capacity of the asset on take or pay basis. After separating lease payments from the other elements in these arrangements, the Group has recognized Finance Lease Assets & corresponding Finance lease obligation resulting into increase in finance costs and depreciation charge, and reduction in the cost of goods/ services procured.

B. Classification of Redeemable Preference Share Capital as a financial liability: The Company has issued non-convertible Redeemable Preference shares. The preference shares carry fixed dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, these preference shares have been classified as a financial liability based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

C. Investment in joint arrangements: Joint ventures have been accounted using equity method as against proportionate consolidation under previous Indian GAAP.

D. Deferred taxes as per the Balance Sheet approach: Deferred taxes determined on temporary differences following Balance Sheet Approach under Ind-AS as against the Profit and Loss Approach in previous Indian GAAP has resulted in charge to Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss account for the subsequent periods.

E. Other Ind AS - adjustments: Other Ind-AS adjustments mainly comprise of:

- losses contributed by entities assessed as subsidiaries based on the definition of control as per Ind AS 110 - Consolidated Financial Statements.
- deposits given / taken recognised following amortised cost method at their inception with the corresponding changes until transition date in the opening retained earnings and subsequent changes in the Consolidated Statement of Profit and Loss.
- adjustments relating to upfront fees amortisation as per effective interest method, changes in fair value of investment in unquoted preference shares.

F. Items in others comprehensive income: Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to total comprehensive income as per Ind AS.

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

2. Foreign currency translation reserve: This amount relates to the foreign currency translation reserve created at the time of translation of foreign subsidiaries from their respective local currencies to INR for the purpose of consolidation.

3. Others: Others primarily include movements in hedging reserve (net of deferred tax) on account of cash flow hedges accounted under IND-AS 109 and Foreign Currency Monetary Item Translation Difference Account (net of deferred tax) due to exchange rate fluctuations on long term foreign currency monetary items. It also includes employee benefits actuarial gains and losses, which are recognised in the other comprehensive income under Ind AS.

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G. Reversal of proposed dividend and tax thereon: Under Indian GAAP, proposed dividend including Dividend distribution tax (DDT) thereon is recognised as a liability in the period to which they relate irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by the shareholders in a general meeting) or paid.

H. Consolidation of Employee Welfare Trust: Consolidation of Employee Welfare Trust by following the look through approach has resulted into line by line addition of all the assets and liabilities of the Employee Welfare Trust and also elimination of underlying treasury shares and other balances.

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Deloitte
Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REVIEW REPORT ON UNAUDITED CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
JSW STEEL LIMITED

Introduction

1. We have reviewed the accompanying Unaudited Condensed Interim Standalone Financial Statements of **JSW STEEL LIMITED** ("the Company") including a Joint Operation consolidated on a proportionate basis, which comprise the Unaudited Condensed Balance Sheet as at December 31, 2016 and the related Unaudited Condensed Statement of Profit and Loss (including other comprehensive income), the Unaudited Condensed Statement of Changes in Equity and the Unaudited Condensed Statement of Cash Flows for the nine months ended December 31, 2016 together with summary of significant accounting policies and selected explanatory notes thereon (the "Unaudited Condensed Interim Standalone Financial Statements").

Management's Responsibility for the Unaudited Condensed Interim Standalone Financial Statements

2. The Company's Board of Directors is responsible with respect to preparation and presentation of the Unaudited Condensed Interim Standalone Financial Statements in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), as notified under the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Auditors' Responsibility

3. We conducted our review of the Unaudited Condensed Interim Standalone Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial statements 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

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Interim Standalone Financial Statements have not been prepared, in all material respects, in accordance with Ind AS 34, as notified under the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Regd. Office: 12, Dr. Annie Besant Road, Opp. Shiv Sagar Estate, Worli, Mumbai - 400 018, India. (LLP Identification No. AAB-8737)

Emphasis of Matter

5. Attention is invited to notes 14 and 15 to the Unaudited Condensed Interim Standalone Financial Statements regarding the Company's assessment that the net carrying amounts of investments aggregating to Rs. 9,685.9 million in and loans and advances aggregating to Rs. 27,500.7 million to certain subsidiaries and a joint venture as at December 31, 2016 are recoverable.

   Our report is not qualified in respect of this matter.

Other Matters

6. The Company will prepare and issue its first complete Ind AS standalone financial statements as at and for the year ending March 31, 2017. Until the first complete Ind AS standalone financial statements are issued, the balances in the Unaudited Condensed Interim Standalone Financial Statements can change if (a) there are any new Ind AS standards issued through March 31, 2017, (b) there are any amendments/ modifications made to existing Ind As standards or interpretations thereof through March 31, 2017 effecting the Ind AS balances in these financial statements and (c) if the Company makes any changes in the elections and/ or exemptions selected on adoption of Ind As at its transition date of April 1, 2015.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. Siddharth
Partner
(Membership No. 31467)

MUMBAI, March 22, 2017

JSW STEEL LIMITED

UNAUDITED CONDENSED BALANCE SHEET

Rs. in million

		Notes	As at 31.12.2016	As at 31.03.2016
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	4	503,577.1	462,836.3
	(b) Capital work-in-progress		24,736.8	62,035.4
	(c) Intangible assets		552.7	618.2
	(d) Intangible assets under development		2,393.4	2,357.8
			531,260.0	527,847.7
	(e) Financial assets			
	(i) Investments	5	47,337.3	47,640.3
	(ii) Loans	7	2,393.5	2,417.5
	(iii) Other financial assets	8	1,126.9	1,393.1
	(f) Deferred tax assets (Net)	13	-	4,795.4
	(g) Other non-current assets	10	13,403.8	14,202.8
	Total non-current assets		**595,521.5**	**598,296.8**
(2)	**Current assets**			
	(a) Inventories	9	101,184.0	67,417.4
	(b) Financial assets			
	(i) Investments	5	2,283.9	-
	(ii) Trade receivables		34,414.4	25,107.1
	(iii) Cash and cash equivalents		2,556.0	4,650.9
	(iv) Bank balances other than (iii) above		3,140.7	1,334.5
	(v) Loans	7	28,566.2	13,253.1
	(vi) Other financial assets	8	4,844.0	2,527.0
	(c) Other current assets	10	29,195.0	20,345.9
	Total current assets		**206,184.2**	**134,635.9**
	Total assets		**801,705.7**	**732,932.7**

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UNAUDITED CONDENSED BALANCE SHEET (Contd.)

Rs. in million

		Notes	As at 31.12.2016	As at 31.03.2016
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	(a) Equity share capital		3,012.7	3,009.0
	(b) Other equity		225,193.6	200,871.5
	Total equity		**228,206.3**	**203,880.5**
(2)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	6	280,526.5	300,340.9
	(ii) Other financial liabilities		1,072.1	1,338.9
	(b) Provisions		10,536.4	10,174.2
	(c) Deferred tax liabilities(Net)	13	7,678.7	-
	(d) Other non-current liabilities		29.8	26.2
	Total non-current liabilities		**299,843.5**	**311,880.2**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	6	56,901.9	20,699.0
	(ii) Trade payables		112,011.6	110,113.2
	(iii) Other financial liabilities	11	91,530.9	75,911.3
	(b) Provisions		1,351.5	1,056.7
	(c) Other current liabilities	12	11,860.0	9,391.8
	Total current liabilities		**273,655.9**	**217,172.0**
	Total liabilities		**573,499.4**	**529,052.2**
	Total equity and liabilities		**801,705.7**	**732,932.7**

See accompanying notes forming part of the Unaudited Condensed Interim Standalone Financial Statements

In terms of our report attached

For **JSW STEEL LIMITED**

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

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 : 22 March, 2017

UNAUDITED CONDENSED STATEMENT OF PROFIT AND LOSS

Rs.in million

		For the nine months ended 31.12.2016	For the nine months ended 31.12.2015
I	Revenue from operations	399,615.8	302,440.9
II	Other income	1,737.5	2,953.8
III	**Total income (I + II)**	**401,353.3**	**305,394.7**
IV	Expenses:		
	Cost of materials consumed	193,698.8	144,144.3
	Purchases of stock-in-trade	6,206.2	606.8
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(12,991.6)	5,892.5
	Employee benefits expense	8,925.7	7,369.6
	Finance costs	26,795.5	23,900.4
	Depreciation and amortization expense	23,254.7	21,260.2
	Excise duty expense	34,508.0	30,814.2
	Other expenses	83,021.9	69,269.8
	Total expenses	**363,419.2**	**303,257.8**
V	**Profit before exceptional items and tax (III-IV)**	**37,934.1**	**2,136.9**
VI	**Exceptional items** (refer note 14)	-	58,585.7
VII	**Profit/(loss) before tax (V-VI)**	**37,934.1**	**(56,448.8)**
VIII	Tax expense/(benefit):		
	Current tax	665.0	1,239.5
	Less: MAT credit entitlement	(665.0)	(85.1)
	Deferred tax	12,327.2	(18,635.7)
	Tax provision for earlier years written back	(124.6)	-
		12,202.6	(17,481.3)
IX	**Profit/(loss) for the period (VII-VIII)**	**25,731.5**	**(38,967.5)**

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UNAUDITED CONDENSED STATEMENT OF PROFIT AND LOSS (Contd.)

Rs. in million

		For the nine months ended 31.12.2016	For the nine months ended 31.12.2015
X	**Other comprehensive income**		
A	i) Items that will not be reclassified to profit or loss		
	a) Re-measurements of the defined benefit plans	(143.5)	-
	b) Equity instruments through Other Comprehensive Income	(795.8)	(3,123.9)
	ii) Income tax relating to items that will not be reclassified to profit or loss	49.6	-
	Total (A)	**(889.7)**	**(3,123.9)**
B	i) Items that will be reclassified to profit or loss		
	a) The effective portion of gains and loss on hedging instruments	2,695.0	(428.5)
	b) Changes in Foreign Currency Monetary Item Translation Difference account	(205.7)	(1,986.4)
	ii) Income tax relating to items that will be reclassified to profit or loss	(861.4)	782.7
	Total (B)	**1,627.9**	**(1,632.2)**
	Total Other comprehensive income / (loss) (A+B)	**738.2**	**(4,756.1)**
XI	**Total comprehensive income / (loss) (IX + X)**	**26,469.7**	**(43,723.6)**
XII	**Earnings per equity share of Re 1 each** (refer note 17)		
	Basic	10.71	(16.29)
	Diluted	10.65	(16.29)

See accompanying notes forming part of Unaudited Condensed Interim Standalone Financial Statements

In terms of our report attached | **For JSW STEEL LIMITED**

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

A. SIDDHARTH
Partner

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Date: 22 March, 2017

LANCY VARGHESE
Company Secretary

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Rs. in million

	For the nine months ended 31.12.2016	For the nine months ended 31.12.2015
Net cash generated from operating activities	35,450.6	22,463.7
Net cash used in investing activities	(56,176.0)	(37,100.5)
Net cash generated from financing activities	18,630.5	12,695.0
Net decrease in cash and cash equivalents	**(2,094.9)**	**(1,941.8)**
Cash and cash equivalents at start of the period	4,650.9	8,096.6
Cash and cash equivalents at close of the period	**2,556.0**	**6,154.8**
Add : Margin money / Fixed deposit balance	2,886.9	1,383.2
Add : Balance in debenture interest/ installments/dividend payment accounts	253.8	234.2
Cash and bank balances	**5,696.7**	**7,772.2**

See accompanying notes forming part of Unaudited Condensed Interim Standalone Financial Statements

In terms of our report attached

For JSW STEEL LIMITED

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

A. SIDDHARTH
Partner

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Dated : 22 March, 2017

LANCY VARGHESE
Company Secretary

JSW STEEL LIMITED

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December 2016

Equity share capital

Rs. in million

	As at 01.04 2016	Changes in equity share capital during the period	As at 31.12.2016
Equity Shares of Rs.1 each	3,009.0	3.7	3,012.7

Other Equity

Rs. in million

Particulars	Reserves and Surplus							Items of Other Comprehensive Income/(Loss) (OCI)				Total
	Capital reserve	Securities Premium Reserve	Capital redemption reserve	Debenture redemption reserve	Retained Earnings	Equity settled share based payment reserve	General Reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Remeasurements of the net defined benefit plans	Foreign currency monetary item translation difference account (FCMITDA)	
Opening balance as at 1st April, 2016	35,845.0	54,166.3	99.0	4,327.8	(291.7)	-	104,172.2	4,155.9	399.5	(20.7)	(1,981.8)	200,871.5
Total comprehensive income for the period	-	-	-	-	25,731.5	-	-	(795.8)	1,762.4	(93.9)	(134.5)	26,469.7
Dividends	-	-	-	-	(2,182.0)	-	-	-	-	-	-	(2,182.0)
Loss on sales of treasury shares	-	-	-	-	(49.9)	-	-	-	-	-	-	(49.9)
Recognition of share-based payments	-	-	-	-	-	84.3	-	-	-	-	-	84.3
Closing balance as at 31st December, 2016	35,845.0	54,166.3	99.0	4,327.8	23,207.9	84.3	104,172.2	3,360.1	2,161.9	(114.6)	(2,116.3)	225,193.6

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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY (Contd.)

For the nine months ended 31st December 2015

Equity share capital

Rs. in million

	As at 01.04 2015	Changes in equity share capital during the period	As at 31.12.2015
Equity Shares of Re. 1 each	3,001.8	2.4	3,004.2

Other Equity

Rs. in million

Particulars	Reserves and surplus						Items of other comprehensive income/(loss) (OCI)			Total
	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	General reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Foreign currency monetary item translation difference account (FCMITDA)	
Opening balance as at 1st April, 2015	**35,845.0**	**54,166.3**	**99.0**	**1,303.4**	**40,705.5**	**104,172.2**	**8,697.6**	**93.6**	**(946.2)**	**244,136.4**
Total comprehensive income for the period	-	-	-	-	(38,967.5)	-	(3,123.9)	(385.2)	(1,247.0)	(43,723.6)
Dividends	-	-	-	-	(3,200.3)	-	-	-	-	(3,200.3)
Profit on sales of treasury shares	-	-	-	-	191.3	-	-	-	-	191.3
Closing balance as at 31st December, 2015	**35,845.0**	**54,166.3**	**99.0**	**1,303.4**	**(1,271.0)**	**104,172.2**	**5,573.7**	**(291.6)**	**(2,193.2)**	**197,403.8**

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NOTES TO THE UNAUDITED CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER, 2016

1. **General Information**

JSW Steel Limited ("the Company") is primarily engaged in the business of manufacture and sale of Iron and Steel Products.

JSW Steel Limited is a public limited company incorporated in India on March 15, 1994 under the Companies Act, 1956 and listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

The Company has production facilities in the states of Karnataka, Tamil Nadu and Maharashtra in India.

2. **Significant Accounting policies**

I. **Statement of compliance**

Unaudited Condensed Interim Standalone Financial Statements have been prepared in accordance with the requirements of Ind AS 34 'Interim Financial Reporting', specified under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31st March 2016, the Company prepared its Standalone financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS Unaudited Condensed Interim Standalone Financial Statements of the Company. The date of transition to Ind AS is 1 April, 2015. Refer 2(XXII) below for the details of first-time adoption exemptions availed by the Company.

II. **Basis of preparation and presentation**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Unaudited Condensed Interim Standalone Financial Statements under the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared these Unaudited Condensed Interim Standalone Financial Statements which comprise the Unaudited Condensed Balance Sheets as at 31st December, 2016, the Unaudited Condensed Statement of Profit and Loss, the Unaudited Condensed Statements of Cash Flows and the Unaudited Condensed Statements of Changes in Equity for the nine-months ended 31st December, 2016, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Unaudited Condensed Interim Standalone Financial Statements" or "financial statements").

The Company will prepare and issue its first complete Ind AS standalone financial statements as at and for the year ending 31st March, 2017. Until the first complete Ind AS standalone financial statements are issued, the balances in the Unaudited Condensed Interim Standalone Financial Statements can change if (a) there are any new Ind AS standards issued through 31st March, 2017, (b) there are any amendments/modifications made to existing Ind AS standards or interpretations thereof through 31st March, 2017 effecting the Ind AS

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balances in these financial statements and (c) if the Company makes any changes in the elections and/or exemptions selected on adoption of Ind AS at its transition date of 1st April, 2015.

The Unaudited Condensed Interim Standalone Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

III. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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Goodwill is measured as the excess of the sum of the consideration transferred, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of bargain purchase, before recognizing gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in the profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

IV. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Company's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note V below.

V. Investment in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are recognised in the Company's financial statements at cost.

VI. Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a entity undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:.

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

When an entity transacts with a joint operation in which an entity is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Company's financial statements only to the extent of other parties' interests in the joint operation.

When an entity transacts with a joint operation in which an entity is a joint operator (such as a purchase of assets), the Company does not recognise its share of the gains and losses until it resells those assets to a third party.

VII. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.
Sale of goods

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

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

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

Dividend and interest income

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

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

VIII. Leasing

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

The Company as a lessor

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

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Where the leases are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

The Company as a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Standalone balance sheet as a finance lease obligation.

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

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Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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

Arrangements in the nature of lease

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

IX. Foreign currencies

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

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items

X. Borrowing costs

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

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All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

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

XI. Government grants

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

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

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

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

XII. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

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- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the condensed statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

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

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

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

XIII. Share-based payment arrangements

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 21.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in the statement of profit and loss for the period.

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XIV. Taxation

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

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Company operates and generates taxable income. Taxable profit differs from 'profit before tax' as reported in the condensed Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

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

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

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

Current and deferred tax for the period

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

XV. Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

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

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

Property, plant and equipment except freehold land held for use in the p[production, supply or administrative purposes, are stated in the condensed balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

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

XVI. Depreciation and amortisation

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

Class of assets	Years
Plant and machinery	8 to 40 years
Work-rolls	1 year

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

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

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

XVII. Intangible assets

Intangible assets acquired separately Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

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

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

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

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- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets:

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer Software	3-5 years
Licenses	3-5 years

For transition to Ind AS, the Company has elected to continue with carrying value of all its intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

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

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

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

XIX. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

XX. Provisions

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

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

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

<u>Onerous contracts</u>

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

XXI. Financial Instruments

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

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

A. Financial assets

a) Recognition and initial measurement

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

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

b) Classification of financial assets

On initial recognition, a financial asset is measured at amortised cost, FVTOCI or FVTPL

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI).

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However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

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

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

c) **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

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On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

d) **Impairment**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

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

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

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

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

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

e) **Effective interest method**

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

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

B. Financial liabilities and equity instruments

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

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

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

c) Compound instruments
The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

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The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium/other equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

d) Financial liabilities

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

Financial liabilities at FVTPL:

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

A financial liability is classified as held for trading if:

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

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

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

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Standalone Statement of Profit and Loss.

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

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Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

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

e) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

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

f) Reclassification of financial assets

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

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

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FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

g) Embedded derivatives

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

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

h) Hedge accounting

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

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

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

- Hedges of net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the

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nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the Statement of Profit and Loss as other costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the Statement of Profit and Loss as finance costs.

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

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

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of profit and loss.

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

Amounts recognised as other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability. Furthermore, if the Company expect that some or all of the loss accumulated in Other Comprehensive Income (OCI) will not be recovered in the future, that amount is immediately reclassified to profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

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(iii) Hedges of net investments in a foreign operation

Hedges of net investments in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognised immediately in the profit or loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to Statement of Profit and Loss on the disposal of the foreign operation.

XXII. First time adoption – mandatory exceptions, optional exemptions

a. Overall principle

The Company has prepared the opening Standalone Balance Sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Company as detailed below. Since, the financial statements are the first interim financial statements, the first time adoption – mandatory exceptions and optional exemptions have been explained in detail.

b. Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

c. Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The Company has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

d. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

e. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

f. Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first

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became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

g. Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st April, 2015. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the Standalone balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

h. Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of 1st April,2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

i. Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

j. Cumulative translation differences on foreign operations

The Company has not elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.

k. Equity investments at FVTOCI

The Company has designated investment in equity shares of JSW Energy Limited as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

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3. Key sources of estimation uncertainty and critical accounting judgements

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

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

A) Key sources of estimation uncertainty

i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

ii) Impairment of investments in subsidiaries, joint- ventures and associates

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilization of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses / operations of the investee companies as more fully descried in note 15. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

iii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

iv) Contingencies

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

v) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

vi) Taxes

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

B) Critical accounting judgements

i) Control over JSW Realty & Infrastructure Private Limited (RIPL)

RIPL has developed a residential township in Vijaynagar, Karnataka on the land taken on lease from the Company for a period of 30 years and provides individual housing units on rent to the employees of the Company or other group companies. RIPL is not allowed to sub-let or assign its rights under the arrangement without prior written consent of the Company. Though the Company does not hold any ownership interest in RIPL, the Company has concluded that the Company has practical ability to direct the relevant activities of RIPL unilaterally, considering RIPL's dependency on the Company for funding significant portion of its operation through subscription to 97.54% of preference share capital amounting to Rs. 199.15 crore issued by RIPL and significant portion of RIPL's activities

ii) Control over Dolvi Minerals & Metals Private Limited (DMMPL) and Dolvi Coke Private Limited (DCPL)

- DMMPL is an investment company and is setting up recovery type coke oven plant and by-product plant ("Coke Plant") through its wholly owned subsidiary DCPL. Although, the Company owns only 40% of ownership interest, the Company has concluded that the Company has practical ability to direct the relevant activities of DMMPL unilaterally, considering
- the relevant activities of DCPL are directed through the long-term take or pay arrangement entered into between the Company and DCPL,
- Significant portion of DMMPL and DCPL activities either involve or are conducted on behalf of the Company, and

Return from Company's involvement with DMMPL and in turn with DCPL is disproportionately greater than it voting rights considering the take or pay arrangement is at cost plus fixed margin basis.

iii) Assessment of control over JSW Projects Limited (JSWPL)

JSWPL operates Direct Reduced Iron Processing Plant (DRI), Coal Dry Quenching Plant (CDQ) and two thermal power plants. Although the long-term take or pay arrangements entered into by the Company with JSWPL for processing of DRI and CDQ have been identified to be the arrangements in the nature of lease, the Company has concluded that the Company does not have any ownership interest, voting right or representation in the Board of Directors of JSWPL to direct its relevant activities unilaterally and accordingly it is not controlled by the Company.

iv) Arrangements in the nature of lease

The Company has entered into long-term arrangements with third parties to facilitate continuous supply of gases to its steel plant at Vijayanagar. These arrangements involve setting up of gas plants by the vendor/ supplier in the Company's premises to supply minimum specified gas quantities to the Company on take or pay basis. Based on assessment of the terms of the arrangements, review of past trends and confirmations received from the counter parties, the directors of the Company has concluded that these arrangements are not in the nature of lease considering more than insignificant amount of output from these plants are being also supplied by the vendor / suppliers to third parties on consistent basis.

v) Separating payments of lease from the other payments

If an arrangement contains a lease, the parties to the arrangement shall apply the requirements of Ind AS 17 to the lease element. Therefore, the Company is required to separate payments and other consideration required by the arrangement into those for the lease and for other elements on the basis of their relative fair values.

However, Management has concluded that it is impracticable to separate both the elements reliably and has recognized an asset and a liability at an amount equal to the carrying value of the specified asset in the books of the lessor. Subsequently, the liability has been reduced as payments are made and an imputed finance charges on the liability recognized using the Company's incremental borrowing rate of interest over the tenure of the arrangement. The total payments less payments made towards lease obligation and imputed finance charges have been considered to be the consideration for elements other than lease.

In case of arrangements which are identified to be in the nature of finance lease, the management concluded that it is impracticable to derive the relative fair values of lease and other elements of the arrangement and has accordingly determined the consideration for elements other than lease as a residual post appropriation of lease payments derived based on lessee's incremental borrowing rate of interest on the lease obligation corresponding to the respective gross asset values in the books of lessor.

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4. Property, plant and equipment :

Rs. in million

Particulars	Freehold land	Leasehold land	Buildings	Plant and machinery (Owned)	Plant and machinery (On finance lease)	Furniture and fixtures	Vehicles and Aircrafts	Office equipments	Total (A)
Cost									
At 1 April 2016	9,289.3	1,681.9	57,588.6	3,74,067.5	46,045.1	660.6	1,192.6	376.3	4,90,901.9
Additions	214.4	-	4,676.7	47,728.2	9,690.8	27.6	73.1	58.1	62,468.9
Deductions	-	-	-	1,133.1	-	-	33.9	1.6	1,168.6
Other Adjustments	-	-	-	1,673.3	-	-	-	-	1,673.3
At 31 December 2016	**9,503.7**	**1,681.9**	**62,265.3**	**4,22,335.9**	**55,735.9**	**688.2**	**1,231.8**	**432.8**	**5,53,875.5**
Accumulated depreciation and impairment									
At 1 April 2016	-	-	2,580.8	22,149.2	2,957.9	157.1	132.2	88.3	28,065.5
For the period	-	-	2,102.8	17,874.3	2,858.0	83.1	104.7	64.4	23,087.3
Deductions	-	-	-	977.6	-	0.4	15.3	1.8	995.1
Other Adjustment	-	-	-	140.7	-	-	-	-	140.7
At 31 December 2016	-	-	**4,683.6**	**39,186.6**	**5,815.9**	**239.8**	**221.6**	**150.9**	**50,298.4**
Net book value									
At 31 December 2016	**9,503.7**	**1,681.9**	**57,581.7**	**3,83,149.3**	**49,920.0**	**448.4**	**1,010.2**	**281.9**	**5,03,577.1**
At 31 March 2016	**9,289.3**	**1,681.9**	**55,007.8**	**3,51,918.3**	**43,087.2**	**503.5**	**1,060.4**	**288.0**	**4,62,836.3**
Useful life of the assets (range)	-NA-	-NA-	10 - 60	10 - 30	10 - 30	8 - 15	8 - 15	8 - 15	
Method of depreciation	-NA-	-NA-	SLM	SLM	SLM	SLM	SLM	SLM	

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Acquisitions during the period:

Additions during the period mainly include:

a) Capital expenditure towards expansion of capacities at Dolvi and Vijayanagar.

b) The long-term gas purchase agreement dated 16th November, 2015 entered into by the Company with JSW Techno Projects Management Limited has become effective from 1st September, 2016. Considering the arrangement in the nature of finance lease, the Company has recognized underlying plant and equipment and corresponding lease loan liability at Rs. 1,701.6 million as on the effective date.

c) The long-term DRI Purchase Agreement dated 17th November, 2014 entered into by the Company with its subsidiary JSW Steel (Salav) Limited has become effective from 1st April 2016. Considering the arrangement in the nature of finance lease, the Company has recognized underlying plant and equipment and corresponding lease loan liability at Rs. 7,778.0 million as on the effective date.

Disposals during the period:

Assets with a net book value of Rs. 173.5 million were disposed of by the Company during the nine months ended 31st December 2016.

5. Investments

A. Non-current investments

i) The Company made additional strategic investments in the following entities:

Particulars	Rs. in million
Investment in equity instruments	
JSW Industrial Gases Private Limited (Formerly known as JSW Praxair Oxygen Private Limited)	2,400.0
JSW MI Service Centre Private Limited	123.0
Amba River Coke Limited	150.3
JSW Bengal Steel Limited	31.1
JSW Jharkhand Steel Limited	15.0
JSW Steel (Salav) Limited	2,495.1
Investments in preference shares	
Rohne Coal Company Private Limited	6.9

B. Current investments

Current investments as at 31st December 2016 represents surplus funds parked in Mutual funds on temporary basis.

6. Borrowings

A. Long term borrowings

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Borrowings	280,526.5	300,340.9
Current maturities of long term debt and finance lease obligation	63,832.8	34,428.5
Total	**344,359.3**	**334,769.4**

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Rs. in million

Particulars	Foreign currency bonds	Debentures	Term loans	Sales tax deferral loan	Finance lease obligation	Preference shares	Total borrowings
Opening balance as on 1st April 2016	**32,863.5**	**80,731.3**	**174,089.6**	**928.6**	**39,768.6**	**6,387.8**	**334,769.4**
Add : Disbursements							
Secured rupee term loan	-	-	15,495.8	-	-	-	15,495.8
Finance lease obligation	-	-	-	-	9,687.0	-	9,687.0
Others	-	-	849.0	-	-	-	10,536.0
	-	**-**	**16,344.8**	**-**	**9,687.0**	**-**	**26,031.8**
Less : Redemption/Repayment							
Secured non-convertible debentures	-	(3,082.0)	-	-	-	-	(3,082.0)
Secured rupee term loan	-	-	(7,086.3)	-	-	-	(7,086.3)
Unsecured foreign currency loans	-	-	(7,503.9)	-	-	-	(7,503.9)
Sales tax deferral	-	-	-	(45.4)	-	-	(45.4)
Others repayments	-	-	-	-	(2,250.2)	-	(2,250.2)
	-	**(3,082.0)**	**(14,590.2)**	**(45.4)**	**(2,250.2)**	**-**	**(19,967.8)**
Add: Other movements	872.6	18.1	2,357.2	-	-	278.0	**3,525.9**
Total borrowings as on 31st December 2016	**33,736.1**	**77,667.4**	**178,201.4**	**883.2**	**47,205.4**	**6,665.8**	**344,359.3**

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Note:

I. **Additional loan taken during the nine months ended 31st December 2016**

i. Rs. 6,745.83 million drawn during the period out of Rupee term loan facilities of Rs. 16,000 million sanctioned by a consortium of banks. These loans are secured by first charge on entire movable and immovable fixed assets situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/machinery procured out of proceeds of ECA/ECB/FCL) both present and future. The loans are bearing interest rate at the bank's MCLR plus 110 bps and are repayable from March, 2017 to March, 2024 in various installments.

ii. In June 2016, the Company had received a sanction of Rs. 5,000 million from a bank at an interest rate of the bank's MCLR plus 20 bps. The loan is secured by way of charge on certain fixed assets at Vijayanagar works, Karnataka. The outstanding amount of Rs. 4,800 million is repayable from March, 2017 to June, 2021 in various installments.

iii. In August 2016, the Company had received a sanction of rupee term loan facilities of Rs. 5,000 million from a bank at an interest rate of bank reference rate plus 30 bps. The loan is secured by way of charge on certain fixed assets at Vijayanagar works, Karnataka. The outstanding amount of Rs. 3,700 million is repayable from September, 2019 to June, 2023 in various installments.

iv. The Company has further drawn foreign currency loan amounting to Rs. 849 million from various lenders.

II. **Repayment during the nine months ended 31st December 2016:**

i. Non-convertible debentures (NCDs) redeemed during the period are as follows

	Rs. in million
10.10 % NCDs of Rs. 0.9375 million each	1,875.0
10.50% NCDs of Rs. 1 million each	750.0
10.60 % NCDs of Rs. 0.875 million each	437.5
10.98 % NCDs of Rs. 0.025 million each	19.5
Total	**3,082.0**

ii. Rs. 6,136.3 million repaid towards secured Rupee term loan secured against Dolvi 1.5 Mtpa project.

iii. Rs. 950 million repaid towards secured Rupee term loan secured against Assets 3.8 Mtpa expansion project Vijayanagar.

iv. Rs. 3,755.8 million repaid towards unsecured external commercial borrowing of ECB facility.

v. Rs. 3,399.5 million repaid towards unsecured foreign currency loan for CRM 2 facility at Vijaynagar.

vi. Remaining repayments of Rs. 394.23 million towards various facilities.

III. **Other movements**

Other movements mainly includes foreign exchange differences, amortization of upfront fees, interest accrual during the period.

B. Short-term borrowings

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Working capital loans from banks (secured)		
Rupee loan	2,033.5	3,693.9
Foreign currency loan	-	200.0
Foreign currency loan from bank (unsecured)	-	3,185.1
Rupee loans from banks (unsecured)	15,039.2	13,620.0
Commercial papers (unsecured)	39,829.2	-
Total	**56,901.9**	**20,699.0**

7. Loans

Rs. in million

Particulars	As at 31.12.2016 Non -current	As at 31.12.2016 Current	As at 31.03.2016 Non -current	As at 31.03.2016 Current
Loans				
to related parties*	1,602.2	61,378.0	1,611.4	50,806.0
to other body corporate	91.0	-	91.0	-
Security deposits	700.3	1,839.3	901.4	1,600.1
Less : Allowance for doubtful loans	-	(34,651.1)	(186.3)	(39,153.0)
Total	**2,393.5**	**28,566.2**	**2,417.5**	**13,253.1**

*Loans are taken for business purpose

8. Other financial assets

Rs. in million

Particulars	As at 31.12.2016 Non – current	As at 31.12.2016 Current	As at 31.03.2016 Non -current	As at 31.03.2016 Current
Export benefits and entitlements	669.0	-	681.5	-
Derivative contracts - MTM	-	2,702.4	-	893.6
Derivative contracts gain - receivable	-	1,321.3	-	440.3
Insurance claim receivable	443.2	-	434.3	-
Others	-	820.3	-	1,193.1
Advance towards equity / preference capital	14.7	-	277.3	-
Total	**1,126.9**	**4,844.0**	**1,393.1**	**2,527.0**

9. Inventories

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Raw materials	45,798.3	26,507.5
Work-in-progress	7,645.0	5,882.3
Semi-finished/ finished goods	35,865.9	23,265.1
Production consumables and stores and spares	11,874.8	11,762.5
Total	**101,184.0**	**67,417.4**

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10. Other assets

Rs. in million

Particulars	As at 31.12.2016 Non -current	As at 31.12.2016 Current	As at 31.03.2016 Non -current	As at 31.03.2016 Current
Capital advances	2,497.9	-	2,084.0	-
Less : Allowance for doubtful advances	(32.2)	-	(32.2)	-
Advance to suppliers	2,359.6	17,606.2	2,583.9	9,905.4
Export benefits and entitlements	-	1,923.8	-	487.1
Advance tax and tax deducted at source (Net)	1,308.1	-	1,931.0	-
Security deposits	349.3	746.3	302.0	751.7
Indirect tax balances/recoverable/credits	7,579.5	8,544.0	7,494.5	8,465.9
Prepayments and others	209.6	374.7	522.7	735.8
Less : Allowance for doubtful advances	(868.0)	-	(683.1)	-
Total	**13,403.8**	**29,195.0**	**14,202.8**	**20,345.9**

11. Other financial liabilities

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Current maturities of long-term debt	60,696.1	31,785.7
Current maturities of finance lease obligation	3,136.7	2,642.8
Current dues of other long-term liabilities	3,145.5	4,510.5
Payables for capital projects	19,616.1	31,689.1
Interest accrued but not due on borrowings	3,738.0	3,703.4
Others	1,198.5	1,579.8
Total	**91,530.9**	**75,911.3**

12. Other current liabilities

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Advances from customers	1,746.7	4,257.3
Statutory liabilities	9,859.5	4,900.7
Matured debentures and accrued interest thereon	3.8	3.8
Unclaimed dividends	183.7	163.7
Unclaimed amount of sale proceeds of fractional shares	66.3	66.3
Total	**11,860.0**	**9,391.8**

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13. Deferred tax liabilities (Net)

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Deferred tax Liability comprises of timing differences on account of:		
Difference between book balance and tax balance of fixed assets	75,423.5	69,202.0
Tax effect of other comprehensive income	27.9	-
Deferred tax liabilities (A)	**75,451.4**	**69,202.0**
Deferred tax asset comprises of timing differences on account of:		
Expenses allowable on payment basis (under section 43B of Income Tax Act, 1961)	711.1	667.8
Allowance for doubtful debts / advances / guarantees	3,996.4	16,830.5
Business loss / Unabsorbed depreciation	35,030.8	28,037.8
Tax effect of other comprehensive income	-	833.6
MAT credit entitlement	27,039.4	26,359.2
Others	995.0	1,268.5
Deferred tax assets (B)	**67,772.7**	**73,997.4**
Deferred tax assets /(liabilities) (B-A)	**(7,678.7)**	**4,795.4**

14. Exceptional items:

Exceptional items for the nine months ended 31st December 2015 include impairment of investments in certain subsidiaries and loss allowances for loans and guarantees to /on behalf of them, aggregating to Rs. 58,555.2 million, which are recognized based on estimates of values of their businesses/assets.

The net carrying amounts of the aforesaid investments and loans of Rs. 2,946.4 million and Rs. 24,721.5 million respectively as of 31st December, 2016 are considered fully recoverable. In making the said assessment, reliance has been placed on external estimates of market participants in respect of future prices of coal and iron ore, minable resources, and assumptions relating to operational performance including improvement in capacity utilization of the plants and margins, and availability of infrastructure for mines.

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15. In respect of investments in and loans / advances to certain subsidiaries and a joint venture, following factors have been considered by the management in concluding that the investments are not impaired, and that the loans / advances are recoverable:

a) Equity shares of JSW Steel Bengal Limited, a subsidiary (carrying amount: Rs. 4,385.2 million (net of provision) as at December 31, 2016)
Evaluation of the status of its integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal by the said subsidiary, and the projections relating to the said complex considering estimates in respect of future raw material prices, foreign exchange rates, operating margins, etc. and the plans for commencing construction of the said complex.

b) Equity shares of JSW Jharkhand Steel Limited, a subsidiary (carrying amount: Rs. 792.9 million as at December 31, 2016)
Evaluation of the status of its integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand by the said subsidiary, and the projections relating to the said complex considering estimates in respect of future raw material prices, foreign exchange rates, operating margins, etc. and the plans for commencing construction of the said complex.

c) Equity shares of Peddar Realty Private Limited (PRPL) (carrying amount of investments: Rs 367.7 million (net of provision) as at December 31, 2016), and recoverability of loans of Rs. 1,572.6 million as at December 31, 2016.
Valuation by an independent valuer of the residential complex in which PRPL holds interest.

d) Investment of Rs 39.3 million (net of provision) and loan of Rs. 1,206.6 million as at December 31, 2016 relating to JSW Natural Resources Mozambique Limitada and JSW ADMS Carvo Limitada (step down subsidiaries)
Assessment of minable reserves by independent experts and cash flow projections based on the plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities and infrastructure is developed.

e) Equity shares of JSW Severfield Structures Limited, a joint arrangement (carrying amount: Rs. 1,154.4 million as at December 31, 2016)
Cash flow projections approved by the said JV which are based on estimates and assumptions relating to order book, capacity utilisation, operational performance, market prices of materials, inflation, terminal value, etc.

16. Dividend distribution

On 18th May, 2016 the Board of Directors recommended a final dividend of Rs. 7.50 per equity share be paid to shareholders for financial year 2015-16, which was approved by the shareholders at the Annual General Meeting dated 27th July, 2016. The dividend amounting to Rs. 1,812.9 million has been paid on 29th July 2016.

17. Earnings per share

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

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PARTICULARS		For the nine months ended 31.12.2016	For the nine months ended 31.12.2015
Profit / (Loss) attributable to equity shareholders (Rs. in million) (A)		25,731.5	(38,967.5)
Weighted average number of equity shares for basic EPS (B)		2402,504,090	2391,947,929
Effect of dilution :			
Weighted average treasury shares		14,716,350	25,272,511
Weighted average number of equity shares adjusted for the effect of dilution (C)		2417,220,440	2417,220,440
Basic EPS (Amount in Rs.)	(A / B)	10.71	(16.29)
Diluted EPS (Amount in Rs.)	(A / C)	10.65	(16.29)

Sub-division of equity shares

Pursuant to the approval of the members accorded on 17th December, 2016 by way of a Postal ballot, the equity Shares of the Company having a face value of Rs. 10/- (Rupees Ten only) each were sub-divided into 10 (ten) equity shares having a face value of Re. 1/- (Rupee One only) each. Accordingly, 241,722,044 equity shares of face value of Rs. 10 each were sub-divided into 2,417,220,440 equity shares of face value of Re. 1 each. The earnings per share in respect of all the reported periods has been restated considering the said sub-division of shares.

18. Contingent liabilities and commitments :

a) i) Guarantees provided on behalf of subsidiaries Rs. 16,896.1 million (as at 31st March, 2016: Rs. 21,241.1 million).

ii) Standby letter of credit facility availed from resident Indian Banks secured by specific fixed assets of the Company in relation to overseas long term borrowing by JSW Steel Holding (USA) Inc and JSW Steel (Netherlands) B.V. (wholly owned subsidiaries of the Company) is Rs. 27,181.9 million (as at 31st March, 2016: Rs. 26,533.2 million) and Rs. 5,436.4 million (as at 31st March, 2016Rs. 5,306.6 million) respectively.

iii) Provision of Rs. 9,825.2 million (as at 31st March, 2016 Rs. 9,578.5 million) has been created against aforesaid guarantees and standby letter of credit facilities.

b) Disputed claims/levies, in respect of:

(i) Excise duty Rs. 3,047.5 million (as at 31st March, 2016 : Rs. 3,053.9 million);

(ii) Custom duty Rs. 4,846.4 million (as at 31st March, 2016 : Rs. 4,079.2 million);

(iii) Income tax Rs. 1,706.8 million (as at 31st March, 2016 : Rs. 1,706.8 million);

(iv) Sales tax / Special entry tax Rs. 1,559.4 million (as at 31st March, 2016 : Rs. 1,559.4 million);

(v) Service tax Rs. 4,469.3 million (as at 31st March, 2016 : Rs. 1,420.6 million);

(vi) Miscellaneous Rs. 0.5 million (as at 31st March, 2016 : Rs. 0.5 million);

(vii) Levies by local authorities Rs. 30.4 million (as at 31st March, 2016 : Rs. 30.4 million); and

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(viii) Claims by suppliers and other parties Rs. 1,028.4 million (as at 31st March, 2016 : Rs. 1,099.8 million)

c) Claims related to Forest Development Tax and Forest Development Fees of Rs. 12,114.8 million (as at 31st March, 2016 Rs. 9,669.8 million) (including FDT amount paid under protest Rs. 7,038.4 million (as at 31st March, 2016 Rs. 6,650 million)).

I. The Hon'ble High Court of Karnataka has granted partial relief by a judgement dated 3rd December, 2015 delivered in response to a petition filed by the mine owners and purchasers of iron ore including JSW Steel Limited contesting levy of Forest Development Tax (FDT) by the State of Karnataka. The High Court vide its judgment has directed refund of the entire amount of FDT collected by State Government on sale of iron ores by Private Lease operators and NMDC. The State Government has filed an appeal before the Supreme Court of India (SCI). The Hon'ble Court has not granted stay on the operation of the judgment but only stayed refund of FDT. The matter is yet to be heard by the Hon'ble Supreme Court of India.

II. The State of Karnataka on 27th July. 2016, has amended Section 98-A of the Forest Act retrospectively and substituting the levy as Forest Development fee (FDF) instead of FDT. The Company has filed writ petition before the Hon'ble High Court of Karnataka and the Hon'ble High Court has restrained the State of Karnataka from collecting FDF against furnishing of Bank Guarantee for an amount of 25 % of the sale value of iron ores by the petitioners. The Company has not recognized any liability towards FDF based on the merits of the case.

The State Government of Karnataka filed a Special Leave Petition with the Supreme Court of India (SCI) which directed the Company and other parties to pay a 50% deposit and balance to be secured through a bond by its order dated 13th February 2017.The SCI has remitted the appeal back to the Karnataka High Court with a direction to dispose the appeal within 6 months.

Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 50,818.7 million (as at 31st March, 2016 Rs. 48,708.6 million).

Other commitments:

(i) The Company from time to time provides need based support to subsidiaries and joint ventures entity towards capital and other requirements.

(ii) The Company 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 within the stipulated period. Such export obligations at the period end aggregate to Rs. 19,384.0 million (as at 31st March, 2016 Rs. 13,162.2 million).

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19. **Financial instruments**

Rs. in million

Particulars	31.12.2016		31.03.2016	
	Carrying values	Fair value	Carrying values	Fair value
<u>Financial assets</u>				
Measured at amortised cost				
Loans	30,959.7	30,953.4	15,670.6	15,666.8
Others financial assets	3,268.5	3,268.5	3,026.5	3,026.5
Trade receivables	34,414.4	34,414.4	25,107.1	25,107.1
Cash and cash equivalents	2,556.0	2,556.0	4,650.9	4,650.9
Bank balances other than cash and cash equivalents	3,140.7	3,140.7	1,334.5	1,334.5
Total financial assets at amortised cost (A)	**74,339.3**	**74,333.0**	**49,789.6**	**49,785.8**
<u>Financial assets</u>				
Measured at fair value through other comprehensive income				
Non-current investments	5,566.2	5,566.2	6,362.0	6,362.0
Total financial assets at fair value through other comprehensive income (B)	**5,566.2**	**5,566.2**	**6,362.0**	**6,362.0**
<u>Financial assets</u>				
Measured at fair value through profit and loss				
Non-current investments	789.6	789.6	739.7	739.7
Current investments	2,283.9	2,283.9	-	-
Others financial assets	2,702.4	2,702.4	893.6	893.6
Total financial assets at fair value through profit and loss (C)	**5,775.9**	**5,775.9**	**1,633.3**	**1,633.3**
Total financial assets (A+B+C)	**85,681.4**	**85,675.1**	**57,784.9**	**57,781.1**
<u>Financial liabilities</u>				
Measured at amortised cost				
Long term borrowings	344,359.3	347,376.1	334,769.5	336,800.7
Short term borrowings	56,901.9	56,901.9	20,699.0	20,699.0
Trade payables	112,011.6	44,377.7	110,113.2	32,510.1
Other financial liabilities	28,770.2	96,394.9	42,821.6	120,407.1
Total financial liabilities measured at amortised cost	**542,043.0**	**545,050.6**	**508,403.3**	**510,416.9**

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20. Methodologies to measure fair value of financial instruments

Rs. in million

Particulars	Dec-16	Mar-16	Level	Valuation techniques and key inputs
Non-current investments in equity shares measured at FVTOCI	5,566.2	6,362.0	1	Quoted bid prices in an active market
Non-current investments in unquoted preference shares measured at FVTPL	789.6	739.7	3	Discounted cash flow - Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks
Foreign currency options – Assets	223.2	0.3	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Foreign currency forward contracts - Liability	248.6	2,977.8	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Commodity forward contracts - Assets	2,254.3	910.6	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Interest rate swaps - Assets	176.6	-	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Interest rate swaps - Liability	-	17.0	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

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Sensitivity Analysis of Level III:

Particulars	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate	0.50%	0.50% Increase (decrease) in the discount would decrease (increase) the fair value Rs.42.80 million (Rs. 40.30 million)

21. Employee share based payment plans:

ESOP SCHEME 2012:

The Employees Stock Ownership Plan is effective from 26th July, 2012. The eligible employees can exercise the option anytime between the vesting period till 30th September, 2017.
The grant is determined as percentage of Total Fixed Pay. The grant was at such price as determined by the ESOP Committee and be specified in the Grant. The option shall not be transferable and can be exercised only by the employees of the Company.

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

The details of an employee share based payments plan operated through a trust for ESOP 2012 are as follows:

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
Initial grant - 26th July, 2012	31,35,744	26,31,868	26th July-2012	30th Sep, 2013 till 30th Sep, 2017	700	368.10	Equity
1st Subsequent grant - 26th July, 2012	16,02,480	12,43,041	26th July-2012	30th Sep, 2014 till 30th Sep, 2017	700	332.25	Equity

ESOP SCHEME 2016:

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

A total of 2,868,700 options would be available for grant to the eligible employees of the Company and a total of 316,300 options would be available for grant to the eligible employees of the Indian Subsidiaries of the Company under the ESOP Plan.

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The details of an employee share based payments plan operated through a trust for ESOP 2016 are as follows

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
1st Grant - 17th May, 2016	680,482	NIL	17th May, 2016	17th May, 2016 till 31st March, 2019 (for 50% of the grant) and 17th May, 2016 to 31st March, 2020 (for remaining 50% of the grant)	1036.48	674.79	Equity

The Outstanding position as on 31st December 2016 is summarized below:

Particulars	ESOP 2012		ESOP 2016
	Initial Grant (Junior Manager & Above)	1st Subsequent Grant (Junior Manager & Above)	1st Grant (L-16 and above Grade)
Date of grant	26-Jul-12	26-Jul-12	17-May-16
Outstanding as on 01st April, 2016	790,965	1,034,387	-
Granted During the period	-	-	680,482
Forfeited during the period	11,674	18,942	-
Exercised during the period	223,843	325,504	-
Outstanding as on 31st Dec, 2016	555,448	689,941	680,482
Vesting Period	30-Sep-13 till 30-Sep-17	30-Sep-14 till 30-Sep-17	17th May, 2016 till 31st March, 2019 (for 50% of the grant) and 17th May, 2016 to 31st March, 2020 (for remaining 50% of the grant)
Exercise Price	700	700	1036.48

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22. Related party

	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 (ceased w.e.f 17.11.2015)
	JSW Steel Service Centre (UK) Limited (ceased w.e.f 18.10.2016)
	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 (ceased w.e.f 18.06.2015)
	JSW Steel Processing Centres Limited
	JSW Bengal Steel Limited
	JSW Natural Resources India Limited
	Barbil Beneficiation Company Limited (ceased w.e.f 27.01.2017)
	Barbil Iron Ore Company Limited (ceased w.e.f 17.10.2016)
	JSW Jharkhand Steel Limited
	JSW Steel East Africa Limited (ceased w.e.f 08.04.2016)
	Amba River Coke Limited
	JSW Energy (Bengal) Limited
	JSW Natural Resource Bengal Limited
	JSW Steel Coated Products Limited
	Peddar Realty Private Limited
	Nippon Ispat Singapore (PTE) Limited
	Erebus Limited
	Arima Holding Limited
	Lakeland Securities Limited

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	Parties with whom the Company has entered into transactions during the period where control exists
	JSW Steel (Salav) Limited
	Everbest Steel & Mining Holdings Limited (ceased w.e.f 04.12.2015)
	Dolvi Minerals & Metals Private Limited
	Dolvi Coke Projects Limited
	JSW Industrial Gases Private Limited (w.e.f. 16.08.2016) (Formerly known as JSW Praxair Oxygen Private Limited)
	JSW Realty & Infrastructure Private Limited
2	**Associate**
	JSW Industrial Gases Private Limited (ceased w.e.f. 15.08.2016) (Formerly known as JSW Praxair Oxygen Private Limited)
3	**Joint Ventures**
	Vijayanagar Minerals Private Limited
	Rohne Coal Company Private Limited
	JSW Severfield Structures Limited
	Gourangdih Coal Limited
	GEO Steel LLC
	JSW Structural Metal Decking Limited
	JSW MI Steel Service Centre Private Limited
	JSW Vallabh Tin Plate Private Limited
	Toshiba JSW Power System Private Limited
	MJSJ Coal Limited
4	**Key Management Personnel (KMP)**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
	Mr. Rajeev Pai
	Mr. Lancy Varghese
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
	Jindal Saw Limited
	Jindal Saw USA LLC
	Jindal Steel & Power Limited
	JSOFT Solutions Limited
	Jindal Industries Private Limited
	JSW Cement Limited

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	Parties with whom the Company has entered into transactions during the period where control exists
	JSW Jaigarh Port Limited
	Reynold Traders Private Limited
	Raj West Power Limited
	JSW Power Trading Company Limited
	JSW Infrastructure Limited
	South West Port Limited
	JSW Techno Projects Management Limited
	JSW Global Business Solutions Limited (Formerly known as Sapphire Technologies Limited)
	South West Mining Limited
	JSL Architecture Limited
	JSW Projects Limited
	JSW Foundation
	O P Jindal Foundation
	Jindal Technologies & Management Services Private Limited
	JSW Dharamatar Port Private Limited
	Jindal Tubular (India) Limited
	M/s Shadeed Iron & Steel Co. LLC
	JSW Investment Private Limited
	JSW IP Holdings Private Limited (w.e.f. 01.04.2015)
	Epsilon Carbon Private Limited (Formerly known as AVH Private Limited)
	JSW International Trade Corp PTE Limited
	Heal Institute Private Limited (ceased w.e.f 19.10.2016)
	JSL Lifestyle Limited
	Jindal Power Limited
	Jindal Fittings Limited
	Jindal Education Trust
7	**Post-employment benefit plans**
	JSW Steel EPF Trust
	Jindal Steel Group Gratuity Fund

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Rs. in million

Particulars	Subsidiaries	Associate	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
1.Transactions with related parties						
Purchase of goods / power and fuel / services	**32,228.8** *21,089.7*	**529.4** *783.5*	**127.2** *11.7*	**-** -	**62,082.3** *36,679.2*	**94,967.7** *58,564.1*
Reimbursement of expenses incurred on behalf of the Company	**1.1** *17.2*	**-** -	**-** -	**-** -	**15.3** *17.4*	**16.4** *34.6*
Sales of goods/power and fuel	**60,084.3** *33,205.9*	**-** *6.2*	**2,706.4** *2,525.9*	**-** -	**9,519.3** *13,621.9*	**72,310.0** *49,359.9*
Other income/ interest income/ dividend income	**1,223.3** *2,298.3*	**-** *108.3*	**55.1** *41.8*	**-** -	**313.9** *276.5*	**1,592.3** *2,724.9*
Purchase of assets	**41.7** *47.6*	**-** -	**302.0** *1,932.0*	**-** -	**1,021.0** *2,085.6*	**1,364.7** *4,065.2*
Advance given/received back	**(9.3)** *2,966.7*	**-** -	**-** -	**-** -	**177.5** *997.5*	**168.2** *3,964.2*
Lease and other advances refunded	**-** -	**-** -	**-** -	**-** -	**289.9** *374.8*	**289.9** *374.8*
Finance lease obligation repayment	**871.7** *466.8*	**-** -	**-** -	**-** -	**1,346.3** *1,253.3*	**2,218.0** *1,720.1*
Loan given	**9,449.3** *6,490.5*	**-** -	**-** -	**-** -	**-** -	**9,449.3** *6,490.5*
Allowances for loans and advances made during the period	**-** *39,153.0*	**-** -	**-** -	**-** -	**-** -	**-** *39,153.0*
Donation/CSR expenses	**-** -	**-** -	**-** -	**-** -	**12.4** *16.4*	**12.4** *16.4*
Recovery of expenses incurred by the Company on behalf of others	**1,146.0** *1,133.9*	**-** -	**24.7** *16.4*	**-** -	**144.3** *99.4*	**1,315.0** *1,249.7*
Finance lease interest cost	**2,379.0** *1,817.8*	**-** -	**-** -	**-** -	**1,571.9** *1,640.9*	**3,950.9** *3,458.7*
Investments / share application money given during the period	**2,552.0** *10,796.6*	**-** -	**6.9** *4.0*	**-** -	**-** -	**2,558.9** *10,800.6*
Investments / share application money refunded during the period	**-** -	**-** -	**-** *3.7*	**-** -	**-** -	**-** *3.7*
Remuneration to key managerial personnel	**-** -	**-** -	**-** -	**349.8** *234.4*	**-** -	**349.8** *234.4*
Interest paid	**207.3** *253.8*	**-** -	**-** -	**-** -	**-** *1.3*	**207.3** *255.1*

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Particulars	Subsidiaries	Associate	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Guarantees and collaterals provided by the Company	-	-	-	-	-	-
	4,836.2	-	-	-	-	*4,836.2*
Guarantees and collaterals released	**4,032.1**	-	-	-	-	**4,032.1**
	-	-	-	-	-	-
Post-employment benefits plans	-	-	-	-	**269.1**	**269.1**
	-	-	-	-	*230.5*	*230.5*
2. Closing balance of related parties						
Trade payables	**1,214.0**	-	**4.1**	-	**9,685.1**	**10,903.2**
	4,268.7	*64.8*	*50.0*	-	*6,358.7*	*10,742.2*
Advance received from customers	**412.5**	-	-	-	**22.3**	**434.8**
	2,170.5	-	-	-	*7.6*	*2,178.1*
Lease & other deposit received	**95.5**	-	**115.5**	-	**200.3**	**411.3**
	57.2	*38.3*	*107.4*	-	*199.3*	*402.2*
Lease & other deposit given	-	-	-	-	**2.9**	**2.9**
	-	-	-	-	*2.9*	*2.9*
Trade receivables	**84.2**	-	**442.8**	-	**790.2**	**1,317.2**
	55.0	-	*267.8*	-	*1,354.1*	*1,676.9*
Share application money given	**10.8**	-	**3.9**	-	-	**14.7**
	150.3	-	*127.0*	-	-	*277.3*
Capital / revenue advance	**7,026.3**	-	**460.8**	-	**1,896.7**	**9,383.8**
	3,282.2	-	*442.2*	-	*1,353.9*	*5,078.3*
Loan and advances given	**62,976.2**	-	**3.9**	-	-	**62,980.1**
	52,413.6	-	*3.9*	-	-	*52,417.5*
Allowances for loans and advances given	-	-	-	-	-	-
	39,153.0	-	-	-	-	*39,153.0*
Finance lease obligation	**27,946.7**	-	-	-	**18,776.6**	**46,723.3**
	20,829.2	-	-	-	*18,421.2*	*39,250.4*
Investments held by the Company	**59,693.9**	-	**2,441.0**	-	**5,566.2**	**67,701.1**
	54,329.7	*272.7*	*2,311.0*	-	*6,362.0*	*63,275.4*
Loans and advances taken	-	-	-	-	**1,101.3**	**1,101.3**
	-	-	-	-	*1,449.9*	*1,449.9*
Post-employment benefits plans	-	-	-	-	**501.9**	**501.9**
	-	-	-	-	*498.3*	*498.3*
Guarantees and collaterals provided by the Company	**49,514.4**	-	-	-	-	**49,514.4**
	53,080.9	-	-	-	-	*53,080.9*

Note: Related party transactions for the nine months period ended 31st December, 2015 and year end balances as on 31st March, 2016 have been disclosed in unbold italics in the table above.

23. Operating segment

The Company is in the business of manufacturing steel products and hence has only one reportable operating segment as per Ind AS 108 - Operating Segments. Chief Operating Decision Maker decides the allocation of resources and assesses the performance of

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the manufacturing of steel products as a whole and accordingly the business of manufacturing of steel products constitutes to be a single reportable segment.

24. Reconciliations

The Company has adopted Indian Accounting Standard ("Ind AS") with effect from 1st April, 2016 and accordingly the Unaudited Condensed Interim Standalone Financial Statements for all the periods presented have been prepared in accordance with recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. A reconciliation of Net Profit / (Loss) and Net worth to those reported under previous GAAP (IGAAP) is summarised below:

Rs. in million

Ind AS adjustments	Note ref	Net Profit /(Loss)		Net worth		
		Nine months ended	Year ended	As on	As on	As on
		31.12.2015	31.3.2016	31.3.2016	31.3.2015	31.12.2015
Net Profit/(Loss) / Networth under IGAAP		**(38,704.7)**	**(34,982.8)**	**217,529.6**	**257,246.0**	**215,026.6**
Effect of treating certain arrangements as leases	A	(649.9)	(807.8)	(1,524.6)	(716.8)	(1,366.7)
Measurement of financial liabilities at amortised cost	B	(526.6)	(722.9)	(6,387.8)	(6,049.4)	(6,552.4)
Deferred taxes	C	1,074.6	1,424.5	(10,154.3)	(11,578.7)	(10,504.1)
Dividend and tax on dividend	D	-	-	2,182.0	3,200.2	-
Effect of Consolidation of Employee welfare trusts	E	-	-	(1,268.7)	(1,800.0)	(1,606.4)
Other IND-AS adjustments	F	(160.9)	(207.7)	(1,489.1)	(2,318.9)	(1,396.5)
Net Profit before OCI under IND-AS (A)		**(38,967.5)**	**(35,296.7)**			
Other Comprehensive Income (OCI)						
Measurement of equity investments at fair value through OCI	G.(i)	(3,123.9)	(4,541.7)	4,155.9	8,697.6	5,573.7
Others	G.(ii)	(1,632.2)	(750.4)	837.5	451.2	1,233.9
Total other Comprehensive Income(B)		**(4,756.1)**	**(5,292.1)**			
Total Comprehensive Income under IND-AS (A+B)/ Net worth		**(43,723.6)**	**(40,588.8)**	**203,880.5**	**247,138.2**	**200,408.1**

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Notes:

A. Arrangements in the nature of leases: The Company has evaluated certain arrangements for purchase or processing of raw materials based on facts and circumstances existing at the date of transition to Ind AS and has identified them in the nature of lease as the fulfilment of the arrangements depend on the asset specified in the respective arrangements and the Company has committed to obtain substantially all the production capacity of the asset on take or pay basis. After separating lease payments from the other elements in these arrangements, the Company has recognized Finance Lease Assets & corresponding Finance Lease Liabilities resulting into increase in finance costs and depreciation charge, and reduction in the cost of goods/ services procured.

B. Classification of Redeemable Preference Share Capital as a financial liability: The Company has issued non-convertible Redeemable Preference shares. The preference shares carry fixed dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, these preference shares have been classified as a financial liability based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

C. Deferred taxes as per the Balance Sheet approach: Deferred taxes determined on temporary differences following Balance Sheet Approach under Ind-AS as against the Profit and Loss Approach in previous Indian GAAP has resulted in charge to Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss account for the subsequent periods.

D. Reversal of proposed dividend and tax thereon: Under Indian GAAP, proposed dividends including Dividend Distribution Tax (DDT) are recognised as a liability in the period to which they relate irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by the shareholders in a general meeting) or paid.

E. Consolidation of Employee Welfare Trust: Consolidation of Employee Welfare Trust by following the look through approach has resulted into line by line addition of all the assets and liabilities of the Employee Welfare Trust and also elimination of underlying treasury shares and other balances.

F. Other Ind AS - adjustments: Other Ind-AS adjustments mainly comprise of deposits given / taken recognised following amortised cost method at their inception with the corresponding changes until transition date in the opening retained earnings and subsequent changes in the Statement of Profit and Loss. It also includes adjustments relating to upfront fees amortisation as per effective interest method and changes in fair value of investment in unquoted preference shares.

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

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

(ii) Others: Others primarily include movements in hedging reserve (net of deferred tax) on account of cash flow hedges accounted under IND-AS 109 and Foreign Currency Monetary Item Translation Difference Account (net of deferred tax) due to exchange rate fluctuations on long term monetary items. It also includes employee benefits actuarial gains and losses, which are recognised in the other comprehensive income under Ind AS.

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REPORT OF THE INDEPENDENT AUDITOR'S ON THE CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

To the Board of Directors of
JSW Steel Limited

1. The accompanying Consolidated Summary Financial Statements of **JSW STEEL LIMITED** (the "Company"), its subsidiaries, jointly controlled entities, and an associate (collectively the "Group"), which comprise the Consolidated Summary Balance Sheets as at March 31, 2016, March 31, 2015 and March 31, 2014, and also the Consolidated Summary Statements of Profit and Loss and the Consolidated Summary Cash Flow Statements for the years then ended, and a summary of the significant accounting policies and other explanatory information (together comprising the "Consolidated Summary Financial Statements") are derived from the audited Consolidated Financial Statements (the "Audited Consolidated Financial Statements") of the Group for the respective years audited by us as detailed in paragraph 2 and 3 below.

2. We expressed our unmodified opinions on the Audited Consolidated Financial Statements of the Company for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 vide our reports dated May 18, 2016, May 15, 2015 and May 27, 2014, respectively. Refer paragraph 2(a) to 2(c) below for the emphasis of matters and paragraph 3 for the other matters stated in our reports on these Audited Consolidated Financial Statements.

   a) Our report on the Audited Consolidated Financial Statements of the Group for the year ended March 31, 2016, included following emphasis of matter which drew attention to:

      (i) Note 27(4) to the Audited Consolidated Financial Statements regarding the factors considered in estimating values of certain overseas businesses / assets, and recognition of provision of Rs.18,296.9 million towards impairment relating to carrying amounts of Goodwill, Fixed Assets and Mining Development and Projects and related fixed assets in terms of Accounting Standard (AS) 28, Impairment of Assets.

      (ii) Note 27(5) to the Audited Consolidated Financial Statements regarding the Company's assessment that carrying amounts aggregating to Rs. 4,423.9 million, Rs. 868.4 million, Rs. 1,518.1 million, Rs. 949.2 million and Rs. 1,622.3 million relating to fixed assets (including capital work in progress), Mining Development and Projects, advances, goodwill and inventories respectively relating to certain businesses of the Group are fully recoverable.

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b) Our report on the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2015, 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 is considered necessary for impairment of (i) Fixed Asset (Carrying Amount as at March 31, 2015 – Rs. 47,480.1 million) pertaining to Steel Operations of JSW Steel (USA), Inc., and (ii) Goodwill and Mining Development and Projects (Carrying amount as at March 31, 2015 – Rs. 25,753.9 million), 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, 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.

3. Our report on the Audited Consolidated Financial Statements of the Company for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 included following other matter which drew attention to:

   a) for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 state that we did not audit the financial statements of certain subsidiaries, jointly controlled entities and an associate of the Company, whose financial statements reflect the financial information for the respective years then ended to the extent set out in Annexure 1, which were considered in preparation of those audited consolidated financial statements. These financial statements were audited by other auditors whose reports were furnished to us by the management, and our audit opinions on the Audited Consolidated Financial Statements of the Company for the years ended March 31, 2016, March 31, 2015 and March 31, 2014, in so far as they relate to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and an associate, were solely based on the reports of the other auditors.

   b) for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 state that the Audited Consolidated Financial Statements included the unaudited financial statements / financial information of certain subsidiaries, jointly controlled entities and an associate of the Company, whose financial statements / financial information reflect the financial information for the respective years then ended to the extent set out in Annexure 2, which were considered in preparation of those Audited Consolidated Financial Statements. Our audit opinions on the Audited Consolidated Financial Statements of the Company for the years ended March 31, 2016, March 31, 2015 and March 31, 2014, in so far as they relate to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and an associate, were solely based on such unaudited financial statements / financial information. In our opinion and accordingly to information and explanations given to us by the Management, these financial information were not material to the Group.

The Consolidated Summary Financial Statements as at and for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 have been regrouped/ reclassified wherever necessary to correspond with the presentation/disclosure requirements of the financial year ended March 31, 2016. The figures included in the Consolidated Summary Financial Statements, do not reflect the effect of events that occurred subsequent to the date of our reports on the respective periods referred to in paragraph 2 and 3 above.

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4. **Management's Responsibility for the Consolidated Summary Financial Statements**
Management is responsible for the preparation of the Consolidated Summary Financial Statements from the Audited Consolidated Financial Statements of the respective years on the basis described in Note 1(B)(1.1) to the Consolidated Summary Financial Statements.

5. **Auditor's Responsibility**
Our responsibility is to express an opinion on the Consolidated Summary 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.

6. **Opinion**
In our opinion, the Consolidated Summary Financial Statements derived from the Audited Consolidated Financial Statements of the Company for the respective years are a fair summary of the Audited Consolidated Financial Statements of the respective years on the basis described in Note 1(B)(1.1) to the Consolidated Summary Financial Statements.

7. **Restriction on Use**

This report is addressed to and is provided to enable the Company to include this report in the offering memorandum in connection with the bond issue and that the Consolidated Summary Financial Statements may not be meaningful for any other purpose.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/ W-100018)

A. Siddharth
Partner
(Membership Number: 31467)

Mumbai, March 22, 2017

Deloitte
Haskins & Sells LLP

Annexure 1 to the report on the Consolidated Summary Financial Statements (referred to in paragraph 3 (a) of the report)

Financial information of certain subsidiaries, jointly controlled entities and an associate audited by other auditors, as considered in the Audited Consolidated Financial Statements of the Company:

(Rs. in million)

Particulars	As at / for the year ended		
	March 31, 2016	**March 31, 2015**	**March 31, 2014**
Relating to certain subsidiaries and jointly controlled entities			
Total assets	101,533.1	123,893.4	139,932.8
Total revenue	86,124.0	115,734.1	110,560.0
Cash flows – (outflows) / inflows	(357.7)	(420.6)	673.8
Relating to an associate			
Share of – (Loss) / Profit	(8.4)	69.2	Nil

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Annexure 2 to the report on the Consolidated Summary Financial Statements (referred to in paragraph 3 (b) of the report)

Financial information of certain subsidiaries, jointly controlled entities and an associate, as considered in the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2016, 2015 and 2014 which were not subjected to an independent audit:

(Rs. in million)

Particulars	**As at / for the year ended**		
	March 31, 2016	**March 31, 2015**	**March 31, 2014**
Relating to certain subsidiaries and jointly controlled entities			
Total assets	2,436.3	2,445.8	2,820.4
Total revenue	1,732.6	2,282.6	3,015.7
Cash flows – inflows/ (outflows)	236.1	(253.2)	264.5
Relating to an associate			
Share of – Profit/ (Loss)	217.1	(90.2)	135.4

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JSW STEEL LIMITED

CONSOLIDATED SUMMARY BALANCE SHEET

(Rs. in million)

	Note no.	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES				
(1) Shareholders' funds				
Share capital	2	10,671.9	10,671.9	10,671.9
Reserves and surplus	3	205,767.1	219,868.9	208,711.5
		216,439.0	230,540.8	219,383.4
Minority interest		67.8	976.4	1,670.1
(2) Non-current liabilities				
Long-term borrowings	4	327,932.2	336,766.3	267,026.2
Deferred tax liabilities (net)	5	14,201.7	31,547.1	21,234.2
Other long-term liabilities	6	6,926.7	5,909.0	9,100.4
Long-term provisions	7	949.3	903.4	595.6
		350,009.9	375,125.8	297,956.4
(3) Current liabilities				
Short-term borrowings	8	23,780.4	12,079.9	48,870.9
Trade payables				
(i) Total outstanding dues of micro and small enterprises	9(a)	270.0	270.6	147.1
(ii) Total outstanding dues of creditors other than micro and small enterprises	9(b)	127,853.4	142,256.1	116,846.1
Other current liabilities	10	101,745.9	94,379.4	87,900.3
Short-term provisions	11	2,779.5	3,562.6	3,624.6
		256,429.2	252,548.6	257,389.0
TOTAL		822,945.9	859,191.6	776,398.9
II ASSETS				
(1) Non-current assets				
Fixed assets	12			
Tangible assets		528,115.3	504,959.8	453,864.9
Intangible assets		865.9	949.4	975.9
Capital work-in-progress		66,651.6	80,661.8	93,289.7
Intangible assets under development		2,388.6	1,990.9	707.8
		598,021.4	588,561.9	548,838.3
Goodwill on consolidation	27(5)(a)	9,565.0	15,853.6	15,618.6
Non-current investments	13	6,184.3	5,989.5	5,947.3
Deferred tax assets (net)	5	2,748.6	2,652.8	-
Long-term loans and advances	14	50,568.6	51,641.0	47,771.5
Other non-current assets	15	5,440.4	6,319.7	3,720.5
		672,528.3	671,018.5	621,896.2
(2) Current assets				
Current investments	16	-	3.0	680.1
Inventories	17	84,033.5	110,090.4	81,551.2
Trade receivables	18	28,016.0	24,997.5	22,924.4
Cash and bank balances	19	7,339.8	19,132.5	6,629.7
Short-term loans and advances	14	28,478.5	32,691.2	41,618.5
Other current assets	20	2,549.8	1,258.5	1,098.8
		150,417.6	188,173.1	154,502.7
TOTAL		822,945.9	859,191.6	776,398.9

See accompanying Notes 1 to 27 forming part of the consolidated summary 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: 22 March, 2017

JSW STEEL LIMITED

CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. in million)

	Note no.	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
I. Revenue from operations	21	463,040.6	574,928.0	554,315.1
Less: Excise duty		44,251.8	45,212.9	42,118.9
		418,788.8	529,715.1	512,196.2
II. Other income	22	1,682.1	1,114.4	858.1
III. Total revenue (I + II)		420,470.9	530,829.5	513,054.3
IV. Expenses:				
Cost of materials consumed		212,568.6	308,519.8	302,217.9
Purchases of stock-in-trade		162.0	2,884.4	2,155.8
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	13,747.6	(14,882.1)	(1,921.8)
Cost of construction		1,027.8	337.4	887.9
Employee benefits expense	24	15,680.2	15,328.4	12,982.4
Finance costs	25	33,026.8	34,930.3	30,478.6
Depreciation and amortization expense	12 & 27 (7)	31,879.2	34,344.9	31,826.1
Other expenses	26	114,872.7	123,504.3	104,219.4
Total expenses		422,964.9	504,967.4	482,846.3
V. Profit/(loss) before exceptional items and tax (III-IV)		(2,494.0)	25,862.1	30,208.0
VI Exceptional items	27(5)	21,254.1	471.0	17,127.5
VII Profit/(loss) before tax (V-VI)		(23,748.1)	25,391.1	13,080.5
VIII Tax expenses:				
Current tax		890.0	7,440.3	4,441.2
MAT credit entitlement		(458.8)	(7,191.5)	(4,283.7)
Reversal of MAT credit entitlement		1,154.4	-	-
Deferred tax		(16,826.1)	7,945.3	9,043.3
		(15,240.5)	8,194.1	9,200.8
IX Profit/(loss) after taxation but before minority interests and share of profits/(loss) of associates (VII-VIII)		(8,507.6)	17,197.0	3,879.7
X Share of (losses) / profit from associates (net)		137.8	21.0	135.4
XI Share of (losses) / profit attributable to minority interest, (net)		(950.3)	(747.7)	(504.4)
XII Profit/(loss) for the year (IX+X-XI)		(7,419.5)	17,965.7	4,519.5
XIII Earnings per equity share of Rs 10 each:	27(16)			
(1) Basic		(32.08)	72.93	17.35
(2) Diluted		(32.08)	72.93	17.35

See accompanying Notes 1 to 27 forming part of the consolidated summary 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: 22 March, 2017

JSW STEEL LIMITED

CONSOLIDATED SUMMARY CASH FLOW STATEMENT

(Rs. in million)

			For the year ended 31.03.2016		For the year ended 31.03.2015		For the year ended 31.03.2014
A.	**Cash flow from operating activities**						
	Net profit before tax		(23,748.1)		25,391.1		13,080.5
	Adjustments for:						
	Depreciation and amortisation expense	31,879.2		34,344.9		31,826.1	
	(Profit)/loss on sale of fixed assets	213.1		(357.8)		31.3	
	Gain on sale of current investments	(26.6)		(26.5)		(171.9)	
	Gain on sale of long term investment	-		-		(65.6)	
	Interest income	(383.5)		(284.1)		(327.0)	
	Dividend income	(203.5)		(205.4)		(222.6)	
	Interest expenses	27,693.3		26,312.4		22,896.2	
	Unrealised exchange loss/(gain)	8,782.6		3,309.6		(1,879.2)	
	Provision for diminution in value of investments,assets and goodwill	18,693.0		16.5		-	
			86,649.6		63,109.6		52,087.3
	Operating profit before working capital changes		62,901.5		88,500.7		65,167.8
	Adjustments for:						
	Decrease / (Increase) in inventories	26,056.9		(28,539.2)		(9,755.4)	
	(Increase) in trade receivables*	(3,018.5)		(2,073.1)		2,838.1	
	Decrease in loans and advances*	3,512.9		2,859.8		687.6	
	(Decrease) / Increase in trade payable and other liabilities*	(20,515.8)		25,428.3		(28,539.8)	
	Increase in provisions*	153.4		307.8		(244.0)	
			6,188.9		(2,016.4)		(35,013.5)
	Cash flow from operations		69,090.4		86,484.3		30,154.3
	Direct taxes paid		(2,055.1)		(7,727.8)		(4,037.5)
	Net cash generated from operating activities		67,035.3		78,756.5		26,116.8
B.	**Cash flow from investing activities**						
	Capital expenditure on fixed assets including capital advances		(51,786.8)		(67,206.0)		(57,628.5)
	Proceeds from sale of fixed assets		39.0		2,071.8		185.3
	Investment in joint ventures and associates		-		(400.0)		(7.6)
	Refund of share application money/share of profit from associates		-		397.6		-
	Purchase of other long term investments (net)		(31.0)		(2.0)		(753.2)
	Sale/(purchase) of current investments (net)		29.6		703.6		928.8
	Bank deposits not considered in cash and cash equivalents		8,316.9		(9,731.3)		(181.6)
	Interest received		427.5		260.6		340.0
	Dividend received		203.5		205.4		222.6
	Net cash used in investing activities		(42,801.3)		(73,700.3)		(56,894.2)
C	**Cash flow from financing activities**						
	Proceeds from long-term borrowings		61,778.5		139,120.7		82,834.1
	Repayment of long-term borrowings		(69,679.8)		(74,790.0)		(52,420.3)
	Proceeds from/ repayment of short term borrowings (net)		11,682.0		(36,957.9)		29,876.1
	Interest paid		(27,996.8)		(25,626.4)		(24,130.8)
	Dividend paid (including corporate dividend tax)		(3,536.0)		(3,437.2)		(3,154.5)
	Net cash (used in)/ generated from financing activities		(27,752.1)		(1,690.8)		33,004.6
	Net (decrease) / increase in cash and cash equivalents(A+B+C)		(3,518.1)		3,365.4		2,227.2
	Cash and cash equivalents - opening balances		9,129.1		5,785.9		3,023.8
	Add: On account of composite scheme of amalgamation and arrangement (refer note 27(4))		-		-		505.0
	Add : Translation adjustment in cash and cash equivalents		58.3		(22.2)		29.9
	Cash and cash equivalents - closing balances (refer note 19)		5,669.3		9,129.1		5,785.9
	Add : Margin money / Fixed deposit balance		1,436.6		9,769.1		612.4
	Add : Balance in debenture interest/ installments/dividend payment accounts		233.9		234.3		231.4
	Cash and bank balances (refer note 19)		7,339.8		19,132.5		6,629.7

* Includes current and non current

Note

The consolidted summary 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 consolidated summary 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

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: 22, March, 2017

JSW STEEL LIMITED

NOTES FORMING PART OF THE CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

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 summary 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:

1. Subsidiary companies:

Name of the company	Country of incorporation	Shareholding 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 & 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 (ceased w.e.f 17 November 2015)	United Kingdom	- (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
JSW Steel (USA) Inc.	United States of America	90% (90%) (90%)	Manufacturing plates, pipes and double jointing

DHLI

Name of the company	Country of incorporation	Shareholding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
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%) (100%)	Mining company
Periama Handling, LLC	United States of America	100% (100%) (100%)	Coal loading company

DHL)

Name of the company	Country of incorporation	Shareholding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
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 (liquidated in Jun 15)	Mali	- (100%) (100%)	Mining company
JSW ADMS Carvao Limitada	Mozambique	100 % (100%) (100%)	Mining company
JSW Steel East Africa Limited	Kenya	100% (100%) (100%)	Mining company

DHU

Name of the company	Country of incorporation	Shareholding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
JSW Steel Processing Centres Limited	India	100% (100%) (100%)	Steel service center
JSW Bengal Steel Limited	India	98.65% (98.63%) (98.57%)	Steel plant
JSW Natural Resources India Limited	India	98.65% (98.63%) (98.57%)	Mining related company
JSW Energy (Bengal) Limited	India	98.65% (98.63%) (98.57%)	Power plant
JSW Natural Resource Bengal Limited	India	98.65% (98.63%) (98.57%)	Mining related company
Barbil Beneficiation Company Limited	India	98.65% (98.63%) (98.57%)	Beneficiation plant
Barbil Iron Ore Company Limited	India	98.65% (98.57%) (98.57%)	Mining company
JSW Jharkhand Steel Limited	India	100% (100%) (100%)	Steel plant and mining
JSW Steel Coated Products Limited	India	100% (100%) (100%)	Steel plant
Amba River Coke Limited	India	100% (100%) (100%)	Coke oven and Pellet plant
Nippon Ispat Singapore (PTE) Limited	Singapore	100% (100%) (100%)	Mining company

DHW

Name of the company	Country of incorporation	Shareholding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
Erebus Limited	Mauritius	100% (100%) (100%)	Mining company
Arima Holdings Limited	Mauritius	100% (100%) (100%)	Mining company
Lakeland Securities Limited	Mauritius	100% (100%) (100%)	Mining company
Peddar Realty Private Limited	India	100% (100%) (100%)	Real estate
Everbest Steel & Mining Holdings Limited (ceased w.e.f 4 December 2015) (w.e.f. 13 February 2015)	India	- (60%) (-)	Mining company
JSW Steel (Salav) Limited (Formerly known as Welspun Maxsteel Limited) (w.e.f. 31 October 2014)	India	99.87% (99.85%) (-)	Steel plant

2. Jointly controlled entities:

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
Geo Steel LLC	Georgia	49% (49%) (49%)	Manufacturing of TMT rebar

DHL

Name of the company	Country of incorporation	Proportion of ownership interest at year end	Nature of operations (commenced / planned)
JSW Severfield Structures Limited	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
JSW Vallabh Tinplate Private Limited (w.e.f. 07 April 2014)	India	50% (50%) (-)	Steel plant

3. Associate companies:

Name of the company	Country of incorporation	Proportion of ownership interest at year end	Nature of operations (commenced / planned)
JSW 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.
Dolvi Minerals & Metals Private Limited (w.e.f. 27 November 2014)	India	40% (40%) (-)	Trading in steel and allied products
Dolvi Coke Projects Limited (w.e.f 4 December 2014)	India	40% (40%) (-)	Coke oven plant

DHU

The Company has 26% stake in JSW Praxair Oxygen Private Limited (JPOPL). Though the Company is entitled to exercise joint control in respect of certain operating and financial matters as per the terms of the shareholders' agreement, on account of certain constraints, it is unable to exercise such joint control. The Company has a representation on JPOPL's Board. JPOPL has therefore been accounted for as an associate in consolidated summary 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

1.1 **Basis of accounting and preparation of consolidated summary financial statements**

The Consolidated Summary Financial Statements are based on and have been extracted by the Management of the Company from the Audited Consolidated Financial Statements of the Company for the financial years ended 31 March, 2016, 31 March, 2015 and 31 March, 2014. The Consolidated Summary Financial Statements as at end/ for the years ended 31 March, 2016, 31 March, 2015 and 31 March, 2014 has been regrouped/ reclassified wherever necessary to correspond with the presentation/ disclosure requirements of the financial year ended 31 March, 2016.

The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for the assets and liabilities acquired under the composite scheme of Amalgamation and Arrangement which are recorded at their respective fair values. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses 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.

Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per Accounting Standard 27 "Financial Reporting of

Interests in Joint Ventures". The intra-group balances, intra-group transactions and unrealized profits or losses have been eliminated to the extent of the Group's share in the entity.

The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments. 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 31 March, 2016 which is the reporting period of the Company.

The excess of cost to the Group of its investment in the subsidiary companies, jointly controlled entities and associate companies over its share of equity or net assets is recognized as Goodwill. On the other hand, where share in equity or net assets as on the date of investment in subsidiary companies, jointly controlled entities and associate companies as on the date of investment is in excess of cost of investment of the Group, it is recognized as Capital reserve in the Consolidated financial statements under Reserves and surplus.

1.2 Uniform accounting policies

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

1.3 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses during the year. The Management believes that the estimates used in preparation of consolidated financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Future results could differ due to these estimates and the differences between the actual results and estimates are recognized in the periods in which the results are known/materialize.

DHW

1.4 **Inventories**

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined by the weighted average cost method.

Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

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 23).

1.5 **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

1.6 **Depreciation and amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets of the Company and its India subsidiaries, Jointly controlled entities and associates has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Class of assets	Years
Plant and machinery	8 to 40 years
Work-rolls	1 year

DHL

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

Depreciation on the tangible fixed assets of the Company's foreign subsidiaries and jointly controlled entities has been provided on straight-line method as per the estimated useful life of such assets as follows:

Class of assets	Years
Buildings	15 to 50 years
Plant and machinery	3 to 30 years
Furniture and fixtures	3 to 10 years
Vehicles and aircrafts	4 to 5 years
Office equipment	3 to 10 years

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 Consolidated 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.

Intangible assets are amortised over their estimated useful lives on straight line method as follows:

Class of assets	Years
Computer software	3 to 5 years
Licenses	Over the period of license

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

In respect of few Jointly controlled entities, depreciation is calculated on written down value basis, however the same is not material in context of the consolidated financial statements.

1.7 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 recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax. Export turnover includes related export benefits.

Contract revenue

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Consolidated Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Consolidated Statement of Profit and Loss in the period in which such probability occurs.

1.8 Other income

Interest income is accounted on accrual basis when there is no significant uncertainty as to its realization or collection. Dividend income is accounted for, when the right to receive the income is established.

1.9 Fixed assets (Tangible/Intangible)

Tangible assets are stated at their cost of acquisition or construction except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated depreciation and impairment losses, if any.

The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other

DHU

incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Group has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

In respect of mining projects, the Group 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.

Capital work-in-progress:
Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

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 Group and the cost of the assets can be measured reliably. Intangible assets are stated at cost except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated amortisation and impairment loss, if any.

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Expenditure on Research and development (refer note 1.20) eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

1.10 Foreign currency transactions and translations

Initial recognition

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transaction.

Measurement at balance sheet date

Foreign currency monetary items outstanding at the year end (other than derivative contracts which are accounted as per note 1.23) are translated at the exchange rate prevailing as at the balance sheet date. Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction- also refer note 1.12.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Consolidated Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are is amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

1.11 Government grants, subsidy and export incentives

Government grants and subsidies are recognised only when there is reasonable assurance that the conditions attached to them will be complied with and grants / subsidies will be received. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

1.12 Investments

Long-term investments are carried individually at cost except for investments acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less provision for diminution, other than temporary, in the value of such investments. Current

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investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

1.13 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Employee benefits such as salaries, performance incentives, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident fund and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense in the Consolidated Statement of Profit and Loss in the period in which the service is rendered.

The cost of compensated absences which is expected to occur within twelve months after the end of the period in which the employee renders the related service, is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Employee benefits under defined benefit plans such as gratuity fund 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 Consolidated 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 Consolidated Statement of Profit and Loss.

1.14 Employee share based payments

The Company has issued an Employee Stock Option Plan – 2012 to the Employees. Employee Stock Options are accounted under the 'Intrinsic Value Method'. Accordingly, the Company amortises the excess of market price of Share over exercise price of the Option over the vesting period specified in Employee stock option plan.

1.15 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss

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over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

1.16 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

1.17 Leases

(i) Finance lease

Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Where the Group as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

(ii) Operating leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

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1.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

1.19 Taxes on income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of the applicable tax laws of respective jurisdictions where the entities are located.

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

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The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

1.20 Research and development expenses

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for fixed assets.

1.21 Impairment

The carrying values of assets /cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss.

1.22 Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes to the

DHU

consolidated financial statements. Contingent assets are not recognised in the consolidated financial statements.

1.23 Derivative financial instruments and hedge accounting

Group enters into derivative financial instruments such as foreign exchange/ commodity forward and option contracts, interest rate swaps and currency options to manage its exposure to commercial risks associated with commodity price, foreign exchange and interest rate fluctuations. The Company does not enter into derivative contracts for trading or speculative purposes.

Foreign exchange forward contracts or instruments which are in substance forward exchange contracts closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations (refer note 1.10).

Group applies the hedge accounting principles set out in "Accounting Standard 30 (AS 30) - Financial Instruments: Recognition and Measurement", and accordingly designates certain derivatives as hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). Group does not enter into derivative contracts for trading or speculative purposes.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a "Hedging Reserve Account" under Reserves and surplus. The gain or loss relating to the ineffective portion is recognized immediately in the Consolidated Statement of Profit and Loss. Amounts deferred in the Hedging Reserve Account are recycled in the Consolidated Statement of Profit and Loss in the periods when the hedged item is recognized in the Consolidated Statement of Profit and Loss, in the same line as the hedged item.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Consolidated Statement of Profit and Loss.

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 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 Consolidated 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 Consolidated Statement of Profit and Loss.

In respect of all other derivative contracts, which are not designated for hedge accounting (in terms of AS 30) and not covered under Accounting Standard (AS) 11: The Effects of Changes in Foreign Exchange Rates, the gains / losses arising from settlement and net marked to market (MTM) losses in respect of outstanding derivative contracts as at balance sheet date are recognised in the same

DHU

line as the hedge item in the Consolidated Statement of Profit and Loss. The net MTM gains in respect of outstanding derivatives contracts are not recognised adopting the principles of prudence.

1.24 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Consolidated Statement of Profit and Loss.

1.25 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

(Rs. In million)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Note 2			
Share capital			
a Authorised :			
6,01,50,00,000 (FY 2015 - 6,01,50,00,000, and FY 2014 - 6,01,50,00,000) Equity shares of the par value of Rs.10 each	60,150.0	60,150.0	60,150.0
3,00,00,00,000 (FY 2015 - 3,00,00,00,000 and FY 2014 - 3,00,00,00,000) Preference shares of the par value of Rs.10 each	30,000.0	30,000.0	30,000.0
	90,150.0	90,150.0	90,150.0
b Issued and subscribed:			
24,17,22,044 (FY 2015 - 24,17,22,044 and FY 2014 - 24,17,22,044) Equity shares of Rs. 10 each fully paid up	2,417.2	2,417.2	2,417.2
27,90,34,907 (FY 2015 - 27,90,34,907 and FY 2014 - 27,90,34,907) 10% Cumulative redeemable preference shares of Rs. 10 each fully paid up	2,790.3	2,790.3	2,790.3
48,54,14,604 (FY 2015 - 48,54,14,604 and FY 2014 - 48,54,14,604) 0.01% Cumulative redeemable preference shares of Rs. 10 each fully paid up	4,854.1	4,854.1	4,854.1
	10,061.6	10,061.6	10,061.6
c Equity shares forfeited (amount originally paid-up)	610.3	610.3	610.3
	10,671.9	10,671.9	10,671.9

d Reconciliation of number of shares and amount outstanding at the beginning and end of the years :

	Number of share			Amount (Rs. in million)		
Equity shares:						
Outstanding at the beginning of the year	241,722,044	241,722,044	223,117,200	2,417.2	2,417.2	2,231.2
Issued during the year (on account of composite scheme of amalgamation and arrangement) (refer note 27(4))	-	-	18,604,844	-	-	186.0
Outstanding at the end of the year	241,722,044	241,722,044	241,722,044	2,417.2	2,417.2	2,417.2
Preference shares:						
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	2,790.3	2,790.3	2,790.3
0.01% Cumulative redeemable preference shares						
Outstanding at the beginning of the year	485,414,604	485,414,604	-	4,854.1	4,854.1	-
Issued during the year (on account of composite scheme of amalgamation and arrangement) (refer note 27(4))	-	-	485,414,604	-	-	4,854.1
Outstanding at the end of the year	485,414,604	485,414,604	485,414,604	4,854.1	4,854.1	4,854.1

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 each and 0.01% cumulative redeemable preference shares (CRPS2) of Rs 10 each.

Each holder of CRPS1 is entitled to one vote per share, in proportion to the amount paid on CRPS1 held, only on resolutions placed before the Company which directly affect the rights attached to CRPS1. 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:

Equity shares				
JFE Steel International Europe B.V	No of Shares	36,258,307	36,258,307	36,258,307
	%	15.00%	15.00%	15.00%
JSW Holdings Limited	No of Shares	17,368,923	17,284,923	17,284,923
	%	7.19%	7.15%	7.15%
Vividh Consultancy and advisory Services Private Limited	No of Shares	13,885,669	13,885,669	7,580,164
	%	5.74%	5.74%	3.14%
JSW Investment Private Limited	No of Shares	13,516,309	13,516,309	12,599,601
	%	5.59%	5.59%	5.21%
Preference shares				
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	338,586,951	338,586,951
	%	69.75%	69.75%	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:

(i) 1,86,04,844 Equity 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 27(4)).

(ii) 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 27(4)).

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(Rs. in million)

		As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
	Note 3			
	Reserves and surplus			
a	**Capital reserve**			
	As per last Balance Sheet	35,845.0	35,845.0	5,293.8
	Add: On account of composite scheme of amalgamation and arrangement (refer note 27(4))	-	-	30,551.2
		35,845.0	35,845.0	35,845.0
b	**Capital redemption reserve**			
	As per last Balance Sheet	99.0	99.0	99.0
		99.0	99.0	99.0
c	**Securities premium account**			
	As per last Balance Sheet	54,166.3	54,166.3	54,166.3
		54,166.3	54,166.3	54,166.3
d	**Debenture redemption reserve**			
	As per last Balance Sheet	1,303.4	660.2	118.6
	Add : Transfer from / (to) surplus in Consolidated Summary Statement of Profit and Loss	3,024.4	643.2	541.6
		4,327.8	1,303.4	660.2
e	**Hedging reserve**			
	As per last Balance Sheet	249.4	3,539.7	(88.3)
	Add: On account of composite scheme of amalgamation and arrangement (refer note 27(4))	-	-	0.5
	Add: Effect of foreign exchange rate variation on hedging instruments outstanding at the end of the year	701.8	249.4	3,539.7
	Less/(Add): Amount transferred to / (from) Consolidated Summary Statement of Profit and Loss	249.4	3,539.7	(87.8)
		701.8	249.4	3,539.7
f	**General reserve**			
	As per last Balance Sheet	104,211.9	102,041.9	100,701.9
	Add : Transfer from surplus in Consolidated Summary Statement of Profit and Loss	-	2,170.0	1,340.0
		104,211.9	104,211.9	102,041.9
g	**Foreign currency translation reserve account**			
	As per last Balance Sheet	(2,684.5)	(1,583.4)	(752.6)
	Add : Pursuant to the composite scheme of amalgamation and arrangement (refer note 27(4))	-	-	(0.2)
	Movement during the year	(2,041.6)	(1,101.1)	(830.6)
		(4,726.1)	(2,684.5)	(1,583.4)
h	**Capital reserve on consolidation**			
	As per last Balance Sheet	5,935.9	3,297.0	2,961.9
	Movement during the year	195.5	2,638.9	335.1
		6,131.4	5,935.9	3,297.0
i	**Foreign currency monetary item translation difference account (FCMITDA)**			
	As per last Balance Sheet	(1,447.0)	(401.1)	405.4
	Add: Effect of foreign exchange rate variations during the year	(2,966.7)	(1,616.2)	(898.8)
	Less: Amortisation for the year	1,383.0	570.3	92.3
		(3,030.7)	(1,447.0)	(401.1)
k	**Surplus in Consolidated Summary Statement of Profit and Loss**			
	As per last Balance Sheet	22,189.5	11,046.9	4,899.5
	Add : Profit/(loss) for the year	(7,419.5)	17,965.7	4,519.5
	Add : Pursuant to the composite scheme of amalgamation and arrangement (refer note 27(4))	-	-	7,164.4
	Less : Depreciation on transition to schedule II of the Companies Act, 2013 (refer note 27(7))	1,187.1	473.9	-
	Less:			
	Dividend on additonal equity shares issued (Rs nil per share (FY 2014-15 Rs Nil per share and FY 2013-14 Rs 10 per share))	-	-	217.7
	Dividend on preference shares (Rs 1 per share (FY 2015 Rs 1 per share and FY 2014 Rs 1 per share))	279.0	279.0	279.0
	Proposed final dividend on equity shares (Rs. 7.50 per share (FY 2014-15 Rs 11 per share and FY 2013-14 Rs 11 per share))	1,812.9	2,658.9	2,658.9
	Corporate dividend tax on proposed dividend	425.9	598.1	499.3
	Transferred to:			
	General reserve	-	2,170.0	1,340.0
	Debenture redemption reserve	3,024.4	643.2	541.6
		8,040.7	22,189.5	11,046.9
		205,767.1	219,868.9	208,711.5

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(Rs. in million)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
		Non-current			Current (Refer note 10)	
Note 4						
Long-term borrowings						
Bonds / Debentures						
Bonds						
4.75 % Foreign currency bonds (unsecured)	33,166.5	31,295.4	-	-	-	-
Debentures (secured) .						
10.34 % Non convertible debentures of Rs. 10 lacs each	10,000.0	10,000.0	10,000.0	-	-	-
10.02 % Non convertible debentures of Rs. 10 lacs each	10,000.0	10,000.0	10,000.0	-	-	-
11 % Non convertible debentures of Rs. 10 lacs each	10,000.0	10,000.0	10,000.0	-	-	-
11.93 % Non Convertible Debentures of Rs. 10 lacs each	-	-	-	-	-	62.8
10.60 % Non convertible debentures of Rs. 8.75 lacs each	2,406.3	3,281.3	3,500.0	875.0	218.8	-
9.72 % Non convertible debentures of Rs. 10 lacs each	4,000.0	4,000.0	-	-	-	-
10.40 % Non convertible debentures of Rs. 10 lacs each	2,500.0	2,500.0	-	-	-	-
10.60 % Non convertible debentures of Rs. 10 lacs each	4,250.0	4,250.0	-	-	-	-
9.66 % Non convertible debentures of Rs. 10 lacs each	3,000.0	3,000.0	-	-	-	-
10.50 % Non convertible debentures of Rs. 10 lacs each	1,750.0	1,750.0	-	-	-	-
10.10 % Non convertible debentures of Rs. 9.375 lacs each	2,187.5	4,687.5	7,187.5	2,500.0	2,500.0	2,500.0
10.25 % Non convertible debentures of Rs. 6.67 lacs each	1,666.7	3,333.3	5,000.0	1,666.7	1,666.7	-
9.62 % Non convertible debentures of Rs. 10 lacs each	3,000.0	3,000.0	-	-	-	-
10.20 % Non convertible debentures of Rs. 10 lacs each	2,000.0	2,000.0	-	-	-	-
10.20 % Non convertible debentures of Rs. 10 lacs each	5,000.0	5,000.0	-	-	-	-
10.40 % Non convertible debentures of Rs. 10 lacs each	1,750.0	1,750.0	-	-	-	-
10.55 % Non convertible debentures of Rs. 10 lacs each	-	1,500.0	1,500.0	1,500.0	-	-
10.55 % Non convertible debentures of Rs. 10 lacs each	-	10,000.0	10,000.0	10,000.0	-	-
10.50 % Non convertible debentures of Rs. 10 lacs each	-	750.0	1,500.0	750.0	750.0	-
10.98 % Non convertible debentures of Rs. 0.25 lacs each *	-	19.5	97.5	19.5	78.0	78.0
	63,510.5	80,821.6	58,785.0	17,311.2	5,213.5	2,640.8
Term loans						
(Secured)						
Rupee term loans from banks	104,871.8	97,323.1	106,311.5	7,613.2	7,130.4	9,070.6
Foreign currency term loans from banks	44,135.9	48,328.9	38,084.1	3,339.2	5,758.8	16,157.4
Rupee term loans from financial institutions	-	-	30.0	-	28.1	112.2
(Unsecured)						
Foreign currency term loans from banks	81,218.3	77,806.9	62,341.5	14,535.4	12,635.7	3,403.7
	230,226.0	223,458.9	206,767.1	25,487.8	25,553.0	28,743.9
Other loans (unsecured)	-	42.7	48.1	-	0.2	-
Deferred payment liabilities						
Deferred sales tax loan (unsecured)	1,029.2	1,147.7	1,200.6	117.4	112.1	108.1
Finance lease obligation (secured) (refer note 27(13)(a)(ii))	-	-	225.4	-	173.2	231.1
	327,932.2	336,766.3	267,026.2	42,916.4	31,052.0	31,723.9

* Rate was 11.93% till Decemeber 2015

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(Rs. in million)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Note 5			
Deferred tax liabilities (net)			
a **Deferred tax liability and assets (net) classified on a company wise basis:**			
Deferred tax liability	14,201.7	31,547.1	21,234.2
Deferred tax assets	(2,748.6)	(2,652.8)	-
	11,453.1	28,894.3	21,234.2
b **Deferred tax liability comprises of timing differences on account of**			
Difference between book balance and tax balance of fixed assets	64,421.2	58,408.3	50,839.4
Others	99.8	65.3	-
	64,521.0	58,473.6	50,839.4
Deferred tax assets comprises of timing differences on account of			
Expenses allowable on payment basis (under section 43B of Income Tax Act, 1961)	898.4	647.6	644.8
Provision for doubtful debts / advances	16,843.0	1,263.0	1,871.7
Business loss / Unabsorbed depreciation	35,276.0	27,621.2	26,856.6
Others	50.4	47.5	232.1
	53,067.9	29,579.3	29,605.2
Net deferred tax liabilities	11,453.1	28,894.3	21,234.2

Note: Deferred tax asset on unabsorbed depreciation and brought forward business losses has been recognized to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax, and based on long-term committed contracts with customers in respect of certain subsidiaries.

(Rs. in million)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
		Non-current			Current (Refer note 10)	
Note 6						
Other long-term liabilities						
Rent and other deposits	1,396.4	1,754.3	2,251.8	681.4	824.7	854.2
Retention money for capital projects	79.9	385.1	3,156.0	4,754.2	4,231.9	1,416.9
Acceptances on capital projects	3,539.9	-	-	-	-	-
Other payables	1,910.5	3,769.6	3,692.6	1,990.0	845.0	811.3
	6,926.7	5,909.0	9,100.4	7,425.6	5,901.6	3,082.4
Note 7						
Long-term provisions						
Provision for employee benefits:						
- Provison for compensated absences (refer note 27(11)(b)(iii))	647.0	613.2	595.6	302.6	243.4	17.1
- Provision for gratuity (refer note 27(11)(b)(i))	34.3	27.1	-	1,297.9	1,155.4	745.0
Provision for contingency (refer note 27(9))	149.4	149.4	-	-	-	-
Mine closure obligation *	95.5	90.1	-	-	-	-
Other provisions	23.1	23.6	-	3.6	4.3	-
	949.3	903.4	595.6	1,604.1	1,403.1	762.1

* Addition during the year is on account of exchange difference.

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(Rs. in million)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Note 8			
Short-term borrowings			
Working capital loans from banks (secured)			
- Rupee loans	4,275.3	1,480.1	20,143.6
- Foreign currency loans	-	2,158.1	-
Foreign currency loans from banks (unsecured)	3,185.1	333.4	-
Rupee loans from banks (unsecured)	16,320.0	5,270.0	18,550.0
Commercial papers (unsecured)	-	2,750.0	10,000.0
Foreign curreny loans from others (unsecured)	-	88.3	177.3
	23,780.4	12,079.9	48,870.9
Note 9 (a)			
Total outstanding dues of micro and small enterprises	270.0	270.6	147.1
	270.0	270.6	147.1
Note 9 (b)			
Total outstanding dues of creditors other than micro and small enterprises			
Acceptances	90,998.9	108,876.2	81,592.9
Other than acceptances	36,854.5	33,379.9	35,253.2
	127,853.4	142,256.1	116,846.1
Note 10			
Other current liabilities			
Current maturities of long-term debt (refer note 4)	42,916.4	31,052.0	31,723.9
Current dues of other long-term liabilities (refer note 6)	7,425.6	5,901.6	3,082.4
Current dues of long-term employee benefits (refer note 7)	1,604.1	1,403.1	762.1
Payables for capital projects	32,486.7	38,138.7	38,205.7
Advances from customers	3,682.5	5,129.8	3,151.9
Interest accrued but not due on borrowings	4,966.3	4,741.7	2,954.4
Statutory liabilities (includes indirect taxes, provident fund etc.)	6,055.6	6,342.1	5,751.8
Unclaimed matured debentures and interest accured thereon	3.8	9.2	14.8
Unclaimed dividends	163.7	158.6	149.3
Unclaimed amounts of sale proceeds of fractional shares	66.4	66.5	67.3
Others (includes forward contract payable, dharmada payable etc.)	2,374.8	1,436.1	2,036.7
	101,745.9	94,379.4	87,900.3
Note 11			
Short-term provisions			
Proposed dividend on preference shares	279.0	279.0	279.0
Proposed dividend on equity shares	1,812.9	2,658.9	2,658.9
Corporate dividend tax	425.9	598.1	499.3
Provision for tax (net of advance tax)	154.2	26.6	187.4
Other provisions	107.5	-	-
	2,779.5	3,562.6	3,624.6

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JSW STEEL LIMITED

NOTES FORMING PART OF THE CONSOLIDATED SUMMARY FINANCIAL STATEMENTS
Note no 12
Fixed assets

(Rs. in million)

		Gross block							Accumulated depreciation / amortisation / impairment								Net block
		As at 01.04.2015/ 01.04.2014/ 01.04.2013	Acquired under composite scheme of amalgamation and arrangement /subsidiaries/ joint ventures (refer note 27(4))	Additions	Deductions	Other adjustments (refer note (f) below)	Translation reserve	As at 31.03.2016/ 31.03.2015/ 31.03.2014	As at 01.04.2015/ 01.04.2014/ 01.04.2013	Acquired under composite scheme of amalgamation and arrangement /subsidiaries/ joint ventures	Impairment (refer note 27 (5)(a))	For the year	Deductions	Transfer to reserve (refer note 27 (7))	Translation reserve	As at 31.03.2016/ 31.03.2015/ 31.03.2014	As at 31.03.2016/ 31.03.2015/ 31.03.2014
Tangible assets																	
Freehold land (refer note (a) & (b) below)	2015-16	14,021.8	-	54.8	-	-	17.7	14,094.3	184.8	-	36.9	-	-	-	0.9	222.6	13,871.7
	2014-15	12,265.9	675.2	1,074.0	0.2	-	6.9	14,021.8	184.8	-	-	-	-	-	-	184.8	13,837.0
	2013-14	3,013.2	8,292.6	991.7	62.5	-	30.9	12,265.9	184.8	-	-	-	-	-	-	184.8	12,081.1
Leasehold land (refer note (c) below)	2015-16	7,595.0	-	632.6	-	-	-	8,227.6	244.6	-	-	87.0	-	-	(0.1)	331.5	7,896.1
	2014-15	4,628.3	2,966.7	-	-	-	-	7,595.0	107.9	77.1	-	60.3	-	-	(0.7)	244.6	7,350.4
	2013-14	2,198.2	2,337.7	92.4	-	-	-	4,628.3	45.9	18.3	-	43.7	-	-	-	107.9	4,520.4
Buildings (refer note (d) below)	2015-16	81,456.6	-	9,173.1	65.2	8.0	692.9	91,265.4	15,700.8	-	1,025.6	3,218.3	65.2	(41.5)	192.6	20,113.6	71,151.8
	2014-15	68,114.6	957.0	12,874.1	721.6	-	222.8	81,446.9	12,420.0	161.7	-	2,714.2	0.4	(333.0)	72.3	15,700.8	65,746.1
	2013-14	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
Plant and machinery@ (refer note (e) below)	2015-16	568,000.2	-	46,443.1	281.1	8,123.9	3,289.0	625,575.1	160,692.0	-	5,068.9	27,903.2	276.1	(1,806.8)	1,279.6	196,474.4	429,100.7
	2014-15	498,853.0	12,230.9	53,305.5	1,331.4	2,997.7	1,953.7	568,009.4	127,376.5	2,189.2	-	30,826.6	416.5	(224.0)	492.2	160,692.0	407,317.4
	2013-14	370,365.2	91,001.8	27,378.0	410.4	5,690.9	4,827.5	498,853.0	99,132.7	(1,442.9)	-	29,085.0	315.7	-	917.4	127,376.5	371,476.5
Furniture and fixtures	2015-16	1,560.6	-	120.9	1.3	-	5.0	1,685.2	825.4	-	-	171.3	1.0	-	4.5	1,000.2	685.0
	2014-15	1,210.8	4.1	307.9	1.9	-	(2.0)	1,518.9	635.1	1.8	-	162.1	0.9	(28.9)	(1.6)	825.4	693.5
	2013-14	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
Vehicles and aircrafts	2015-16	2,013.7	-	132.8	42.6	-	4.8	2,108.7	848.7	-	1.7	163.4	18.7	-	3.3	998.4	1,110.3
	2014-15	1,926.2	7.6	143.8	65.7	-	1.8	2,013.7	714.5	3.0	-	158.3	29.7	(1.5)	1.1	848.7	1,165.0
	2013-14	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
Office equipments	2015-16	620.9	-	102.2	0.9	-	0.9	723.1	337.5	-	-	107.7	0.6	-	0.8	445.4	277.7
	2014-15	434.2	31.8	208.3	9.6	-	(1.6)	663.1	113.3	25.9	-	77.8	8.7	(130.2)	(1.0)	337.5	325.6
	2013-14	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
Mining development and projects	2015-16	8,873.0	-	116.2	-	-	505.2	9,494.4	348.2	-	4,864.0	15.0	-	-	245.2	5,472.4	4,022.0
	2014-15	8,256.4	-	294.2	13.4	-	335.8	8,873.0	272.4	-	-	63.6	-	-	12.2	348.2	8,524.8
	2013-14	7,220.1	-	250.6	-	-	785.7	8,256.4	197.1	-	-	55.2	-	-	20.1	272.4	7,984.0
Tangible assets total (A)	2015-16	684,141.8	-	56,775.7	391.1	8,131.9	4,515.5	753,173.8	179,182.0	-	10,997.1	31,665.9	361.6	(1,848.3)	1,726.8	225,058.5	528,115.3
	2014-15	595,689.4	16,873.3	68,207.8	2,143.8	2,997.7	2,517.4	684,141.8	141,824.5	2,458.7	-	34,062.9	456.2	(717.6)	574.5	179,182.0	504,959.8
	2013-14	444,485.4	106,834.2	32,452.1	563.3	5,690.9	6,790.1	595,689.4	111,007.6	(1,556.4)	-	31,574.9	346.7	-	1,145.1	141,824.5	453,864.9

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JSW STEEL LIMITED

NOTES FORMING PART OF THE CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Note no 12

Fixed assets

(Rs. in million)

		Gross block							Accumulated depreciation / amortisation / impairment								Net block
		As at 01.04.2015/ 01.04.2014/ 01.04.2013	Acquired under composite scheme of amalgamation and arrangement /subsidiaries/ joint ventures (refer note 27(4))	Additions	Deductions	Other adjustments (refer note (f) below)	Translation reserve	As at 31.03.2016/ 31.03.2015/ 31.03.2014	As at 01.04.2015/ 01.04.2014/ 01.04.2013	Acquired under composite scheme of amalgamation and arrangement /subsidiaries/ joint ventures	Impairment (refer note 27 (5)(a))	For the year	Deductions	Transfer to reserve (refer note 27 (7))	Translation reserve	As at 31.03.2016/ 31.03.2015/ 31.03.2014	As at 31.03.2016/ 31.03.2015/ 31.03.2014
Intangible assets -others																	
Software	2015-16	1,344.1	-	161.1	4.7	-	0.4	1,500.9	793.4	-	-	199.6	4.1	-	0.3	989.2	511.7
	2014-15	1,211.2	-	134.0	-	-	(1.1)	1,344.1	596.5	-	-	197.3	-	-	(0.4)	793.4	550.7
	2013-14	722.1	-	489.2	0.1	-	-	1,211.2	440.5	-	-	155.9	0.1	-	0.2	596.5	614.7
Licence fees	2015-16	473.8	-	-	-	-	(7.1)	466.7	133.8	-	-	42.1	-	-	(1.3)	174.6	292.1
	2014-15	377.4	-	99.7	-	-	(3.3)	473.8	98.5	-	-	36.0	-	-	(0.7)	133.8	340.0
	2013-14	252.9	-	116.0	-	-	8.5	377.4	60.1	-	-	38.2	-	-	0.2	98.5	278.9
Mining concession	2015-16	46.4	-	-	-	-	2.7	49.1	-	-	-	-	-	-	-	-	49.1
	2014-15	44.5	-	-	-	-	1.9	46.4	-	-	-	-	-	-	-	-	46.4
	2013-14	40.3	-	-	-	-	4.2	44.5	-	-	-	-	-	-	-	-	44.5
Port concession	2015-16	12.3	-	-	-	-	0.7	13.0	-	-	-	-	-	-	-	-	13.0
	2014-15	37.8	-	-	26.4	-	0.9	12.3	-	-	-	-	-	-	-	-	12.3
	2013-14	32.3	-	2.1	-	-	3.4	37.8	-	-	-	-	-	-	-	-	37.8
Goodwill	2015-16	16.7	-	-	-	-	-	16.7	16.7	-	-	-	-	-	-	16.7	-
	2014-15	-	16.7	-	-	-	-	16.7	-	16.7	-	-	-	-	-	16.7	-
	2013-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets total (B)	2015-16	1,893.3	-	161.1	4.7	-	(3.3)	2,046.4	943.9	-	-	241.7	4.1	-	(1.0)	1,180.5	865.9
	2014-15	1,670.9	16.7	233.7	26.4	-	(1.6)	1,893.3	695.0	16.7	-	233.3	-	-	(1.1)	943.9	949.4
	2013-14	1,047.6	-	607.3	0.1	-	16.1	1,670.9	500.6	-	-	194.1	0.1	-	0.4	695.0	975.9
TOTAL (A+B)	2015-16	686,035.1	-	56,936.8	395.8	8,131.9	4,512.2	755,220.2	180,125.9	-	10,997.1	31,907.6	365.7	(1,848.3)	1,725.8	226,239.0	528,981.2
	2014-15	597,360.3	16,890.0	68,441.5	2,170.2	2,997.7	2,515.8	686,035.1	142,519.5	2,475.4	-	34,296.2	456.2	(717.6)	573.4	180,125.9	505,909.2
	2013-14	445,533.0	106,834.2	33,059.4	563.4	5,690.9	6,806.2	597,360.3	111,508.2	(1,556.4)	-	31,769.0	346.8	-	1,145.5	142,519.5	454,840.8
@ Includes proportionate share (50%) of assets jointly owned																	
Buildings	2015-16	4,580.3	3.1	-	-	-	-	4,583.4	0.4	-	-	76.0	-	-	-	76.4	4,507.0
	2014-15	-	-	4,580.3	-	-	-	4,580.3	-	-	-	0.4	-	-	-	0.4	4,579.9
	2013-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery	2015-16	327.1	-	-	-	-	-	327.1	254.6	-	-	3.7	-	-	-	258.3	68.8
	2014-15	327.1	-	-	-	-	-	327.1	243.1	-	-	11.5	-	-	-	254.6	72.5
	2013-14	327.1	-	-	-	-	-	327.1	225.8	-	-	17.3	-	-	-	243.1	84.0
Capital work-in-progress (refer note (i) below)	2015-16																66,651.6
	2014-15																80,661.8
	2013-14																93,289.7
Intangible assets under development	2015-16																2,388.6
	2014-15																1,990.9
	2013-14																707.8

Notes:

(a) Freehold land includes Rs. 1,033.5 million (FY 2014-15 - Rs 187.6 million and FY 2013-14 - Rs 216.0 million) being the cost of 195.975 acres (FY 2014-15- 40.390 acres and FY 2013-14- 44.763 acres) land, which is yet to be registered in the Company's name.

(b) Freehold land and buildings of Rs. 2,695.3 million (FY 2014-15- Rs. 1,590.3 million and FY 2013-14 - Rs 1,589.4) has been/ agreed to be hypothecated/ mortgaged to lenders of related parties

(c) Leasehold land includes gross block Rs. 3,065.1 million (FY 2014-15 Rs. 3,065.1 million and FY 2013-14 - Rs 98.4 million), net block Rs. 2,926.3 million (FY 2014-15 - Rs. 2,969.2 million and FY 2013-14 Rs 95.6 million) being the cost of 470.707 acres (FY 2014-15 - 470.707 acres and FY 2013-14 - 11.66 acres) land, which is yet to be registered in the Company's name.

(d) Buildings' include roads not owned by the Company amortised over a period of five years. Gross block Rs. 60.8 million (FY 2014-15 - Rs. 60.8 million and FY 2013-14 - Rs 3.13 million) net block Rs. 13.2 million (FY 2014-15 Rs. 14.8 million and FY 2013-14 - Rs nil).

(e) Plant and machinery includes assets held for sale. Gross block Rs. 898.7 million (FY 2014-15 Rs. 898.7 million and FY 2013-14 Rs 898.7 million), Net block Rs. 115.2 million (FY 2014-15 - Rs. 115.2 million and FY 2013-14 - Rs 115.2 million)

(f) Other adjustments comprise:
(i) Borrowing cost of Rs. 1,314.1 million (including Rs. 15.0 million incurred during the current year) (FY 2014-15 - Rs. 832.8 million and FY 2013-14 - Rs 607.2 milion)
(ii) Foreign exchange loss of Rs. 6,817.8 million (including Rs. 4,395.0 million incurred during the current year) (FY 2014-15 - Rs. 2,164.9 million and FY 2013-14 - Rs 5,083.7 million)

(g) For details of assets given on operating lease, refer note 27 (15)

(h) For details of assets taken on finance lease, refer note 27 (14)

(i) CWIP includes interest of Rs. 1,204.7 million (FY 2014-15 - Rs. 1,290.2 million and FY 2013-14 - Rs 1984.4 million) and foregin exchange loss of Rs. 4,364.5 million (FY 2014-15 - year Rs. 1,716.5 million and FY 2013-14 - Rs 6,626.2 million) capitalised during the year.

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(Rs. in million)

		As at 31.03.2016		As at 31.03.2015		As at 31.03.2014
Note 13						
Non-current investments						
(At cost unless stated otherwise)						
i) Equity instruments						
Trade - quoted						
JSW Energy Limited #						
101,605,500 Equity shares of Rs 10 each, fully paid-up		2,515.6		2,515.6		2,513.0
Trade - unquoted						
In associates (refer note a)						
JSW Praxair Oxygen Private Limited						
23,942,125 Equity shares of Rs 10 each, fully paid-up	272.7		272.7		272.7	
Add: share of profit/(loss) (net)	777.1	1,049.8	560.0	832.7	843.3	1,116.0
Dolvi Minerals & Metals Private Limited						
40,000,000 (FY 2014-15 -40,000,000 and FY 2013-14 - Nil) Equity shares of Rs 10 each, fully-paid up	400.0		400.0		-	
(40,000,000 shares are pledged to the associate's banker)						
Add: share of profit/(loss) (net)	(148.5)	251.5	(69.2)	330.8	-	-
In joint ventures						
(interest as investor)						
MJSJ Coal Limited						
10,461,000 Equity shares of Rs.10 each, fully paid up		104.6		104.6		104.6
Toshiba JSW Power Systems Private Limited						
11,000,000 Equity shares of Rs.10 each, fully paid up		110.0		110.0		110.0
Other than trade - unquoted						
SICOM Limited						
600,000 Equity shares of Rs 10 each, fully paid-up		48.8		48.8		48.8
Tarapur Environment Protection Society						
244,885 (FY 2014-15 -29,116 and FY 2013-14 -29,116) Equity shares of Rs.100 each, fully paid up		33.9		2.9		2.9
Steelscape Consultancy Private Limited						
Nil (FY 2014-15 -Nil and FY 2013-14 -10,000) Equity shares of Rs.10 each, fully paid up		-		-		1.0
Investment in co-operative society		1.3		1.3		1.3
ii) Preference shares						
Trade- unquoted						
In joint ventures						
Rohne Coal Company Private Limited						
6,855,359 (FY 2014-15- 6,675,623 and FY 2013-14 - 5,747,811) 1% Non-Cumulative Preference Shares of Rs. 10 each, fully paid up		68.5		66.7		57.4
Rohne Coal Company Private Limited						
24,15,890 (FY 2014-15 - Nil and FY 2013-14 -Nil) Series A - 1% Non-Cumulatie Preference Shares of Rs. 10 each, fully paid upv		24.2		-		-
Others						
JSW Realty & Infrastructure Private Limited						
19,915,000 10% Preference shares of Rs.100 each, fully paid up		1,991.5		1,991.5		1,991.5
iii) Government securities (unquoted)						
Others						
National savings certificates		1.1		1.1		0.8
(Pledged with commercial tax department)						
		6,200.8		6,006.0		5,947.3
Less: Provision for diminution in the value of investment		(16.5)		(16.5)		-
		6,184.3		5,989.5		5,947.3

Note:

	31.03.2016	31.03.2015	31.03.2014
a) Goodwill arising at acquisition	21.6	21.6	1.5
b) SUMMARY			
Quoted			
Aggregate book value (including share of profit/(loss) of associates (net))	2,515.6	2,515.6	2,513.0
Aggregate market value	7,066.6	12,035.1	6,020.1
Unquoted			
Aggregate book value (including share of profit/(loss) of associates (net))	3,668.7	3,473.9	3,434.3

\# Includes shares acquired under the composite scheme of amalgamation and arrangement and accounted at fair value.

(Rs. in million)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
	Non-current			Current		
Note 14						
Long-term / Short-term loans and advances						
(Unsecured)						
Capital advances	7,203.4	9,966.5	13,915.8	-	-	-
Less : Provision for doubtful advances	(83.8)	(955.8)	(912.8)	-	-	-
	7,119.6	9,010.7	13,003.0	-	-	-
Other loans and advances						
Loans and advances						
- To related parties (refer note 27(13))	-	-	-	410.4	536.9	0.5
- To other body corporate	91.0	91.0	91.0	-	-	-
Advances to suppliers	2,594.0	3,719.4	5,189.5	7,321.3	8,646.9	15,089.4
Export benefits and entitlements	796.6	829.1	138.4	1,213.0	2,656.2	3,868.9
Amount recoverable from ESOP trust	-	-	-	1,314.2	1,806.8	2,623.1
Deposits	-	-	-	-	-	-
- Security deposits	1,724.6	1,831.6	1,615.4	2,407.6	1,481.7	1,353.8
- Others	109.2	105.4	185.5	11.2	11.9	8.2
Indirect tax balances/recoverables/credits	8,001.8	7,376.4	7,338.4	12,543.8	14,263.2	13,411.0
Prepayments and others	2,021.4	1,940.9	2,125.1	3,541.1	3,446.4	5,651.7
Advance tax and tax deducted at source (net of provision for tax)	2,233.8	377.6	225.1	25.4	16.3	27.2
Minimum alternative tax credit entitlement	26,762.4	27,975.7	20,848.3	-	8.8	-
Advance towards equity / preference capital (refer note 27(12))	0.2	39.3	77.1	-	-	-
Unbilled revenue	-	-	-	489.8	570.4	343.8
Less : Provision for doubtful loans and advances	(886.0)	(1,656.1)	(3,065.3)	(799.3)	(754.3)	(759.1)
	43,449.0	42,630.3	34,768.5	28,478.5	32,691.2	41,618.5
	50,568.6	51,641.0	47,771.5	28,478.5	32,691.2	41,618.5
Loans and advances constitute:						
Capital advances						
Considered good	7,119.6	9,010.7	13,003.0	-	-	-
Considered doubtful, provided	83.8	955.8	912.8	-	-	-
Other loans and advances						
Considered good	43,449.0	42,630.3	34,768.5	28,478.5	32,691.2	41,618.5
Considered doubtful, provided						
Loans and advances to other body corporate	91.0	91.0	91.0	-	-	-
Advances to suppliers	697.8	1,255.8	2,670.2	-	-	-
Other deposits	2.7	254.7	254.7	-	-	-
Prepayment and others	94.5	54.6	49.4	799.3	754.3	759.1

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JSW STEEL LIMITED

NOTES FORMING PART OF THE CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

(Rs. in million)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Note 15			
Other non-current assets			
(Unsecured, considered good)			
Cash and bank balances (refer note 19)	2,680.2	2,681.5	175.0
Unamortised borrowing costs	2,325.9	3,203.9	3,111.2
Insurance claim receivable	434.3	434.3	434.3
	5,440.4	6,319.7	3,720.5

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Note 16			
Current Investments			
(at lower of cost and fair value) (unquoted)			
Investment in Mutual funds	-	3.0	680.1
	-	3.0	680.1

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Note 17			
Inventories (at lower of cost and net realisable value)			
Raw materials	33,301.5	44,332.5	35,732.0
Work-in-progress	6,355.5	9,178.5	5,932.4
Semi finished/ finished goods	28,846.8	40,471.0	26,213.0
Traded goods	1,711.6	1,592.9	1,898.3
Production consumables and stores and spares	13,762.4	14,410.8	11,741.4
Construction materials	55.7	104.7	34.1
	84,033.5	110,090.4	81,551.2
Details of stock-in-transit included in above			
Raw materials	8,186.6	5,219.0	1,528.6
Semi finished/ finished goods	0.4	-	8.5
Production consumables and stores and spares	59.8	180.6	283.5

(Rs. in million)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
		Non-current			Current	
Note 18						
Trade receivables						
Secured - considered good						
Outstanding for a period exceeding six months from the date they were due for payment (refer note 27(8))				1,595.4	1,720.4	-
Unsecured						
Outstanding for a period exceeding six months from the date they were due for payment						
Considered good				714.1	521.7	2,147.2
Considered doubtful				369.7	3,365.0	3,522.4
Less: provision for doubtful trade receivables				(369.7)	(3,365.1)	(3,522.4)
				714.1	521.6	2,147.2
Other receivables						
Considered good				25,706.5	22,755.5	20,777.2
				28,016.0	24,997.5	22,924.4

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
		Non current (Refer note 15)			Current	
Note 19						
Cash and bank balances						
Cash and cash equivalents						
Balances with banks						
- In current accounts	-	-	-	3,007.0	3,397.8	3,821.7
- In term deposit accounts with maturity of less than 3 months at inception	-	-	-	2,651.2	5,720.8	1,947.2
Cheques on hand	-	-	-	0.2	0.1	10.5
Cash on hand	-	-	-	10.9	10.4	6.5
	-	-	-	5,669.3 *	9,129.1 *	5,785.9 *
Other bank balances						
- In current accounts	-	-	-	233.9	234.3	231.4
- In margin money with maturity of more than 3 months but less than 12 months at inception	-	-	-	22.2	37.8	133.5
In term deposit accounts						
- with maturity of more than 3 months but less than 12 months at inception	-	-		1,414.4	9,731.3	391.6
- with maturity of more than 12 months at inception	2,680.2	2,681.5	175.0	-	-	87.3
	2,680.2	2,681.5	175.0	1,670.5	10,003.4	843.8
	2,680.2	2,681.5	175.0	7,339.8	19,132.5	6,629.7
* Refer cash flow statement						
Earmarked balances						
In current accounts	-	-		233.9	234.3	231.4
In term deposit accounts	2,680.2	2,681.3	175.00	129.2	104.0	204.3
In margin money	-	-		22.2	37.8	133.5

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Note 20			
Other current assets			
Unamortised borrowing costs and premium on forward contracts	2,515.7	1,180.4	1,044.2
Interest accrued on fixed deposits	34.1	78.1	54.6
	2,549.8	1,258.5	1,098.8

DHU

(Rs. in million)

	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
Note 21			
Revenue from operations			
(a) Sale of products			
Domestic turnover	399,532.1	426,901.7	409,486.0
Export turnover	55,330.3	138,022.8	135,598.3
Contract revenue	1,562.4	794.1	1,123.3
	456,424.8	565,718.6	546,207.6
(b) Other operating revenues			
Carbon credits	1.6	-	-
Gain on prepayment of deferred value added/sales tax	4,946.0	6,020.9	4,692.8
Miscellaneous income	1,668.2	3,188.5	3,414.7
	6,615.8	9,209.4	8,107.5
Gross revenue from operations (a+b)	463,040.6	574,928.0	554,315.1
Less: Excise duty	44,251.8	45,212.9	42,118.9
Net revenue from operations	418,788.8	529,715.1	512,196.2

	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
Note 22			
Other income			
Interest income from fixed deposits etc.	383.5	284.1	327.0
Dividend income			
- from long-term investments	203.2	205.3	222.3
- from current investments	0.3	0.1	0.3
Gain on sale of current investments	26.6	26.5	171.9
Profit on sale of long term investments	-	-	65.6
Provision for doubtful debts/loans/advances written back (net)	-	168.4	34.6
Profit on sale of fixed assets (net)	-	357.8	-
Gain on settlement of obligation	868.9	-	-
Miscellaneous income (insurance claim received, rent income etc.)	199.6	72.2	36.4
	1,682.1	1,114.4	858.1

	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
Note 23			
Changes in inventories of finished goods, work-in-progress and stock in trade			
Opening stock :			
Semi finished / finished goods	40,470.4	27,167.9	25,767.0
Work-in-progress	9,178.5	5,898.9	3,622.8
Traded goods	1,592.9	1,898.3	2,273.3
Increase on account of composite scheme of amalgamation and arrangement / acquisition of subsidiaries			
Semi finished / finished goods	-	40.2	15.4
Work-in-progress	-	17.0	1.2
	51,241.8	35,022.3	31,679.7
Closing stock :			
Semi finished / finished goods	28,846.8	40,470.4	26,171.6
Work-in-progress	6,355.5	9,178.5	5,890.5
Traded goods	1,711.6	1,592.9	1,898.3
	36,913.9	51,241.8	33,960.4
	14,327.9	(16,219.5)	(2,280.7)
Excise duty on stock of finished goods (net)	(580.3)	1,337.4	358.9
	13,747.6	(14,882.1)	(1,921.8)

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(Rs. in million)

	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
Note 24			
Employee benefits expense			
Salaries and wages	13,667.2	13,533.0	11,583.8
Contribution to provident and other funds (refer note 27(11))	748.1	779.7	452.0
Gratuity (refer note 27(11)(b))	6.7	7.1	7.0
Staff welfare expenses	1,258.2	1,008.6	939.6
	15,680.2	15,328.4	12,982.4
Note 25			
Finance costs			
Interest expense	30,814.6	31,940.1	28,296.8
Other borrowing costs	2,212.2	2,990.2	2,181.8
	33,026.8	34,930.3	30,478.6
Note 26			
Other expenses			
Stores and spares consumed	24,992.1	26,133.8	23,262.1
Power and fuel	36,659.3	41,231.0	38,133.1
Rent (refer note 27(15))	551.5	589.8	435.7
Repairs and maintenance			
- Plant and machinery	11,303.8	11,231.7	10,289.7
- Buildings	286.8	298.0	344.4
- Others	233.6	235.5	211.5
Insurance	944.8	1,304.3	1,265.2
Rates and taxes	892.7	796.7	648.2
Carriage and freight	16,342.4	23,691.4	19,441.0
Jobwork and processing charges	8,054.9	5,719.9	2,214.2
Commission on sales	418.2	585.9	339.5
Net loss / (gain) on foreign currency transaction and translation #	7,222.3	5,132.0	2,263.6
Donations and contributions *	253.6	1.9	46.9
Miscellaneous expenses	5,878.0	6,101.6	5,293.0
Bad debts/ advance written-off	4,541.0	1,467.2	-
Less: Provions made in earlier years	(4,541.0)	(1,467.2)	-
	-	-	-
CSR expenses	528.6	449.8	-
Provision for doubtful debts/loans/advances (net)	97.0	-	-
Loss on sale of fixed assets (net)	213.1	-	31.3
Write-off of non-current investment	-	1.0	-
	114,872.7	123,504.3	104,219.4
# Including hedging cost i.e. amortization of forward cover premium/discount	5,262.0	5,896.4	4,157.3
* Donation includes paid to Satya Electoral Trust	250.00	-	-

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JSW STEEL LIMITED

NOTES FORMING PART OF THE CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Note 27

1. **Contingent liabilities:**

				Rs in million		
				2015-16	2014-15	2013-14
1)	**Contingent liabilities:**					
	a)	Bills discounted		Nil	1,945.2	35,951.9
	b)	Guarantees		1,296.6	1,628.2	1,458.3
	c)	Disputed claims/levies (excluding interest, if any), in respect of:				
		(i)	Excise Duty	3,883.6	5,514.3	5,125.9
		(ii)	Custom Duty	4,311.0	4,728.8	4,689.0
		(iii)	Income Tax	1,807.8	1,746.4	17.4
		(iv)	Sales tax/ Special entry tax	2,423.0	2,350.2	2,461.5
		(v)	Service tax	1,973.0	1,983.6	1,561.0
		(vi)	Miscellaneous	0.5	0.5	10.5
		(vii)	Levies by local authorities	30.4	30.4	30.4
		(viii)	Claims by suppliers and other parties	1,502.2	6,200.0	5,464.4
	d)	Claims related to Forest Development Tax (including FDT amount paid under protest Rs. 6,650.0 million (FY 2014-15 - Rs. 6,650.0 million and FY 2013-14 - Rs 6,650.0 million)		9,669.8	9,093.8	6,695.4
		In 2008, the State Government of Karnataka levied Forest Development Tax (FDT) treating iron ore as forest produce. In response to writ petitions filed by various stakeholders, the Hon'ble High Court of Karnataka granted partial relief vide judgement dated December 3, 2015. In view thereof, the State Government of Karnataka has stopped levying FDT with effect from January 29, 2016. The State Government of Karnataka has filed an appeal before the Hon'ble Supreme Court of India against the judgement. The Hon'ble Supreme Court while hearing the petition on April 12, 2016 admitted the appeal, and granted an interim stay on refund of the FDT. The matter is posted for final arguments in the month of August 2016.				
	e)	Arrears of fixed cumulative dividend on preference shares (CPRS)		5.6	5.1	4.6
2)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)			58,322.4	63,072.0	37,792.6
3)	**Other Commitments:**					
	a)	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 within the stipulated period. Such export obligations at year end aggregate to		13,907.1	6,569.0	39,735.1
	b)	The Group has imported 73,707 MT of Hot Rolled Coils during the year under Advance License Scheme to utilize the benefit of a zero customs duty rate. This benefit is subject to future exports to be fulfilled over a period of 18 months. Balance export obligation to be fulfilled as on March 31, 2016 is 19,330 MT having duty liability of-		63.3	Nil	Nil

DHW

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 for the period 1 July, 2012 to 31 March, 2013, have been credited to the reserve and surplus under surplus in consolidated summary statement of profit and loss.

The amalgamation is an amalgamation in the nature of purchase as defined 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 resulting from the above is credited to its capital reserve account.

5) Exceptional items comprise provision of:

a. <u>For the year ended 31 March, 2016</u>

1. (i) Rs. 6,133.1 million pertaining to the carrying amount of fixed assets relating to steel operations at USA; (ii) Rs. 6,370.2 million, Rs. 4,074.9 million pertaining to the carrying amounts of Goodwill and Mining Development and Projects respectively relating to iron ore mines at Chile; and (iii) Rs 628.4 million, Rs 789.1 million, Rs 301.2 million pertaining to the carrying amount of Goodwill, Mining Development and Projects, and other related assets respectively relating to coal mines at West Virgina, USA., which provisions are recognised based on estimate of 'recoverable amounts' of the operations/ assets by independent external valuers based on the cash flow projections. In making the said projections, reliance has been placed on estimates in respect of future prices of coal and iron ore, mineable resources, and assumptions relating to operational performance including improvement in capacity utilisation of the plants and margins, and availability of infrastructure for mines.

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2. JSW Steel (USA) Inc (a subsidiary of the Company) has recognised a provision of Rs. 2,915.3 million, in relation to a legal dispute, during the year. A Houston, Texas jury returned a verdict on 25 March 2014 against the subsidiary, along with other co-defendants, in an antitrust lawsuit filed in the United States District Court for the Southern District of Texas. It disagreed with the judgment alongwith award for damages. The subsidiary filed an appeal with the U.S. Court of Appeals, Fifth Circuit. The Court of Appeals affirmed the judgment against the Company and reversed the judgment against the remaining defendant. The Company is in the process of filing a writ of certiorari with the U.S. Supreme Court seeking reversal of the decision of the Court of Appeals.

3. Pursuant to the order of the Honorable Supreme Court dated 24 September 2014 regarding cancellation of the allotment of coal blocks, the Group has made an assessment of recoverable amounts of capital work in progress and fixed assets which are impacted by the said order and recognized provision of Rs. 41.9 million considering the principle of conservatism.

b. <u>For the year ended 31 March, 2015</u>:

1. 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 capital work in progress and fixed assets which are impacted by the said order and recognized provision of Rs. 212.0 million considering the principle of conservatism.

2. The Company has assessed the carrying amount of goodwill on consolidation in respect of a subsidiary, Peddar Realty Private Limited, and recognized an impairment of Rs. 259.0 million.

c. <u>For the year ended 31 March, 2014</u>:

Exceptional items for FY 2014 represents effect of significant movement and volatility in the value of Indian rupee against US dollar.

6) In respect of certain operations of the Group, following basis/assumptions/estimates are considered by the management in concluding that no further provision is presently necessary, in respect of carrying amounts of the related assets:

a. <u>For the year ended 31 March, 2016</u>

i. Integrated Steel Complex at Salboni, Bengal [Capital work in progress Rs. 1,353.8 million, Fixed assets Rs. 2,050.3 million, and Advances Rs. 1,518.1 million - Evaluation of current status of the integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal, and the projections relating to the said complex considering estimates for the future prices of raw materials, foreign exchange rates, operating margins, etc. and the plans for commencing construction of the said complex.

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ii. Goodwill Rs. 878.2 million and Inventories Rs. 1,622.3 million relating to interest in a real estate property - Valuation of the property by an independent expert.

iii. Mining development and projects, license fees, fixed assets and goodwill aggregating to Rs. 939.6 million relating to coal mines at Mozambique - Assessment of minable reserves by independent experts and cash flow projections based on plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities and infrastructure is developed.

iv. Joint control in structural steel works [Fixed Assets (including capital work in progress) Rs 1,019.6 million - Value in use based on estimates and assumptions relating to order book, capacity utilisation, operational performance, market prices of materials, inflation, terminal value, etc.

b. <u>For the year ended 31 March, 2015</u>:

i. Based on a careful evaluation of current status of integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal, and the projections relating to the said complex considering external estimates of market participants for the future prices of raw materials, foreign exchange rates, operating margins, etc., the Management has concluded that no provision is necessary against the carrying amounts of Capital work in progress, fixed assets and other advances aggregating to Rs. 4885.3 million relating to the said project.

ii. The carrying amounts of the Fixed Assets (the Cash Generating Unit) of Rs. 47,480.1 million pertain to Steel operations at JSW Steel (USA) Inc, a foreign 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 no provision for impairment is presently necessary with respect to the aforesaid carrying amounts.

iii. The carrying amounts of (a) Goodwill of Rs. 12,034.4 million, and Mining Development and Projects including related fixed assets of Rs. 6,671.6 million pertain to iron ore mines of a foreign subsidiary JSW Panama Holding Corporation at Chile, and (b) Goodwill of Rs. 2,819.3 million and Mining Development and Projects including related fixed assets of Rs. 4,228.6 million pertain to coal mines of a foreign subsidiary Periama Holding LLC, at West Virgina, USA. In view of the subdued production from the said mines, the Company has considered valuations of the mines carried out by independent external valuers and concluded that no provision for impairment is presently necessary with respect to the aforesaid carrying amounts.

c. <u>For the year ended 31 March, 2014</u>:

i. As at March 31, 2014, the carrying amounts of the fixed assets (the cash generating unit) of Rs. 46,633.1 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.

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7) (a) Pursuant to the requirement prescribed under Schedule II to the Companies Act, 2013 the Group has, based on the external technical advice, effective 1 April 2015, identified components (significant parts) of the main asset having different useful lives as compared to the main asset and consequently revised the estimated useful lives of Plant and Machinery and Buildings. Accordingly, the depreciation charge for the year ended 31 March 2016 is lower by Rs. 5,485.1 million, and an amount of Rs. 1,187.1 million (net of deferred tax) being effect of componentization where the remaining useful life of the component was determined as Nil, has been adjusted against the retained earnings as per transitional provision in Note 7 (b) of Schedule II.

(b) Effective from 1 April 2014, the Group had 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 was lower by Rs. 2,137.2 million for the year ended March 31, 2015. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Group had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and had adjusted an amount of Rs. 473.9 million (net of deferred tax) against the opening Surplus balance in the Consolidated Summary Statement of Profit and Loss under Reserves and Surplus.

8) Trade receivables include Rs. 1,595.4 million (FY 2015 - Rs. 1,720.4 million and FY 2014 – Rs 1,840.2 million) recoverable from a customer towards supply of steel. The Company recovered an amount of Rs 125.0 million from the customer during the year ended 31 March 2016. Pursuant to the Consent Term, filed by the Company and the customer with the Honorable Bombay High Court and adopted by the Court as its order, the receivables of the Company shall be secured by a first ranking pari-passu charge over the fixed assets of the customer and shall be at par with other CDR lenders. The process of creating charge by the Company over the customer's certain fixed assets has been completed and the charge creation for the remaining fixed assets is under progress. Based on these developments, the Company is reasonably confident about the recoverability of the said amount.

9) A share purchase agreement has been entered into on 18 August, 2014 amongst JSW Steel Limited, Welspun Enterprises Limited ("the Seller") and a subsidiary of the Company, namely JSW Steel (Salav) Limited, for selling of entire shareholding in the subsidiary by the Seller to the Company ("the SPA"). Pursuant to the SPA:

(a) if any amount realized prior to 31 March , 2017 in respect of certain assets existed as on 31 August , 2014 as identified in the SPA, the subsidiary will have to pay such amount to the Seller, and

(b) in respect of disputed claims/levies as on 31 August , 2014, the subsidiary is entitled to be reimbursed from the Seller for the disputed claims / levies settled prior to 31 March , 2017. In case of disputed claims/levies relating to indirect taxes such reimbursement shall be restricted to Rs. 700 million.

Accordingly, a provision of Rs. 149.4 million was recognized during the previous year and there is no movement in / utilization of provision during the year.

DHV

10) **Derivatives:**

a) The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the 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 (Rs in million)
31.03.2016	323	Buy	1,686.7	111,818.7
	40	Sell	217.2	14,319.7
31.03.2015	200	Buy	1,279.4	80,927,6
	147	Sell	797.8	49,934.0
31.03.2014	150	Buy	1,146.5	68,906.6
	94	Sell	1,136.2	68,284.8

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 are as under:

As at	No. of contracts	US$ equivalent of notional value (million)	MTM of IRS (Rs in million)
31.03.2016	6	65.0	(17.0)
31.03.2015	5	25.0	(42.1)
31.03.2014	7	50.0	(79.3)

Currency options to hedge against fluctuations in exchange rate:

As at	No. of contracts	US$ equivalent(million)	INR equivalent (Rs in million)	MTM of option (Rs in million)
31.03.2016	6	44.6	2,956.5	0.3
31.03.2015	14	153.4	9,601.4	27.6
31.03.2014	-	-	-	-

Commodity forward contracts entered into by the Group are as under:

As at	No. of contracts	Quantity (MT)	US$ equivalent (million)	INR equivalent (Rs in million)	MTM of option (Rs in million)
31.03.2016	79	1,849,995	71.98	4,774.8	910.6
31.03.2015	-	-	-	-	-
31.03.2014	-	-	-	-	-

DHL)

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

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

	2015-16		2014-15		2013-14	
	US$ equivalent	INR equivalent	US$ equivalent	INR equivalent	US$ equivalent	INR equivalent
	(million)					
Trade receivables	22.3	1,478.7	2.7	169.4	9.7	585.3
Balances with banks						
- in current account	0.0	0.4	0.0	0.4	0.0	0.4
Other receivables	0.4	28.3	-	-	-	-

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

	2015-16		2014-15		2013-14	
	US$ equivalent	INR equivalent	US$ equivalent	INR equivalent	US$ equivalent	INR equivalent
	(million)					
Borrowings	1,920.4	127,384.5	1,905.8	119,283.4	1,104.9	66,401.3
Advances from customer	-	-	0.0	2.3	11.6	696.3
Acceptances	20.4	1,353.2	203.0	12,706.8	121.3	7,291.3
Trade payables	280.9	18,634.0	69.9	4,371.7	179.1	10,761.4
Payables for capital projects	31.2	2,068.1	442.4	27,687.2	409.7	24,622.7
Interest accrued but not due on borrowings	127.5	8,453.9	17.7	1,108.7	6.7	400.8

11) **Employee benefits:**

a) **Defined contribution plan:**

The Group's contribution to provident fund is Rs. 509.7 million (FY 2014-15 - Rs. 434.3 million and FY 2013-14 - Rs 389.3 million) and superannuation fund is Rs. 5.1 million (FY 2014-15 - nil and FY 2013-14 - Nil).

b) **Defined benefit plans-**

(i) Gratuity:

	Rs. in million					
	2015-16		2014-15		2013-14	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
a) Liability recognized in the Consolidated Summary Balance Sheet						
i) Change in defined benefit obligation (DBO) during the year						
Present value of DBO at the beginning of the year	1,793.3	28.3	1,269.7	19.7	904.1	15.3
Current service cost	134.3	4.1	109.6	2.9	77.4	1.7
Interest cost	143.7	2.3	113.8	1.8	74.6	1.2

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	Rs. in million					
	2015-16		2014-15		2013-14	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
Actuarial losses	70.0	2.6	282.4	4.8	(62.3)	4.2
Benefits paid	(86.5)	(0.6)	(73.0)	(1.7)	(53.2)	(2.3)
Liabilities transfer in/(out)	(8.6)	1.1	91.3	0.8	329.1	(0.4)
Present value of DBO at the end of the year	2,046.2	37.8	1,793.3	28.3	1,269.7	19.7
Less:						
ii) Change in fair value of plan assets during the year						
Plan assets at the beginning of the year	660.5		544.4		530.6	
Expected return on plan assets less loss on investments	53.5		42.7		53.4	
Actuarial gains / (loss)	10.5		9.5		(10.0)	
Employers' contribution	105.5		0.1		1.0	
Benefits paid	(60.8)		(40.9)		(30.6)	
Assets transfer in/(out)	0.5		104.7		-	
Plan assets at the end of the year	769.7		660.5		544.4	
Amount recognized in Consolidated Summary Balance Sheet (refer note 7) *	**1,276.5**	**37.8**	**1,132.8**	**28.3**	**725.3**	**19.7**
b) Expenses during the year						
Current service cost	134.3	4.1	109.6	2.9	77.4	1.7
Interest cost	143.7	2.3	113.8	1.8	74.6	1.2
Expected return on plan assets	(53.5)	-	(42.7)	-	(53.4)	-
Actuarial losses	59.5	2.6	272.9	4.8	(52.3)	4.2
Transferred to preoperative expenses	(12.6)	-	(18.6)	-	(0.9)	-
Total (included in note 24)	**271.4**	**9.0**	**435.0**	**9.5**	**45.4**	**7.0**
c) Actual return on plan assets	**42.2**		**55.9**		**36.1**	
d) Break up of plan assets :						
(i) ICICI Prudential Life Insurance Company Limited						
Balanced fund	36.5		35.1		30.1	
Group debt fund	44.1		70.6		89.2	
Group short term debt fund	1.7		5.9		4.7	
(ii) HDFC Standard Life Insurance Company Limited						
Defensive managed fund	16.1		12.7		12.6	

DHL

	Rs. in million					
	2015-16		2014-15		2013-14	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
Stable managed fund	50.7		135.4		135.4	
Liquid fund II	0.7		0.4		0.3	
Secured managed fund	140.3		-			
(iii) SBI Life Insurance Company Limited - Cap assured fund	282.9		214.6		196.9	
(iv) LIC of India - Insurer managed fund	191.6		185.8		75.2	
(v) Bajaj Allianz Fund	5.1		-		-	
e) Principal actuarial assumptions						
Rate of discounting	7.99% to 8.38% p.a.	7.81% to 8.30% p.a.	7.90% to 7.96% p.a.	7.94% to 9.39% p.a.	9.31% to 9.45% p.a.	9.31% to 9.39% p.a.
Expected return on plan assets	7.99% to 8.38% p.a.		7.90% to 7.96% p.a.		8.70% to 8.70% p.a.	
Rate of increase in salaries	6%p.a.	6% to 9% p.a.	6% p.a.	6% to 9% p.a.	6% p.a	6% p.a
Attrition rate	2%	2%	2%	2%	2%	2%

* includes Rs. 17.9 million (FY 2014-15 - Rs. 21.4 million and FY 2013-14 – Rs. Nil) being excess of fair value of plan assets over present value of obligation disclosed under prepayment and others (Note 14- Short Term Loans and advances)

f) Experience adjustments:

(i) Funded

Particulars	Rs. in million		
	2015-16	2014-15	2013-14
Present value of DBO at the end of the year	2,046.3	1,806.3	1,708.2.7
Plan assets at the end of the year	769.7	660.5	544.4
Deficit	(1,303.2)	(1,167.8)	(1,095.5)
Experience adjustments on plan liabilities - loss/(gain)	61.4	317.5	43.9
Experience adjustments on plan assets - gain/(loss)	(1.8)	6.7	(10.0)

(ii) Unfunded

Particulars	Rs. in million		
	2015-16	2014-15	2013-14
Present value of DBO at the end of the year	37.7	15.3	(418.8)
Plan assets at the end of the year	-	-	-
Deficit	(11.1)	6.7	350.5
Experience adjustments on plan liabilities - loss/(gain)	(1.0)	13.2	14.7
Experience adjustments on plan assets - gain/(loss)	-	-	-

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g) The Group expects to contribute Rs. 1,290.4 million (FY 2014-15 - Rs. 853.7 million and FY 2013-14 – Rs. 509.1 million) to its gratuity plan for the next year.

h) 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.

i) Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

j) 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.

k) The discount rate is based on the prevailing market yield of Government of India securities as at the balance sheet date for the estimated term of obligations.

(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. Defined benefit obligation as per interest rate guaranteed on exempted provident fund in respect of employees of the Company as at 31st March, 2016 works out to Rs. Nil (FY 2014-15 - Rs. Nil and FY 2013-14 – 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	2015-16	2014-15	2013-14
Rate of discounting	8.38%	7.96%	9.31%
Rate of return on assets	8.86%	9.02%	8.95%
Guaranteed rate of return	8.80%	8.75%	8.75%

(iii) Assumptions used in accounting for compensated absences

Particulars	Rs. in million		
	2015-16	2014-15	2013-14
Present value of unfunded obligation (refer note 7)	949.6	856.6	612.7
Discount rate (p.a.)	7.99 % to 8.38%	7.90% to 8.09%	9.31% to 9.39%
Salary escalation rate(p.a.)	6%	6%	6%

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12) 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

(Rs. in million)

Particulars	Year ended														
	31.03.2016					31.03.2015					31.03.2014				
	Steel	Power	Other	Eliminations	Total	Steel	Power	Other	Eliminations	Total	Steel	Power	Other	Eliminations	Total
INCOME:															
External sales	415,116.9	900.3	2,771.6	-	418,788.8	519,009.8	1,913.0	8,792.3	-	529,715.1	498,907.8	5,675.0	7,613.4	-	512,196.2
Inter segment sales	14,606.3	43,622.3	-	(58,228.6)	-	13,049.2	38,747.0	222.0	(52,018.2)	-	16,412.6	35,108.3	22.4	(51,543.3)	-
Total Income	429,723.2	44,522.6	2,771.6	(58,228.6)	418,788.8	532,059.0	40,660.0	9,014.3	(52,018.2)	529,715.1	515,320.4	40,783.3	7,635.8	(51,543.3)	512,196.2
SEGMENT RESULTS															
Segment/ Operating results	10,052.9	20,740.4	214.0		31,007.3	45,263.9	16,851.9	(1,070.7)		61,045.1	46,288.1	14,393.6	(142.4)		60,539.3
Un-allocated Items:															
Income					613.6					516.0					787.1
Finance costs					(33,026.8)					(34,930.3)					(30,478.6)
Exceptional item :Exchange loss (net)					(21,254.1)					(471.0)					(17,127.5)
Provision for taxation					15,240.5					(8,194.1)					(9,200.8)
Net profit					(7,419.5)					17,965.7					4,519.5
OTHER INFORMATION															
Segment assets	729,071.6	22,205.3	13,402.3		764,679.2	740,649.6	22,876.3	19,886.6		783,412.5	684,702.4	24,473.4	20,926.9		730,102.7
Un-allocated assets					58,266.7					75,779.1					46,296.2
Total assets					822,945.9					859,191.6					776,398.9
Segment liabilities	179,631.1	4,759.7	3,831.1		188,221.9	198,204.4	2,993.9	5,445.6		206,613.9	171,392.9	2,537.4	5,700.5		179,630.8
Un-allocated liabilities & provisions					418,217.2					421,030.5					375,714.6
Total liabilities					606,439.1					627,674.4					555,345.4
Depreciation	30,875.7	711.6	291.9			33,224.5	656.1	464.3			30,050.5	1,361.4	414.2	-	31,826.1
Non-cash expenditure other than depreciation and amortisation	-	-	222.1			-	-	-			29.4	-	1.9	-	31.3
Capital expenditure	47,467.4	26.7	1,199.6			54,428.3	283.9	1,432.9			77,677.9	565.2	1,555.0	-	79,798.1

1. Inter segment transfer of power from the power segment is measured at the rate at which power is purchased from the respective electricity board.
2. Inter segment transfer of gas from the steel segment is measured on the basis of fuel cost.
3. Other business segment represents cement, mining and construction activities.

II. Information about secondary segments - Geographical segment

(Rs in million)

Particulars	2015-16			2014-15			2013-14		
	Indian entities	Foreign entities	Total	Indian entities	Foreign entities	Total	Indian entities	Foreign entities	Total
Segment revenue	404,594.2	14,194.6	418,788.8	501,257.1	28,458.0	529,715.1	482,291.2	29,905.0	512,196.2
Segment assets	752,822.9	70,123.0	822,945.9	767,547.2	91,644.4	859,191.6	689,636.8	86,762.1	776,398.9
Capital expenditure incurred	46,581.3	2,112.4	48,693.7	51,634.7	4,510.4	56,145.1	77,571.5	2,226.6	79,798.1

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13) **Related party relationships, transactions and balances:**

(a) **List of related parties**

1	**Associates**
	JSW Praxair Oxygen Private Limited
	Dolvi Minerals & Metals Private Limited (w.e.f. 27.11.2014)
	Dolvi Coke Projects Limited (w.e.f. 04.12.2014)
	JSW Ispat Steel Limited (refer note 27(4))
2	**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. 07.04.2014)
3	**Key management personnel (KMP)**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
	Mr. Rajeev Pai
	Mr. Lancy Varghese
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
	Jindal Stainless Limited
	JSL Limited
	JSW Realty & Infrastructure Private Limited
	Jindal Saw Limited
	Jindal Saw USA LLC
	Jindal Steel & Power Limited
	JSOFT Solutions Limited

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	Jindal Industries Private 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)
	JSW Infrastructure Limited
	South West Port Limited
	JSW Techno Projects Management Limited
	JSW Global Business Solutions Limited (Formerly known as Sapphire Technologies Limited)
	South West Mining Limited
	JSL Architecture Limited
	JSW Projects Limited
	JSW Bengaluru Football Club Private Limited
	JSW Foundation
	O P Jindal Foundation
	Jindal Technologies & Management Services Private Limited
	JITF Shipping & Logistics (Singapore) PTE Limited
	JSW Dharamatar Port Private Limited
	Jindal Tubular (India) Limited
	M/S Shadeed Iron & Steel Co. LLC
	JSW Investment Private Limited
	JSW IP Holdings Private Limited (w.e.f. 01.04.2015)
	Epsilon Carbon Private Limited (Formerly known as AVH Private Limited)
	JSW International Trade Corp PTE Limited
	Heal Institute Private Limited
	JSL Lifestyle Limited
	Jindal Power Limited
	Jindal Fittings Limited
	Jindal Education Trust
	Jindal Stainless Steelway Limited
	Windsor Residency Private Limited
	Ganga Ferro Alloys Private Limited
	St. James Investment Limited

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For the financial year 2015-16

Rs. in million

Particulars	Associates	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
<u>B. Transactions with related parties</u>					
Party's name					
Purchase of goods / power and fuel / services					
JSW Energy Limited	-	-	-	12,030.6	12,030.6
JSW Projects Limited	-	-	-	7,304.0	7,304.0
JSW International Tradecorp Pte Limited	-	-	-	34,804.2	34,804.2
Others	1,424.4	48.9	-	8,571.5	10,044.8
Total	1,424.4	48.9	-	62,710.3	64,183.6
Reimbursement of expenses incurred on behalf of the Group					
JSW Energy Limited	-	-	-	21.6	21.6
Others	-	-	-	2.9	2.9
Total	-	-	-	24.5	24.5
Sales of goods/power and fuel					
Jindal Saw Limited	-	-	-	4,848.4	4,848.4
JSW Energy Limited	-	-	-	1,530.3	1,530.3
Jindal Industries Private Limited	-	-	-	6,090.3	6,090.3
Epsilon Carbon Private Limited	-	-	-	2,758.9	2,758.9
Others	123.3	1,650.4	-	2,672.4	4,446.2
Total	123.3	1,650.4	-	17,900.3	19,674.1
Other income/ interest income/ dividend income					
JSW Praxair Oxygen Private Limited	146.1	-	-	-	146.1
JSW Energy Limited	-	-	-	251.1	251.1
JSW Projects Limited	-	-	-	54.3	54.3
Others	21.6	28.8	-	60.4	110.8
Total	167.7	28.8	-	365.7	562.2
Purchase of assets					
JSW Severfield Stuructures Limited	-	687.6	-	-	687.6
Jindal Steel & Power Limited	-	-	-	1,098.6	1,098.6
Others	-	-	-	87.0	87.0
Total	-	687.6	-	1,185.6	1,873.2
Donation/ CSR expenses					
JSW Foundation	-	-	-	36.0	36.0
Total	-	-	-	36.0	36.0

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Particulars	Associates	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Recovery of expenses incurred by the Group on behalf of others					
JSW Energy Limited	-	-	-	22.2	22.2
JSW Cement Limited	-	-	-	70.3	70.3
JSW Global Business Solutions Limited	-	-	-	7.0	7.0
JSW Power Trading Company Limited	-	-	-	10.8	10.8
JSW Infrastructure Limited	-	-	-	17.3	17.3
Others	5.7	15.0	-	38.8	59.5
Total	**5.7**	**15.0**	**-**	**166.4**	**187.1**
Interest expenses					
JSW Praxair Company Private Limited	2.6	-	-	-	2.6
JSW Energy Limited	-	-	-	9.2	9.2
St. James Investment Limited	-	-	-	116.2	116.2
Total	**2.6**	**-**	**-**	**125.4**	**128.0**
Advance taken refunded					
JSW Infrastructure Limited	-	-	-	374.8	374.8
Total	**-**	**-**	**-**	**374.8**	**374.8**
Remuneration to key managerial personnel					
Mr. Sajjan Jindal	-	-	120.8	-	120.8
Mr. Seshagiri Rao M V S	-	-	47.6	-	47.6
Dr. Vinod Nowal	-	-	34.4	-	34.4
Mr. Jayant Acharya	-	-	30.4	-	30.4
Mr. Rajeev Pai	-	-	13.7	-	13.7
Mr. Lancy Varghese	-	-	5.0	-	5.0
Total	**-**	**-**	**251.9**	**-**	**251.9**
Advance given					
JSW Global Business Solutions Limited	-	-	-	101.8	101.8
Total	**-**	**-**	**-**	**101.8**	**101.8**
C. Closing balance of related parties					
Trade payables					
Dolvi Minerals & Metals Private Limited	-	-	-	-	-
JSW Energy Limited	-	-	-	1,577.6	1,577.6
JSW Projects Limited	-	-	-	358.4	358.4
JSW International Trade Corp PTE Limited	-	-	-	3,701.1	3,701.1
St .James Investment limited	-	-	-	790.0	790.0
Others	64.8	25.5	-	925.6	1,015.9
Total	**64.8**	**25.5**	**-**	**7,352.6**	**7,443.0**

Particulars	Associates	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Notes payable					
St . James Investment Limited	-	-	-	2,852.3	2,852.3
Total	-	-	-	2,852.3	2,852.3
Advance received from customers					
Jindal Steel & Power Limited	-	-	-	4.8	4.8
JSW Cement Limited	-	-	-	2.5	2.5
Others	-	-	-	1.7	1.7
Total	-	-	-	9.0	9.0
Lease and other deposit received					
JSW Severfield structures limited	-	65.0	-	-	65.0
JSW Praxair Oxygen Private Limited	38.3	-	-	-	38.3
JSW Energy Limited	-	-	-	101.9	101.9
JSW Jaigarh Port Limited	-	-	-	35.0	35.0
Jindal Saw Limited	-	-	-	50.0	50.0
Others	-	-	-	20.0	20.0
Total	38.3	65.0	-	206.9	310.2
Trade receivables					
Dolvi Coke Projects Limited	29.6	-	-	-	29.6
Jindal Industries Private Limited	-	-	-	232.7	232.7
JSW Cement Limited	-	-	-	66.4	66.4
JSW Power Trading Company Limited	-	-	-	489.1	489.1
Epsilon Carbon Private Limited	-	-	-	551.1	551.1
Others	-	133.9	-	161.8	295.7
Total	29.6	133.9	-	1,501.1	1,664.7
Capital / revenue advances given					
JSW Projects Limited	-	-	-	5,000.0	5,000.0
JSW Cement Limited	-	-	-	715.2	715.2
Others	0.2	225.1	-	190.8	416.1
Total	0.2	225.1	-	5,906.0	6,131.3
Share application money					
Rohne Coal Company Private Limited	-	0.2	-	-	0.2
Total	-	0.2	-	-	0.2
Other advances Given					
JSW Realty & Infrastructure Private Limited	-	-	-	410.4	410.4
Total	-	-	-	410.4	410.4

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Particulars	Associates	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Investments held by the Group					
JSW Energy Limited	-	-	-	2,515.6	2,515.6
JSW Realty & Infrastructure Private Limited	-	-	-	1,991.5	1,991.5
Others	672.7	307.3	-	-	980.0
Total	**672.7**	**307.3**	**-**	**4,507.1**	**5,487.1**
Loans and advances taken					
JSW Infrastructure Limited	-	-	-	1,482.3	1,482.3
Total	**-**	**-**	**-**	**1,482.3**	**1,482.3**

DHLI

For the financial year 2014-15

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
<u>B. Transactions with related parties</u>						
Party's Name						
Purchase of Goods / Power & Fuel / Services						
JSW Energy Limited	-	-	-	-	14,907.6	14,907.6
M/s Shadeed Iron & Steel Co LLC	-	-	-	-	3,327.7	3,327.7
JSW International Tradecorp Pte Ltd	-	-	-	-	36,294.1	36,294.1
Others	2,578.4	2.2	-	-	12,364.1	14,944.7
Total	2,578.4	2.2	-	-	66,893.5	69,474.1
Reimbursement of Expenses incurred on our behalf by						
JSW Energy Limited	-	-	-	-	26.6	26.6
Others	1.9	-	-	-	0.8	2.7
Total	1.9	-	-	-	27.4	29.3
Sales of Goods/Power & Fuel/ Other Income						
JSW Energy Limited	-	-	-	-	3,467.9	3,467.9
Jindal Industries Limited	-	-	-	-	3,563.0	3,563.0
Jindal Saw Limited	-	-	-	-	6,583.3	6,583.3
JSW Power Trading Company Limited	-	-	-	-	1,289.5	1,289.5
AVH Private Limited	-	-	-	-	3,446.0	3,446.0
Others	618.8	1,792.6	-	-	1,604.0	4,015.4
Total	618.8	1,792.6	-	-	19,953.7	22,365.1
Other Income						
JSW Energy Limited	-	-	-	-	279.6	279.6
JSW Praxair Oxygen Private Limited	381.6	-	-	-	-	381.6
JSW Projects Limited	-	-	-	-	150.6	150.6
Others	-	1.1	-	-	77.5	78.5
Total	381.6	1.1	-	-	507.7	890.3
Purchase of Assets						
Jindal Steel & Power Limited	-	-	-	-	1,067.5	1,067.5
JSW Severfield Structures Limited	-	991.9	-	-	-	991.9
Others	-	-	-	-	254.6	254.6
Total	-	991.9	-	-	1,322.1	2,314.0
Sale of Assets						
JSW Cement Limited	-	-	-	-	1,178.1	1,178.1
Total	-	-	-	-	1,178.1	1,178.1

DHL

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	-	-	-	-	1.7	1.7
JSW Foundation	-	-	-	-	18.3	18.3
Total	**-**	**-**	**-**	**-**	**20.0**	**20.0**
Recovery of Expenses incurred by us on their behalf						
JSW Energy Limited	-	-	-	-	11.8	11.8
JSW Cement Limited	-	-	-	-	5.3	5.3
Sapphire Technologies Limited	-	-	-	-	6.4	6.4
JSW Power Trading Company Limited	-	-	-	-	6.1	6.1
Others	0.4	2.9	-	-	18.4	21.7
Total	**0.4**	**2.9**	**-**	**-**	**48.0**	**51.3**
Investments / Share Application Money given during the year						
Rohne Coal Company Private Limited	-	2.7	-	-	-	2.7
Dolvi Minerals & Metals Private Limited	400.0	-	-	-	-	400.0
Total	**400.0**	**2.7**	**-**	**-**	**-**	**402.7**
Interest Expenses						
JSW Energy Limited	-	-	-	-	29.8	29.8
JSW Praxair Oxygen Private Limited	11.7	-	-	-	-	11.7
St . James Investment Limited	-	-	-	-	87.9	87.9
Total	**11.7**	**-**	**-**	**-**	**117.7**	**129.4**
Advance Taken Refunded						
JSW Infrastructure Limited	-	-	-	-	365.9	365.9
Total	**-**	**-**	**-**	**-**	**365.9**	**365.9**
Remuneration to key managerial personnel						
Mr. Sajjan Jindal	-	-	261.7	-	-	261.7
Mr. Seshagiri Rao M V S	-	-	41.4	-	-	41.4
Dr. Vinod Nowal	-	-	30.4	-	-	30.4
Mr. Jayant Acharya	-	-	26.3	-	-	26.3
Mr. Parth Jindal	-	-	-	0.7	-	0.7
Mr. Rajeev Pai	-	-	12.7	-	-	12.7
Mr. Lancy Varghese	-	-	4.6	-	-	4.6
Total	**-**	**-**	**377.1**	**0.7**	**-**	**377.8**

DHL

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
Advance given						
JSL Architecture Limited	-	-	-	-	0.2	0.2
JSW Techno Projects Management Limited	-	-	-	-	0.3	0.3
Total	**-**	**-**	**-**	**-**	**0.5**	**0.5**
<u>C. Closing balance of related parties</u>						
Trade payables						
St . James Investment Limited	-	-	-	-	634.3	634.3
JSW Energy Limited	-		-	-	795.9	795.9
JSW Projects Limited	-	-	-	-	752.5	752.5
Dolvi Minerals & Metals Private Limited	410.9	-	-	-	-	410.9
Others	587.0	3.1	-	-	549.5	1,139.6
Total	**997.9**	**3.1**	**-**	**-**	**2,732.2**	**3,733.2**
Notes Payable						
St . James Investment Limited	-	-	-	-	2,691.4	2,691.4
Total	**-**	**-**	**-**	**-**	**2,691.4**	**2,691.4**
Advance received from Customers						
Jindal Steel & Power Limited	-	-	-	-	9.1	9.1
Others	-	-	-	-	4.7	4.7
Total	**-**	**-**	**-**	**-**	**13.8**	**13.8**
Lease & Other deposit received						
JSW Praxair Oxygen 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						
Jindal Industries Limited	-	-	-	-	313.3	313.3
Jindal Saw Limited	-	-	-	-	282.2	282.2
JSW Cement Limited	-	-	-	-	271.9	271.9
AVH Private Limited	-	-	-	-	444.5	444.5
Dolvi Coke Projects Limited	222.0	-	-	-	-	222.0
JSW Power Trading Company Limited	-	-	-	-	16.4	16.4
Others	-	12.7	-	-	154.3	167.0
Total	**222.0**	**12.7**	**-**	**-**	**1,482.6**	**1,717.3**

DHL

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
Capital / Revenue Advances Given						
JSW Projects Limited	-	-	-	-	5,000.0	5,000.0
Others	1.2	187.0	-	-	152.2	340.4
Total	1.2	187.0	-	-	5,152.2	5,340.4
Share Application Money						
Rohne Coal Company Private Limited	-	39.3	-	-	-	39.3
Total	-	39.3	-	-	-	39.3
Other advances given						
JSW Realty & Infrastructure Pvt.Ltd.	-	-	-	-	270.7	270.7
JSW Cement Limited					695.7	695.7
Others	-	-	-	-	13.5	13.5
Total	-	-	-	-	979.9	979.9
Investments held by the Company						
JSW Energy Limited	-	-	-	-	2,515.6	2,515.6
JSW Realty & Infrastructure Pvt.Ltd	-	-	-	-	1,991.5	1,991.5
Others	672.7	281.3	-	-	-	954.0
Total	672.7	281.3	-	-	4,507.1	5,461.1
Loans & Advances Taken						
JSW Infrastructure Limited	-	-	-	-	1,857.1	1,857.1
Total	-	-	-	-	1,857.1	1,857.1

DHL

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

DHU

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
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
Recovery of Expenses incurred by us on their behalf						
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

DKV

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
<u>C. Closing balance of related parties</u>						
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	3,047.0
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
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	1,438.5
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

DHV

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
Other advances given						
JSW Realty & Infrastructure Pvt.Ltd.	-	-	-	-	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 Pvt.Ltd. (SWIPL)	-	-	-	-	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

14) **Finance lease**

a) As lessee:

i. The Group has acquired equipments for Rs. 1293.8 million through finance lease. The finance leases are for various durations with last lease maturing in 2016. The amount of depreciation charged in the Consolidated Summary Statement of Profit and Loss till 31 March 2016 was Rs. 1291.6 million and the book value is Rs. 2.2 million.

ii. The minimum lease payments and the present value as at 31 March 2016 of minimum lease payments in respect of assets acquired under the finance leases are as follows:

	Minimum Lease Payment			Present value of Minimum Lease Payment		
	Rs. in million			Rs. in million		
	As at 31.03.16	As at 31.03.15	As at 31.03.14	As at 31.03.16	As at 31.03.15	As at 31.03.14
Payable not later than 1 year	-	179.3	253.9	-	173.2	231.1
Payable later than 1 year and not later than 5 years	-	-	232.7	-	-	225.4
Payable later than 5 years	-	-	-	-	-	--
Total	-	179.3	486.6	-	173.2	456.5
Less: future finance charges	-	6.1	30.1			
Present value of minimum lease payments	-	173.2	456.5			

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15) 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 120 months.
- 642 houses (admeasuring approximately 345,003 square feet) at the rate of Rs. 2/- per square feet per annum, for a period of 60 months.
- 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.
- Office premises (admeasuring approximately 1,795 square feet) at the rate of Rs 146/- square feet for the period of 22 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:

Particulars	Rs in million		
	2015-16	2014-15	2013-14
Gross carrying amount of assets	1,752.9	1,730.7	1,675.7
Accumulated depreciation	281.6	264.8	231.1
Depreciation for the year	31.2	31.9	31.0

b) As lessee:

(i) Lease rentals charged to revenue for right to use following assets are:

Particulars	Rs in million		
	2015-16	2014-15	2013-14
Office premises, residential flats, plant and equipment etc.	551.5	589.8	435.7

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.

(ii) 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.

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.

Minimum lease payments under non-cancellable operating lease fall due as follows:

Particulars	Rs. in million		
	2015-16	2014-15	2013-14
Due not later than one year	263.8	110.9	40.5
Due later than one year but not later than five years	379.6	313.7	4.2
Later than five years	-	53.7	-
Total	643.4	478.3	44.7

OHL

16) Earnings per share (EPS):

		Rs. in million		
		2015-16	2014-15	2013-14
Profit / (loss) for the year		(7,419.5)	17,965.7	4,519.5
Less: Dividend on preference shares (including corporate dividend tax)		335.8	335.8	326.5
Profit/ (loss) after tax for equity shareholders (numerator)- basic / diluted (A)		(7,755.3)	17,629.9	4,193.0
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
Earnings per share – basic (A/B)	USD/Rs.	(32.08)	72.93	17.35
Earnings per share – diluted (A/C)	USD/Rs.	(32.08)	72.93	17.35
Nominal value per share	Rs.	10	10	

17) The manufacturing and other expenses, depreciation and capital expenditure include Rs. 124.4 million (FY 2014-15 - Rs. 132.0 million and FY 2013-14 - Rs 93.9 million), Rs. 110.8 million (FY 2014-15 - Rs. 128.4 million and FY 2013-14 - Rs 90.3 million) and Rs. 7.5 million (FY 2014-15 - Rs. 110.1 million and FY 2013-14 - Rs 158.2 million), respectively, in respect of research and development activities undertaken during the year.

18) Figures of the previous years have been regrouped and reclassified wherever necessary to correspond to figures of the current year.

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: 22 March, 2017

DHL

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
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REPORT OF THE INDEPENDENT AUDITOR'S ON THE STANDALONE SUMMARY FINANCIAL STATEMENTS

To the Board of Directors of
JSW Steel Limited

Report on the Standalone Summary Financial Statements

1. The accompanying Standalone Summary Financial Statements of **JSW STEEL LIMITED** (the "Company"), which comprise the Summary Balance Sheets as at March 31, 2016, March 31, 2015 and March 31, 2014, and also the Summary Statements of Profit and Loss and the Summary Cash Flow Statements for the years then ended on these dates, and a summary of the significant accounting policies and other explanatory information (together comprising the "Standalone Summary Financial Statements") are derived from the audited Standalone Financial Statements (the "Audited Standalone Financial Statements") of the Company for the respective years audited by us as detailed in paragraph 2(a) to 2(c) below.

2. We expressed our unmodified opinions on the Audited Standalone Financial Statements of the Company for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 vide our reports dated May 18, 2016, May 15, 2015 and May 27, 2014, respectively. Refer paragraph 2(a) to 2(c) below for the emphasis of matter stated in our reports on these audited standalone financial statements.

   a) Our report on the Audited Standalone Financial Statements of the Company for the year ended March 31, 2016, included following emphasis of matter which drew attention to:

      (i) Note 25(4)(a) to the Audited Standalone Financial Statements regarding the factors considered in estimating values of businesses / assets of certain subsidiaries, and recognition of provision of Rs. 9,823.7 million for 'other than temporary' diminution in value of investments, Rs. 39,153.0 million for loans doubtful of recovery and Rs. 9,578.5 million towards guarantees.

      (ii) Note 25(5) to the Audited Standalone Financial Statements regarding the Company's assessment that there is no decline, other than temporary, in carrying amounts of investments of Rs. 6,128.2 million (net of provisions) in certain subsidiaries and joint ventures and loans / advances of Rs. 2,706.0 million to them are fully recoverable.

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b) Our report on the Audited Standalone Financial Statements of the Company for the year ended March 31, 2015, included following emphasis of matter which drew attention to:

   (i) Note 25(5) to the Audited Standalone Financial Statements regarding the Company's assessment of the recoverable value of its investments of Rs. 7,665.4 million relating to JSW Steel (USA) Inc., a subsidiary of the Company and resultant recognition of provision of Rs. 3,337.5 million for the year ended March 31, 2015, and that no provision is considered necessary against the loans aggregating to Rs. 25,017.1 million and with respect to financial guarantees of Rs. 34,299.8 million relating to the said subsidiary.

   (ii) Note 25(8) to the Audited Standalone Financial Statements regarding the Company's assessment that no provision is considered necessary against the carrying amounts of investments and loans aggregating to Rs. 7,553.3 million and Rs. 6,996.3 million relating to the subsidiary companies viz. JSW Panama Holding Corporation and Periama Holding LLC., respectively, for the reasons stated in the note.

c) Our report on the Audited Standalone 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 Standalone 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 financial 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.

3. The Standalone Summary Financial Statements as at and for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 have been regrouped/ reclassified wherever necessary to correspond with the presentation/disclosure requirements of the financial year ended March 31, 2016. The figures included in the Standalone Summary Financial Statements, do not reflect the effect of events that occurred subsequent to the date of our reports on the respective periods referred to in paragraph 2 above.

4. **Management's Responsibility for the Standalone Summary Financial Statements**
   Management is responsible for the preparation of the Standalone Summary Financial Statements from the Audited Standalone Financial Statements of the respective years ended March 31, 2016, March 31, 2015 and March 31, 2014 on the basis described in Note 1(1.1) to the Standalone Summary Financial Statements.

5. **Auditor's Responsibility**
   Our responsibility is to express an opinion on the Standalone Summary 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.

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Deloitte
Haskins & Sells LLP

6. **Opinion**

   In our opinion, the Standalone Summary Financial Statements derived from the Audited Standalone Financial Statements of the Company for the respective years are a compilation of those Audited Standalone Financial Statements on the basis described in Note 1(1.1) to the Standalone Summary Financial Statements.

7. **Restriction on Use**

   The accompanying Standalone Summary Financial Statements has been prepared solely for the purpose of inclusion in the Offering Circulars in respect of the proposed issuance of International Bonds by the Company on Singapore Stock Exchange. This report is not to be used for any other purpose or referred to in any document or distributed to anyone without our prior written consent.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/ W-100018)

A. Siddharth
Partner
(Membership Number: 31467)

Mumbai, March 22, 2017

JSW STEEL LIMITED

SUMMARY BALANCE SHEET

(Rs. in millions)

		Note No.	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
I	EQUITY AND LIABILITIES				
(1)	Shareholders' funds				
	Share capital	2	10,671.9	10,671.9	10,671.9
	Reserves and surplus	3	206,857.7	246,574.1	232,169.9
			217,529.6	257,246.0	242,841.8
(2)	Non-current liabilities				
	Long-term borrowings	4	258,711.6	254,968.9	210,543.2
	Deferred tax liabilities (net)	5	12,246.9	29,665.9	19,085.1
	Other long-term liabilities	6	1,664.5	2,361.0	4,664.0
	Long-term provisions	7	10,174.2	567.8	406.7
			282,797.2	287,563.6	234,699.0
(3)	Current liabilities				
	Short-term borrowings	8	20,699.0	2,643.4	39,206.6
	Trade payables				
	(i) Total outstanding, dues of micro and small enterprises	9 (a) & 25(19)	220.5	240.5	127.6
	(ii) Total outstanding, dues of creditors other than micro and small enterprises	9 (b)	109,756.1	124,913.4	99,784.9
	Other current liabilities	10	84,144.2	72,781.1	64,159.7
	Short-term provisions	11	2,517.8	3,536.0	3,437.2
			217,337.6	204,114.4	206,716.0
	TOTAL		717,664.4	748,924.0	684,256.8
II	ASSETS				
(1)	Non-current assets				
	Fixed assets	12			
	Tangible assets		419,749.2	384,975.6	372,251.2
	Intangible assets		618.2	718.3	699.6
	Capital work-in-progress		62,035.4	75,938.5	67,896.6
	Intangible assets under development		2,357.8	1,960.1	678.1
			484,760.6	463,592.5	441,525.5
	Non-current investments	13	44,736.3	41,972.8	43,128.5
	Long-term loans and advances	14	48,581.6	50,123.7	46,678.1
	Other non-current assets	15	2,597.9	2,995.4	2,936.6
			580,676.4	558,684.4	534,268.7
(2)	Current assets				
	Current investments	15A	-	-	677.0
	Inventories	16	67,755.0	85,847.4	61,965.7
	Trade receivables	17	25,107.1	20,268.3	22,187.4
	Cash and bank balances	18	5,963.1	17,950.6	4,657.2
	Short-term loans and advances	14	36,258.3	65,374.1	59,878.2
	Other current assets	18A	1,904.5	799.2	622.6
			136,988.0	190,239.6	149,988.1
	TOTAL		717,664.4	748,924.0	684,256.8

See accompanying Notes 1 to 25 forming part of the Standalone Summary financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

A. SIDDHARTH

Partner

For JSW STEEL LIMITED

RAJEEV PAI

Chief Financial Officer

SESHAGIRI RAO M.V.S.

Jt. Managing Director & Group CFO

LANCY VARGHESE

Company Secretary

Place: Mumbai,

Dated: 22 March, 2017

JSW STEEL LIMITED

SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. in millions)

		Note no.	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
I	Revenue from operations	19	408,589.6	503,933.1	492,954.3
	Less: Excise duty		41,520.4	43,059.9	39,977.1
			367,069.2	460,873.2	452,977.2
II	Other income	20	3,101.9	4,667.7	3,310.5
III	Total revenue (I + II)		370,171.1	465,540.9	456,287.7
IV	Expenses:				
	Cost of materials consumed	25(18)(D)	190,679.4	273,456.0	267,058.2
	Purchases of stock-in-trade		1,527.2	3,856.4	4,948.1
	Changes in inventories of finished goods and work-in-progress	21	10,619.7	(16,669.3)	(2,441.0)
	Employee benefits expense	22	9,564.6	9,468.3	7,995.8
	Finance costs	23	26,873.4	29,086.9	27,401.3
	Depreciation and amortization expenses	12 & 25(7)	25,514.5	27,845.0	27,258.8
	Other expenses	24	97,453.1	102,045.4	87,590.2
	Total expenses		362,231.9	429,088.7	419,811.4
V	Profit before exceptional items and tax (III-IV)		7,939.2	36,452.2	36,476.3
VI	Exceptional items				
	Exchange loss (net)	25(13)	-	-	16,923.0
	Provision for Diminution	25(6)	58,604.5	3,963.0	-
VII	Profit/ (Loss) before tax (V-VI)		(50,665.3)	32,489.2	19,553.3
VIII	Tax expenses:				
	Current tax		67.1	7,188.8	4,098.0
	MAT credit entitlement		(67.1)	(7,188.8)	(4,098.0)
	Reversal of MAT credit entitlement		1,154.4	-	-
	Deferred tax		(16,836.9)	10,824.4	6,208.2
			(15,682.5)	10,824.4	6,208.2
IX	Profit / (Loss) for the year (VII-VIII)		(34,982.8)	21,664.8	13,345.1
	Earnings per equity share of Rs 10 each	25(16)			
	Basic		(146.11)	88.24	53.86
	Diluted		(146.11)	88.24	53.86

See accompanying Notes 1 to 25 forming part of the Standalone Summary 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

LANCY VARGHESE
Company Secretary

Place: Mumbai
Date: 22 March, 2017

JSW STEEL LIMITED

SUMMARY CASH FLOW STATEMENT

(Rs in millions)

		For the year ended 31.03.2016		For the year ended 31.03.2015		For the year ended 31.03.2014
A. Cash flow from operating activities						
Net profit before tax		(50,665.3)		32,489.2		19,553.3
Adjustments for :						
Depreciation and amortization expenses	25,514.5		27,845.0		27,258.8	
(Profit)/Loss on sale of fixed assets	3.3		(441.8)		44.6	
Gain on sale of current investments	(26.6)		(26.4)		(171.5)	
Gain on sale of long-term investment	-		(709.1)		(65.6)	
Interest income	(2,464.6)		(2,232.0)		(2,451.6)	
Dividend income	(182.9)		(571.6)		(222.3)	
Interest expense	22,602.8		21,910.5		21,249.2	
Unrealised exchange loss / (gain)	3,160.0		1,206.3		1,970.6	
Provision/ Write off for diminution in value of investments , Loans & Advances & guarantees	58,606.1		3,964.0		-	
		107,212.6		50,944.9		47,612.2
Operating profit before working capital changes		56,547.3		83,434.1		67,165.5
Adjustments for :						
(Increase) / Decrease in inventories	18,092.4		(23,881.7)		(8,290.5)	
Decrease in trade receivables*	(4,838.8)		1,919.1		4,936.2	
Decrease/ (Increase) in loans and advances*	796.9		4,538.2		(871.5)	
(Decrease)/ Increase in trade payable and other liabilities'*	(18,857.8)		25,598.8		(22,752.6)	
(Decrease)/Increase in provisions*	27.9		161.1		(225.5)	
		(4,779.4)		8,335.5		(27,203.9)
Cash flow from operations		51,767.9		91,769.6		39,961.6
Direct taxes paid		(1,538.6)		(7,107.9)		(3,527.9)
Net cash generated from operating activities		50,229.3		84,661.7		36,433.7
B. Cash flow from Investing activities						
Capital expenditure on fixed assets, including capital advances		(39,044.1)		(44,515.9)		(44,100.7)
Proceeds from sale of fixed assets		16.0		1,384.7		109.3
Investment in subsidiaries and joint ventures including advances		(12,834.6)		(2,924.1)		(6,455.5)
Sale/ (Purchase) of other long term investments (net)		2.9		887.5		(560.6)
Sale/ (Purchase) of current investments (net)		26.6		703.4		927.2
Bank deposits not considered as cash and cash equivalents (net)		8,519.9		(9,428.7)		(181.6)
Loans to subsidiaries		(7,909.2)		(12,429.4)		(9,770.6)
Loans repaid by subsidiaries		142.9		2,364.5		27,699.8
Interest received		592.5		640.0		1,043.0
Dividend received		182.9		571.6		222.3
Net cash used in investing activities		(50,304.2)		(62,746.4)		(31,067.4)
C Cash flow from financing activities						
Proceeds from long-term borrowings		58,630.6		110,727.1		38,798.1
Repayment of long-term borrowings		(53,432.8)		(67,088.0)		(42,673.6)
Proceeds from/ Repayment of short-term borrowings (net)		18,056.5		(36,602.1)		25,646.4
Interest paid		(23,111.4)		(21,653.5)		(22,280.1)
Dividend paid (including corporate dividend tax)		(3,536.0)		(3,437.2)		(3,154.5)
Net cash used in financing activities		(3,393.1)		(18,053.7)		(3,663.7)
Net increase in cash and cash equivalents(A+B+C)		(3,468.0)		3,861.6		1,702.7
Cash and cash equivalents - opening balances		8,096.6		4,235.0		2,030.7
On account of composite scheme of amalgamation and arrangement (refer note 25(4))		-		-		501.6
Cash and cash equivalents - closing balances (refer note 18)		4,628.6		8,096.6		4,233.0
Add : Margin money / Fixed deposit balance*		1,100.6		9,619.7		190.8
Add : Balance in debenture interest/ installments/dividend payment accounts		233.9		234.3		231.4
Cash and bank balances (refer note 18)		5,963.1		17,950.6		4,657.2

* Includes current and non current

Note

The Summary 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 Summary 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 : 22 March, 2017

RAJEEV PAI
Chief Financial Officer

LANCY VARGHESE
Company Secretary

For JSW STEEL LIMITED

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

JSW STEEL LIMITED

NOTES FORMING PART OF THE STANDALONE SUMMARY FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting

The Summary Standalone Financial Statements are based on and have been extracted by the Management of the Company from the Audited Standalone Financial Statements of the Company for the financial years ended March 31, 2016, March 31, 2015 and March 31, 2014. The Summary Standalone Financial Statements as at end/ for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 has been regrouped/ reclassified wherever necessary to correspond with the presentation/ disclosure requirements of the financial year ended March 31, 2016.

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention except for the assets and liabilities acquired under the composite scheme of Amalgamation and Arrangement which are recorded at respective fair values. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses during the year. The Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Future results could differ due to these estimates and the differences between the actual results and estimates are recognized in the periods in which the results are known/ materialize.

1.3 Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined by the weighted average cost method.

Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

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 21).

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1.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

1.5 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. When significant parts of the main asset is having different useful lives as compared to the main asset, the Company depreciates them separately based on their specific useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Class of assets	Years
Plant and machinery	8 to 40 years
Work-rolls	1 year

Leasehold land is amortized over the duration 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 their estimated useful lives on straight line method as follows:

Class of assets	Years
Computer software	3 to 5 years
Licenses	3 to 5 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

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1.6 Revenue recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

Revenue from sale of goods is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax. Export turnover includes related export benefits.

1.7 Other income

Interest income is accounted on accrual basis when there is no significant uncertainty as to its realization or collection. Dividend income is accounted for, when the right to receive income is established.

1.8 Fixed Assets (Tangible/ Intangible)

Tangible assets are stated at their cost of acquisition or construction except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated depreciation and impairment losses, if any.

The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

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Intangible assets:

Intangible assets are recognized 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 except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated depreciation and impairment losses, if any.

Expenditure on Research and development (Refer Note 1.20) eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

1.9 Foreign currency transactions and translations

Intial recognition

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transaction.

Measurement at balance sheet date

Foreign currency monetary items outstanding at the year-end (other than derivative contracts which are accounted as per note 1.22) are translated at the exchange rate prevailing as at the balance sheet date. 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).

Exchange differences arising on settlement or conversion of short-term foreign currency monetary items are recognised in the Statement of Profit and Loss or capital work in progress / fixed assets.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, is amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

1.10 Government grants, subsidy and export incentive

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

1.11 Investments

Long-term investments are carried individually at cost except for investments acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

1.12 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Employee benefits such as salaries, performance incentives, allowances, non-monetary benefits, provident fund 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.

The cost of compensated absences which is expected to occur within twelve months after the end of the period in which the employee renders the related service, is accounted as under:
(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

Employee benefits under defined benefit plans such as gratuity fund 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.

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1.13 **Employee share based payments**

The Company has issued an Employee Stock Option Plan - 2012 to the Employees. Employee Stock Options are accounted under the 'Intrinsic Value Method'. Accordingly, the Compnay amortises the excess of market price of Share over exercise price of the Option over the vesting period specified in Employee stock option plan.

1.14 **Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

1.15 **Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

1.16 **Leases:**

(i) **Finance lease**

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

(ii)Operating leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.17 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

1.18 Taxes on income

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

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

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Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

1.19 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

1.20 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is

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recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

1.21 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

1.22 Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments such as foreign exchange/Commodity forward and option contracts, interest rate swaps and currency options to manage its exposure to commercial risks associated with commodity price, foreign exchange and interest rate fluctuations. The Company does not enter into derivative contracts for trading or speculative purposes.

Foreign exchange forward contracts or instruments which are in substance forward exchange contracts closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions (refer note 1.9).

The Company applies the hedge accounting principles set out in "Accounting Standard 30 (AS 30) - Financial Instruments: Recognition and Measurement", and accordingly designates certain derivatives as hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a "Hedging Reserve Account" under Reserves and surplus. 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.

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.

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 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.

In respect of all other derivative contracts, which are not designated for hedge accounting (in terms of AS 30) and not covered under Accounting Standard (AS) 11: The Effects of Changes in Foreign Exchange Rates, the gains / losses arising from settlement and net marked to market (MTM) losses in respect of outstanding derivative contracts as at balance sheet date are recognised in the same line as the hedge item in the Statement of Profit and Loss. The net MTM gains in respect of outstanding derivatives contracts are not recognised adopting the principles of prudence.

1.23 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

1.24 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

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JSW STEEL LIMITED

NOTES FORMING PART OF THE STANDALONE SUMMARY FINANCIAL STATEMENTS

(Rs. in millions)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Note 2						
Share capital						
a **Authorised :**						
6,01,50,00,000 Equity shares of the par value of Rs.10 each				60,150.0	60,150.0	60,150.0
3,00,00,00,000 Preference shares of the par value of Rs.10 each				30,000.0	30,000.0	30,000.0
				90,150.0	90,150.0	90,150.0
b **Issued and subscribed:**						
24,17,22,044 Equity shares of Rs. 10 each fully paid up				2,417.2	2,417.2	2,417.2
27,90,34,907 10% Cumulative redeemable preference shares of Rs. 10 each fully paid up				2,790.3	2,790.3	2,790.3
48,54,14,604 0.01% Cumulative redeemable preference shares of Rs. 10 each fully paid up				4,854.1	4,854.1	4,854.1
				10,061.6	10,061.6	10,061.6
c Equity shares forfeited (amount originally paid-up)				610.3	610.3	610.3
				10,671.9	10,671.9	10,671.9

d **Reconciliation of amount and number of shares outstanding at the beginning and end of the year:**	Number of Shares			Amount (Rs. in millions)		
Equity shares:						
Outstanding at the beginning of the year	2,417,220,440	2,417,220,440	2,231,172,000	2,417.2	2,417.2	2,231.2
Issued during the year (on account of composite scheme of amalgamation and arrangement) (refer note 25(4))	-	-	186,048,440	-	-	186.0
Outstanding at the end of the year	2,417,220,440	2,417,220,440	2,417,220,440	2,417.2	2,417.2	2,417.2
Preference shares:						
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	2,790.3	2,790.3	2,790.3
0.01% Cumulative redeemable preference shares						
Outstanding at the beginning of the year	485,414,604	485,414,604	-	4,854.1	4,854.1	-
Issued during the year (on account of composite scheme of amalgamation and arrangement) (refer note 25(4))	-	-	485,414,604	-	-	4,854.1
Outstanding at the beginning and at the end of the year	485,414,604	485,414,604	485,414,604	4,854.1	4,854.1	4,854.1

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 each and 0.01% cumulative redeemable preference shares (CRPS2) of Rs 10 each.
Each holder of CRPS1 is entitled to one vote per share, in proportion to the amount paid on CRPS1 held, only on resolutions placed before the Company which directly affect the rights attached to CRPS1.
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.

(Rs. in millions)

		As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
g **Shareholders holding more than 5% shares in the Company is set out below:**				
Equity shares				
JFE Steel International Europe B.V	No of Shares	36,258,307	36,258,307	36,258,307
	%	15.00%	15.00%	15.00%
JSW Holdings Limited	No of Shares	17,368,923	17,284,923	17,284,923
	%	7.19%	7.15%	7.15%
Vividh Consultancy and Advisory Services Private Limited	No of Shares	13,885,669	13,885,669	7,580,164
	%	5.74%	5.74%	3.14%
JSW Investment Private Limited	No of Shares	13,516,309	13,516,309	12,599,601
	%	5.59%	5.59%	5.21%
Preference shares				
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	338,586,951	338,586,951
	%	69.75%	69.75%	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:**
(i) 1,86,04,844 Equity 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 25(4))
(ii) 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 25(4))

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(Rs. in millions)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Note 3			
Reserves and surplus			
a **Capital reserve**			
As per last Balance Sheet	35,845.0	35,845.0	5,293.8
Addition on Account of Composite Scheme of Amalgamation and Arrangement (Refer note 25(4))	-	-	30,551.2
	35,845.0	35,845.0	35,845.0
b **Capital redemption reserve**			
As per last Balance Sheet	99.0	99.0	99.0
	99.0	99.0	99.0
c **Securities premium account**			
As per last Balance Sheet	54,166.3	54,166.3	54,166.3
	54,166.3	54,166.3	54,166.3
d **Debenture redemption reserve**			
As per last Balance Sheet	1,303.4	660.2	118.6
Add : Transfer from surplus in Summary Statement of Profit and Loss	3,024.4	643.2	541.6
	4,327.8	1,303.4	660.2
e **Hedging reserve**			
As per last Balance Sheet	143.2	2,349.0	(88.3)
Add : On account of composite scheme of amalgamation and arrangement (refer note 25(4))	-	-	0.5
Add: Effect of foreign exchange rate variation on hedging instruments outstanding at the end of the year	610.9	143.2	2,349.0
Less: Amount transferred to Summary Statement of Profit and Loss	(143.2)	(2,349.0)	87.8
	610.9	143.2	2,349.0
f **General reserve**			
As per last Balance Sheet	104,172.2	102,002.2	100,686.9
Add : Transfer from surplus in Summary Statement of Profit and Loss	-	2,170.0	1,340.0
Less: As per the composite scheme of amalgamation and arrangement (refer note 25(4))	-	-	(24.7)
	104,172.2	104,172.2	102,002.2
g **Foreign currency monetary item translation difference account (FCMITDA)**			
As per last Balance Sheet	(1,447.0)	(401.1)	405.4
Add: Effect of foreign exchange rate variation during the year	(2,966.7)	(1,616.2)	(898.8)
Less: Amortisation for the year	1,383.0	570.3	92.3
	(3,030.7)	(1,447.0)	(401.1)
h **Surplus in Summary Statement of Profit and Loss**			
As per last Balance Sheet	52,292.0	37,449.3	33,060.2
Add : Profit / (Loss) for the year	(34,982.8)	21,664.8	13,345.1
Less : Pursuant to the composite scheme of amalgamation and arrangement (refer note 25(4))	-	-	3,419.5
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 (refer not 25(7))	1,099.8	472.9	-
Less :			
Dividend on additonal equity shares issued (2015-16 - Rs. Nil; 2015-16 - Rs. Nil; 2013-14 - Rs. 10 per share issued)	-	-	217.7
Dividend on preference shares (2015-16 - Re 1 per share; 2014-15 - Re 1 per share; 2013-14 - Re 1 per share)	279.0	279.0	279.0
Proposed dividend on equity shares (2015-16 - Rs. 7.5 per share; 2014-15 - Rs. 11 per share; 2013-14 - Rs. 11 per share)	1,812.9	2,658.9	2,658.9
Corporate dividend tax on proposed dividend	425.9	598.1	499.3
Transferred to:			
General reserve	-	2,170.0	1,340.0
Debenture redemption reserve	3,024.4	643.2	541.6
	10,667.2	52,292.0	37,449.3
	206,857.7	246,574.1	232,169.9

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NOTES FORMING PART OF THE STANDALONE SUMMARY FINANCIAL STATEMENTS

(Rs. in millions)

	As at 31.03.2016 Non current	As at 31.03.2015 Non current	As at 31.03.2014 Non current	As at 31.03.2016 Current (Refer note 10)	As at 31.03.2015 Current (Refer note 10)	As at 31.03.2014 Current (Refer note 10)
Note 4						
Long term borrowings						
Bonds / Debentures						
Bonds						
4.75 % Foreign currency bonds (unsecured)	33,166.5	31,295.4	-	-	-	-
Debentures (secured)						
10.34 % Non convertible debentures of Rs. 10 lacs each	10,000.0	10,000.0	10,000.0	-	-	-
10.02 % Non convertible debentures of Rs. 10 lacs each	10,000.0	10,000.0	10,000.0	-	-	-
11 % Non convertible debentures of Rs. 10 lacs each	10,000.0	10,000.0	10,000.0	-	-	-
10.60 % Non convertible debentures of Rs. 8.75 lacs each	2,406.3	3,281.3	3,500.0	875.0	218.8	-
9.72 % Non convertible debentures of Rs. 10 lacs each	4,000.0	4,000.0	-	-	-	-
10.40 % Non convertible debentures of Rs. 10 lacs each	2,500.0	2,500.0	-	-	-	-
10.60 % Non convertible debentures of Rs. 10 lacs each	4,250.0	4,250.0	-	-	-	-
9.66 % Non convertible debentures of Rs. 10 lacs each	3,000.0	3,000.0	-	-	-	-
10.50 % Non convertible debentures of Rs. 10 lacs each	1,750.0	1,750.0	-	-	-	-
10.10 % Non convertible debentures of Rs. 9.373 lacs each	2,187.5	4,687.5	7,187.5	2,500.0	2,500.0	2,500.0
10.25 % Non convertible debentures of Rs. 6.67 lacs each	1,666.7	3,333.3	5,000.0	1,666.7	1,666.7	-
9.62 % Non convertible debentures of Rs. 10 lacs each	3,000.0	3,000.0	-	-	-	-
10.20 % Non convertible debentures of Rs. 10 lacs each	2,000.0	2,000.0	-	-	-	-
10.20 % Non convertible debentures of Rs. 10 lacs each	5,000.0	5,000.0	-	-	-	-
10.40 % Non convertible debentures of Rs. 10 lacs each	1,750.0	1,750.0	-	-	-	-
10.55 % Non convertible debentures of Rs. 10 lacs each	-	1,500.0	1,500.0	1,500.0	-	-
10.55 % Non convertible debentures of Rs. 10 lacs each	-	10,000.0	10,000.0	10,000.0	-	-
10.50 % Non convertible debentures of Rs. 10 lacs each	-	750.0	1,500.0	750.0	750.0	-
10.98 % Non convertible debentures of Rs. 0.25 lacs each *	-	19.5	97.5	19.5	78.0	78.0
11.93 % Non convertible debentures of Rs. 10 lacs each	-	-	-	-	-	62.8
	63,510.5	80,821.6	58,785.0	17,311.2	5,213.5	2,640.8
Term loans						
(Secured)						
Rupee term loans from banks	82,510.5	72,213.6	91,347.7	3,335.0	5,509.5	9,045.6
Foreign currency term loans from banks	-	3,530.1	6,037.0	-	2,737.2	9,205.3
Rupee term loans from financial institutions	-	-	30.0	-	28.1	112.2
(Unsecured)						
Foreign currency term loans from banks	78,674.6	66,179.6	53,326.5	11,850.2	10,132.1	999.7
	161,185.1	141,923.3	150,741.2	15,185.2	18,426.9	19,363.0
Deferred payment liabilities						
Deferred sales tax loan (unsecured)	849.5	928.6	1,017.0	79.1	88.4	90.7
	258,711.6	254,968.9	210,543.2	32,575.5	23,728.8	22,094.5

* Rate was 11.93% till Decemeber 2015

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Details of Security

(i) The 10.34% NCDs aggregating to Rs. 10,000 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.

(ii) The 10.02 % NCDs aggregating to Rs. 10,000 millions are secured by:
- first pari passu charge on 3.8 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

(iii) The 11% NCDs aggregating to Rs. 10,000 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.

(iv) The 10.60% NCDs aggregating to Rs. 3,500 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 Vijayanagar Works, Karnataka.

(v) The 9.72% NCDs aggregating to Rs. 4,000 millions are secured by a flat situated at Vasind, Maharashtra and to be secured by first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out).

(vi) The 10.40% NCDs aggregating to Rs. 2,500 millions are secured by first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

(vii) The 10.60% NCDs aggregating to Rs. 4,250 millions are secured by first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

(viii) The 9.665% NCDs aggregating to Rs. 3,000 millions are secured by a flat situated at Vasind, Maharashtra and to be secured by first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out).

(ix) The 10.50% NCDs aggregating to Rs. 1,750 millions are secured first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

(x) The 10.10 % NCDs aggregating to Rs. 7,187.5 millions are secured by:
- 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.

(xi) The 10.25% NCDs aggregating to Rs. 5,000 millions are secured by :
- 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.

(xii) The 9.62% NCDs aggregating to Rs. 3,000 millions are secured by a flat situated at Vasind, Maharashtra and to be secured by first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out).

(xiii) The 10.20% NCDs aggregating to Rs. 2,000 millions are secured by first pari passu charge on 3.8 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

(xiv) The 10.20% NCDs aggregating to Rs. 5,000 millions are secured by first pari passu charge on 3.8 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

(xv) The 10.40% NCDs aggregating to Rs. 1,750 millions are secured by first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

(xvi) The 10.55% NCDs aggregating to Rs. 1,500 millions are secured by first pari passu charge on 3.8 mtpa fixed assets located at

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Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

(xvii) The 10.55% NCDs aggregating to Rs. 10,000 millions are secured by pari passu first charge on fixed assets of the new 5 mtpa Hot Strip Mill at Vijayanagar Works, Karnataka.

(xviii) The 10.50% NCDs aggregating to Rs. 1,500 millions are secured by first pari passu charge on 3.8 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

(xix) The 11.93 % NCDs aggregating to Rs. 97.5 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 Vijayanagar Works, Karnataka.

(xx) 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. 207.9 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. 508.6 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 Vijayanagar Works, Karnataka.
- Rupee Term Loan aggregating to Rs. 10,000 millions to be secured by first charge on 3.2 mtpa expansion fixed assets situated at Vijayanagar Works Karnataka
- Rupee Term Loan aggregating to Rs. 11,875 millions secured/to be secured by first pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
- Rupee Term Loan aggregating to Rs. 9,500 millions by first pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
- Rupee Term Loan aggregating to Rs. 20,000 millions to be secured by first charge on fixed assets situated at Dolvi works, Maharashtra.
- Rupee Term Loans aggregating to Rs. 26,348 millions and Foreign Currency Term Loans aggregating to Rs. 5,570.8 millions by first charge on fixed assets situated at Dolvi works, Maharashtra.

(xxi) Rupee Term Loan from Financial Institution aggregating to Rs. 28.1 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) The 10.34% Secured NCDs of Rs. 1 million each aggregating Rs. 10,000 millions are redeemable in three tranches as under :

- Rs. 3,300 millions on 18.1.2022
- Rs. 3,300 millions on 18.1.2023
- Rs. 3,400 millions on 18.1.2024

(ii) The 10.02% Secured NCDs of Rs. 1 million each aggregating Rs. 5,000 millions is redeemable on 19.07.2023

(iii) The 10.02% Secured NCDs of Rs. 1 million each aggregating Rs. 5,000 millions is redeemable on 20.05.2023.

(iv) The 11% Secured NCDs of Rs. 1 million each aggregating Rs. 10,000 millions are redeemable with call and put option excersiable on 16.03.17 and 16.03.19 as under:
- Rs. 3,300 millions each on 16.3.2021
- Rs. 3,300 millions each on 16.3.2022
- Rs. 3,400 millions each on 16.3.2023

(v) The 10.60% Secured NCDs of Rs. 1 million each aggregating Rs. 3,500 millions are redeemable in two tranches as under :
- 8 half yearly instalments of Rs.218.75 millions each from 02.01.2016 to 02.07.2019
- 8 half yearly instalments of Rs.218.75 millions each from 02.08.2016 to 02.02.2020.

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(vi) The 9.72% Secured NCDs of Rs. 1 million each aggregating Rs. 4,000 millions is redeemable on 23.12.2019.

(vii) The 10.40% Secured NCDs of Rs. 1 million each aggregating Rs. 2,500 millions is redeemable (with Put option excercisable on 19.08.2017) on 19.08.2019.

(viii) The 10.60% Secured NCDs of Rs. 1 million each aggregating Rs. 4,250 millions is redeemable on 19.08.2019.

(ix) The 9.665% Secured NCDs of Rs. 1 million each aggregating Rs. 3,000 millions is redeemable on 23.12.2018.

(x) The 10.5% Secured NCDs of Rs. 1 million each aggregating Rs. 1,750 millions is redeemable on 19.08.2018.

(xi) The 10.10% Secured NCDs of Rs. 1 million each aggregating Rs. 7,187.5 millions are redeemable in two tranches as under :
- 11 quarterly instalments of Rs. 312.5 millions each from 04.05.2015 to 04.11.2017
- 12 quarterly instalments of Rs. 312.5 millions each from 15.06.2015 to 15.03.2018.

(xii) The 10.25% Secured NCDs of Rs. 1 million each aggregating Rs. 5,000 millions are redeemable in 3 equal annual instalments of Rs. 1,666.7 millions each from 17.02.2016 to 17.02.2018.

(xiii) The 9.62% Secured NCDs of Rs. 1 million each aggregating Rs. 3,000 millions is redeemable on 23.12.2017.

(xiv) The 10.20% Secured NCDs of Rs. 1 million each aggregating Rs. 2,000 millions is redeemable on 11.09.2017.

(xv) The 10.20% Secured NCDs of Rs. 1 million each aggregating Rs. 5,000 millions is redeemable on 05.09.2017.

(xvi) The 10.40% Secured NCDs of Rs. 1 million each aggregating Rs. 1,750 millions is redeemable on 19.08.2017.

(xvii) The 10.55% Secured NCDs of Rs. 1 million each aggregating Rs. 1,500 millions is redeemable on 20.03.2017.

(xviii) The 10.55% Secured NCDs of Rs. 1 million each aggregating Rs. 10,000 millions is redeemable on 10.02.2017.

(xix) The 10.50% Secured NCDs of Rs. 1 million each aggregating Rs. 1,500 millions is redeemable as Under
- Rs 750 millions on 26.03.2016
- Rs 750 millions on 18.05.2016

(xx) The 11.93% Secured NCDs of Rs. 1 million each aggregating Rs. 97.5 millions are redeemable in 5 quarterly instalments of Rs. 19.5 millions each from 15.4.2015 to 15.04.2016.

2. **Terms of Repayment of Secured Term Loans**

(A) Rupee Term Loan from Banks of :

(i) Rs. 10,000 millions is repayable as under :
- 8 Quarterly instalment of Rs 250 millions each from 31.03.2018 - 31.12.2019
- 16 Quarterly instalment of Rs 500 millions each from 31.03.2020 - 31.12.2023

(ii) Rs. 11,875 millions is repayable as under :
- 15 quarterly instalments of Rs. 125 millions each from 30.6.2015 - 31.12.2018
- 12 quarterly instalments of Rs. 375 millions each from 31.3.2019 - 31.12.2021
- 4 quarterly instalments of Rs. 437.5 millions each from 31.3.2022 - 31.12.2022
- 2 quarterly instalments of Rs. 1,875 millions each from 31.3.2023 - 30.6.2023

(iii) Rs. 9,500 millions is repayable as under :
- 12 quarterly instalments of Rs. 125 millions each from 30.6.2015 - 31.3.2018
- 12 quarterly instalments of Rs. 375 millions each from 30.6.2018 - 31.3.2021
- 4 quarterly instalments of Rs. 437.5 millions each from 30.6.2021 - 31.3.2022
- 2 quarterly instalments of Rs. 875 millions each from 30.6.2022 - 30.9.2022

(iv) Rs. 20,000 millions is repayable as under :
- 12 Quarterly instalments of Rs. 250 millions each from 31.12.2015 - 30.09.2018
- 10 Quarterly instalments of Rs. 500 millions each from 31.12.2018 - 31.03.2021
- 4 Quarterly installmets of Rs. 1,250 millions each from 30.06.2021 - 31.03.2022
- 2 Quarterly installments of Rs. 3,500 millions each from 30.06.2022- 30.09.2022

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(v) Rs. 26,348 millions is repayable as under :
- 4 quarterly instalments of Rs. 1,002.4 millions from 30.6.2015 - 31.3.2016
- 4 quarterly instalments of Rs. 1,290.6 millions from 30.6.2016 - 31.3.2017
- 11 quarterly instalments of Rs. 1,432.6 millions from 30.6.2017 - 31.12.2019
- 1 quarterly instalment of Rs. 1,417.5 millions on 31.3.2020

(B) Foreign Currency Term Loan from Banks of :

(i) Rs. 5,570.8 millions is repayable as under :
-Rs. 2,624.3 millions is repayable in 23 Monthly instalments of Rs. 114.1 millions each from 28.4.2015 to 28.02.2017
-Rs. 90.5 millions is repayable in 1 Instalment of Rs. 90.5 millions on 28.03.2017.
-Rs. 2,184 millions is repayable in 13 quarterly instalments of Rs. 168 millions each from 02.4.2015 to 01.4.2018.
-Rs. 672 millions is repayable in 8 quarterly instalments of Rs. 84 millions each from 01.7.2018 to 01.4.2020.

(ii) Rs. 207.9 millions is repayable in 2 half yearly instalments of Rs. 104 millions each from 9.9.2015 to 9.3.2016.

(iii) Rs. 109.5 millions is repayable on 16.6.2015.

(iv) Rs. 399 millions is repayable on 07.4.2015.

(C) **Rupee Term Loan from Financial Institutions of :**

(i) Rs. 6 millions is repayable in 3 monthly instalments of Rs. 2 millions each from 2.5.2015 to 02.7.2015.

(ii) Rs. 5.7 millions is repayable in 3 monthly instalments of Rs. 1.9 millions each from 20.4.2015 to 20.6.2015.

(iii) Rs. 5.1 millions is repayable in 3 monthly instalments of Rs. 1.7 millions each from 15.4.2015 to 15.6.2015.

(iv) Rs. 11.4 millions is repayable in 3 monthly instalments of Rs. 3.8 millions each from 11.4.2015 to 11.6.2015.

3 Terms of Repayment of Unsecured Term Loans

(A) Foreign Currency Term Loan from Banks of :

(i) Rs. 898 millions is repayable in 18 half yearly instalments of Rs. 49.9 millions each from 18.9.2015 to 18.3.2024.

(ii) Rs. 1,062.1 millions is repayable in 18 half yearly instalments of Rs. 59 millions each from 28.08.2015 to 28.02.2024

(iii) Rs. 471.6 millions is repayable in 18 half yearly instalments of Rs. 26.2 millions each from 31.7.2015 to 31.1.2024.

(iv) Rs. 856.6 millions is repayable in 17 half yearly instalments of Rs. 50.4 millions each from 30.10.2015 to 30.10.2023

(v) Rs. 161.5 millions is repayable in 17 half yearly instalments of Rs. 9.5 millions each from 16.8.2015 to 16.8.2023

(vi) Rs. 3314.9 millions is repayable in 16 half yearly instalments of Rs. 199.4 millions each from 19.7.2015 to 19.1.2023 and 1 half yearly instalment of Rs. 124.5 millions on 19.7.2023.

(vii) Rs. 2280.4 millions is repayable in 16 half yearly instalments of Rs. 134.7 millions each from 19.7.2015 to 19.1.2023 and 1 half yearly instalment of Rs. 125.2 millions on 19.7.2023.

(viii) Rs. 768.2 millions repayable in 16 equal semi annual instalments of Rs. 47.3 millions each from 09.07.2015 to 09.01.2023 and 1 semi annual instalment of Rs. 11.4 millions on 09.07.2023

(ix) Rs. 1,832.9 millions repayable in 16 equal semi annual instalments of Rs. 108 millions each from 09.07.2015 to 09.01.2023 and 1 semi annual instalment of Rs. 104.9 millions on 09.07.2023

(x) Rs. 5,445.2 millions is repayable in 17 half yearly instalments of Rs. 320.3 millions each from 30.4.2015 to 30.4.2023

(xi) Rs.384.7 millions repayable in 13 equal semi annual instalments of Rs. 28.7 millions each from 25.09.2015 to 25.09.2021 and 1 semi annual instalment of Rs. 11.6 millions on 25.03.2022

(xii) Rs. 2,503.6 millions is repayable in 3 equal annual installments of Rs. 834.5 millions from 13.8.2019 to 13.8.2021

(xiii) Rs. 6,767.2 millions is repayable in 13 half yearly instalments of Rs. 520.6 millions each from 31.5.2015 to 31.3.2021.

(xiv) Rs. 15,647.7 millions is repayable on 20.03.2020

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(xv) Rs. 31,295.4 millions is repayable on 12.11.2019

(xvi) Rs. 95.1 millions repayable in 7 equal semi annual instalments of Rs. 12.7 millions each from 25.09.2015 to 25.09.2018 and 1 semi annual instalment of Rs. 6.2 millions on 25.03.2019

(xvii) Rs. 2,152.1 millions is repayable in 3 yearly instalments of Rs. 717.4 millions each from 26.7.2016 to 26.7.2018.

(xviii) Rs. 17,525.4 millions is repayable in 5 half yearly instalments of Rs. 3,505.1 millions each from 28.8.2015 to 27.8.2017.

(xix) Rs. 14,082.9 millions is repayable on 26.6.2017.

(xx) Rs. 61.5 millions is repayable as under :
- Rs. 39.1 millions repayable on 15.12.2015
- Rs. 22.4 millions on 15.6.2016

4 Deferred Sales tax of Rs.1,017 millions is repayable in 77 varying monthly instalments starting from 30.4.2015 to 31.8.2021.

(Repayments stated above are rounded off to the nearest million)

NOTES FORMING PART OF THE STANDALONE SUMMARY FINANCIAL STATEMENTS

(Rs. in millions)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
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	57,709.6	52,181.2	48,286.3
Others	73.5	51.5	-
	57,783.1	52,232.7	48,286.3
Deferred tax asset comprises of timing differences on account of:			
Expenses allowable on payment basis (under section 43B of Income Tax Act, 1961)	667.7	406.2	456.3
Provision for doubtful debts / advances / guarantees	16,830.5	1,220.9	1,867.7
Business loss / Unabsorbed depreciation	28,037.8	20,939.7	26,856.6
Others	-	-	20.6
	45,536.0	22,366.8	29,201.2
	12,247.1	29,665.9	19,085.1

Note:- The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

(Rs. in millions)

	As at 31.03.2016 Non-current	As at 31.03.2015 Non-current	As at 31.03.2014 Non-current	As at 31.03.2016 Current (Refer note 10)	As at 31.03.2015 Current (Refer note 10)	As at 31.03.2014 Current (Refer note 10)
Note 6						
Other long-term liabilities						
Rent and other deposits	1,518.6	1,876.5	2,316.8	606.4	751.9	747.7
Retention money for capital projects	79.9	385.1	2,218.4	3,910.6	3,262.4	1,402.4
Other payables	66.0	99.4	128.8	-	-	-
	1,664.5	2,361.0	4,664.0	4,517.0	4,014.3	2,150.1
Note 7						
Long-term provisions						
Provision for employee benefits:						
-Provision for compensated absences (refer note 25(12)(b)(iii))	595.7	567.8	406.7	124.6	77.7	70.8
-Provision for gratuity (refer note 25 (12)(b)(i))	-	-	-	932.1	853.2	504.8
Provision for guarantees (refer note 25 (5) (A)(i)(iii))	9,578.5	-	-	-	-	-
	10,174.2	567.8	406.7	1,056.7	930.9	575.6

(Rs. in millions)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Note 8			
Short-term borrowings			
Working capital loans from banks (secured)			
Rupee loans	3,893.9	215.3	10,656.6
Foreign currency loan	-	2,158.1	-
Foreign currency loan from bank (unsecured)	3,185.1	-	-
Rupee loans from banks (unsecured)	13,620.0	270.0	18,550.0
Commercial papers (unsecured)	-	-	10,000.0
	20,699.0	2,643.4	39,206.6

Details of Security
Working capital loans of Rs. 3,893.9 millions (2014-15 - Rs. 2,373.4 millions ; 2013-14 - Rs. 10,656.6 millions) 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.
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.

(Rs. in millions)

Note 9(a)			
Total outstanding dues of micro and small enterprises(refer Note 25(19))	220.5	240.5	127.6
	220.5	240.5	127.6
Note 9(b)			
Total outstanding dues of creditors other than micro and small enterprises			
Acceptances	77,466.5	92,576.3	70,669.9
Other than acceptances	32,289.6	32,337.1	29,115.0
	109,756.1	124,913.4	99,784.9
Note 10			
Other current liabilities			
Current maturities of long term debt (refer note 4)	32,575.3	23,728.8	22,094.5
Current dues of other long term liabilities (refer note 6)	4,517.0	4,014.3	2,150.1
Current dues of long term employee benefits (refer note 7)	1,056.7	930.9	575.6
Payables for capital projects	31,689.1	31,200.0	30,623.9
Advances from customers	4,257.3	4,021.0	1,770.3
Interest accrued but not due on borrowings	3,367.6	3,015.0	1,591.5
Statutory Liabilities (includes Indirect taxes/PF etc)	4,900.7	5,288.6	4,865.8
Unclaimed matured debentures and accrued interest thereon	3.8	9.2	14.8
Unclaimed dividends	163.7	158.6	149.3
Unclaimed amounts of sale proceeds of fractional shares	66.4	66.5	67.3
Others(includes forward contract premium payable, dharmada payable ,etc)	1,546.4	348.2	256.6
	84,144.2	72,781.1	64,159.7
Note 11			
Short-term provisions			
Proposed dividend on preference shares	279.0	279.0	279.0
Proposed dividend on equity shares	1,812.9	2,658.9	2,658.9
Corporate dividend tax	425.9	598.1	499.3
	2,517.8	3,536.0	3,437.2

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NOTES FORMING PART OF THE STANDALONE SUMMARY FINANCIAL STATEMENTS
Note 12
Fixed assets

(Rs. in millions)

		Gross block							Accumulated depreciation and amortization										Net block
	Years	As at 01.04.2015/ 01.04.2014/ 01.04.2013	Acquired under composite scheme of amalgamation and arrangement (refer note 25(4)	Disposals under composite scheme of amalgamation and arrangement (refer note 25(4)	Additions	Deductions	Other adjustments (refer note (c)below)	As at 31.03.2016/ 31.03.2015/ 31.03.2014	As at 01.04.2015/ 01.04.2014/ 01.04.2013	Transfer In	Transfer Out	Additions consequent to acquisition of subsidiaries	Acquired under composite scheme of amalgamation and arrangement (refer note 25(4))	Disposals under composite scheme of amalgamation and arrangement	For the year	Deductions	Transfer to reserve (refer note 25(o)) & Other Adjustment	As at 31.03.2016/ 31.03.2015/ 31.03.2014	As at 31.03.2016/ 31.03.2015/ 31.03.2014
Tangible assets																			
Freehold land	2015-16	9,429.8	-	-	44.3	-	-	9,474.1	184.8	-	-	-	-	-	-	-	-	184.8	9,289.3
	2014-15	8,464.1	-	-	965.9	0.2	-	9,429.8	184.8	-	-	-	-	-	-	-	-	184.8	9,245.0
	2013-14	2,368.4	6,136.7	648.0	669.5	62.5	-	8,464.1	184.8	-	-	-	-	-	-	-	-	184.8	8,279.3
Leasehold land	2015-16	1,241.1	-	-	440.8	-	-	1,681.9	-	-	-	-	-	-	-	-	-	-	1,681.9
	2014-15	1,241.1	-	-	-	-	-	1,241.1	-	-	-	-	-	-	-	-	-	-	1,241.1
	2013-14	1,347.2	-	106.1	-	-	-	1,241.1	8.2	-	-	-	8.2	-	-	-	-	-	1,241.1
Buildings (refer note (b)below)	2015-16	60,731.5	-	-	8,994.7	-	-	69,726.2	12,125.0	-	-	-	-	-	2,547.0	-	36.7	14,708.7	55,017.5
	2014-15	51,859.7	-	-	8,862.1	-	-	60,721.8	9,695.2	-	-	-	-	-	2,096.9	-	332.9	12,125.0	48,596.8
	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
Plant and machinery*	2015-16	461,205.7	-	-	44,614.2	212.3	7,448.9	513,056.5	137,319.2	-	-	-	-	-	22,361.6	212.4	1,679.0	161,147.4	351,909.1
	2014-15	430,938.9	-	-	28,706.6	1,296.4	2,865.8	461,214.9	112,296.2	-	-	-	-	-	25,184.4	385.3	223.9	137,319.2	323,895.7
	2013-14	322,093.4	95,203.2	15,422.1	23,636.0	290.7	5,718.8	430,938.9	89,619.1	-	-	4,516.8	6,882.1	25,285.5	243.0	-	-	112,296.2	318,642.7
Furniture and fixtures	2015-16	1,336.2	-	-	59.4	-	-	1,395.6	693.3	-	-	-	-	-	157.1	-	-	850.4	545.2
	2014-15	997.1	-	-	298.3	0.9	-	1,294.5	515.6	-	-	-	-	-	149.5	0.6	28.8	693.3	601.2
	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
Vehicles and aircrafts	2015-16	1,884.6	-	-	118.2	36.6	-	1,966.2	773.6	-	-	-	-	-	149.4	17.2	-	905.8	1,060.4
	2014-15	1,819.0	-	-	121.4	55.8	-	1,884.6	650.6	-	-	-	-	-	146.8	25.2	1.4	773.6	1,111.0
	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
Office equipments	2015-16	511.2	-	-	91.7	0.2	-	602.7	268.6	-	-	-	-	-	88.5	0.2	-	356.9	245.8
	2014-15	361.4	-	-	201.1	9.1	-	553.4	87.7	-	-	-	-	-	59.7	8.4	129.6	268.6	284.8
	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
Tangible assets total (A)	2015-16	536,340.1	-	-	54,363.3	249.1	7,448.9	597,903.2	151,304.5	-	-	-	-	-	25,303.6	229.8	1,715.7	178,184.0	419,719.2
	2014-15	495,681.3	-	-	39,155.6	1,362.4	2,565.8	536,340.1	123,330.1	-	-	-	-	-	27,637.3	419.5	716.6	151,304.5	385,035.6
	2013-14	375,241.7	105,229.3	17,725.7	27,635.3	418.4	5,718.8	495,681.3	99,197.0	-	-	4,643.5	7,234.6	27,086.8	264.5	-	-	123,330.1	372,351.2
Intangible assets																			
Computer software	2015-16	1,232.9	-	-	110.8	-	-	1,343.7	735.2	-	-	-	-	-	168.8	-	-	904.0	439.7
	2014-15	1,104.2	-	-	128.7	-	-	1,232.9	558.1	-	-	-	-	-	177.1	-	-	735.2	497.7
	2013-14	694.0	-	71.2	481.2	-	-	1,104.2	426.5	-	-	-	2.3	133.9	-	-	-	558.1	546.1
Licences	2015-16	347.0	-	-	-	-	-	347.0	126.4	-	-	-	-	-	42.1	-	-	168.5	178.5
	2014-15	247.3	-	-	99.7	-	-	347.0	93.8	-	-	-	-	-	32.6	-	-	126.4	220.6
	2013-14	131.3	-	-	116.0	-	-	247.3	55.6	-	-	-	-	38.2	-	-	-	93.8	153.5
Intangible assets total (B)	2015-16	1,579.9	-	-	110.8	-	-	1,690.7	861.6	-	-	-	-	-	210.9	-	-	1,072.5	618.2
	2014-15	1,351.5	-	-	228.4	-	-	1,579.9	651.9	-	-	-	-	-	209.7	-	-	861.6	718.3
	2013-14	825.3	-	71.2	597.3	-	-	1,351.5	482.1	-	-	-	2.3	172.1	-	-	-	651.9	699.6
TOTAL (A+B)	2015-16	537,920.0	-	-	54,474.1	249.1	7,448.9	599,593.9	152,166.1	-	-	-	-	-	25,514.3	229.8	1,715.7	179,256.5	420,337.4
	2014-15	497,032.8	-	-	39,383.8	1,362.4	2,565.8	537,920.0	124,082.0	-	-	-	-	-	27,847.0	419.5	716.6	152,166.1	385,753.9
	2013-14	376,067.0	105,229.3	17,796.9	28,232.6	418.4	5,718.8	497,032.8	99,679.1	-	-	4,643.5	7,236.9	27,258.9	264.5	-	-	124,082.0	372,950.8
* Includes proportionate share (50%) of assets jointly owned																			
Buildings	2015-16	4,580.3	-	-	3.1	-	-	4,583.4	0.4	-	-	-	-	-	76.0	-	-	76.4	4,507.0
	2014-15	-	-	-	4,580.3	-	-	4,580.3	-	-	-	-	-	-	0.4	-	-	0.4	4,579.9
	2013-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery	2015-16	327.1	-	-	-	-	-	327.1	254.6	-	-	-	-	-	3.8	-	-	258.4	68.7
	2014-15	327.1	-	-	-	-	-	327.1	243.1	-	-	-	-	-	11.5	-	-	254.6	72.5
	2013-14	327.1	-	-	-	-	-	327.1	225.8	-	-	-	-	17.3	-	-	-	243.1	84.0
Capital work-in-progress (refer note (f)below)	2015-16																		[illegible]
	2014-15																		[illegible]
	2013-14																		[illegible]
Intangible assets under development	2015-16																		[illegible]
	2014-15																		1,960.1
	2013-14																		[illegible]

Notes:

(a) Freehold Land includes Rs 175.2 millions (FY 2014-15 Rs 187.0 millions; FY 2013-14 Rs. 216 millions) being the cost of 39.732 acres(FY 2014-15 - 40.390 acres; FY 2013-14 - 44.763 acres) land, which is yet to be registered in the Company's name.

(b) Buildings include roads not owned by the Company amortised over a period of five years. Gross block Rs. 31.3 millions (FY 2014-15 - Rs. 31.3 millions; FY 2013-14 - Rs. 31.3 millions) net block nil (FY 2014-15 nil; FY 2013-14 - nil).

(c) Other adjustments comprise :
(i) Borrowing cost of Rs. 1,314.1 millions (including Rs. 15 millions incurred during the current year) (FY 2014-15 - Rs. 832.8 millions; FY 2013-14 - Rs. 607.2 millions)
(ii) Foreign exchange loss of Rs. 6,134.8 millions (including Rs. 3,720 millions incurred during the current year) (FY 2014-15 - Rs. 2,033 millions; FY 2013-14 - Rs. 5,111.6 millions)

(d) Freehold land and buildings of Rs. 2,695.3 millions (FY 2014-15 - Rs. 1,590.3 millions; FY 2013-14 - Rs. 1,589.4 millions) has been/agreed to be hypothecated/mortgaged to lenders of group companies.

(e) For details of assets given on operating lease, refer note 25 (15)

(f) CWIP includes interest of Rs.1,204.7 millions (FY 2014-15 - Rs. 959.8 millions; FY 2013-14 - Rs. 1,240.7 millions) and foreign exchange loss of Rs.4,364.5 millions (FY 2014-15 - Rs. 1,540.1 millions; FY 2013-14 - Rs. 5,798.1 millions) capitalised during the year.

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NOTES FORMING PART OF THE STANDALONE SUMMARY FINANCIAL STATEMENTS

Note 13

Non-current investments

(At Cost unless otherwise stated)

(Rs. in millions)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Long term			
a **Equity instruments**			
Trade- quoted			
Others			
JSW Energy Limited # 91,474,090 (FY 2014-15 - 91,474,090 ; FY 2013-14 - 98,878,500) Equity shares of Rs 10 each, fully paid-up	2,206.1	2,206.1	2,384.7
Trade- unquoted			
Associate			
JSW Praxair Oxygen Private Limited (Formaly known as Jindal Praxair Oxygen Company Private Limited (JPOCPL)) 23,942,125 Equity shares of Rs 10 each, fully paid-up	272.7	272.7	272.7
Dolvi Minerals & Metals Private Limited 40,000,000 (FY 2014-15 - 40,000,000 ; FY 2013-14 - nil) Equity shares of Rs 10 each, fully-paid up (40,000,000 shares are pledged to the associate's banker)	400.0	400.0	-
Joint ventures			
Gourangdih Coal Limited 2,450,000 Equity shares of Rs.10 each, fully paid up	24.5	24.5	24.5
JSW MI Service Centre Private Limited 30,539,800 Equity shares of Rs 10 each, fully paid-up	305.4	305.4	305.4
JSW Severfield Structures Limited 115,437,940 (FY 2014-15 - 115,437,940 ; FY 2013-14 - 98,437,940) Equity shares of Rs.10 each, fully paid up	1,154.4	1,154.4	984.4
MJSJ Coal Limited 10,461,000 Equity shares of Rs.10 each, fully paid up	104.6	104.6	104.6
Rohne Coal Company Private Limited 490,000 Equity shares of Rs.10 each, fully paid up	4.9	4.9	4.9
Toshiba JSW Power Systems Private Limited 11,000,000 Equity shares of Rs.10 each, fully paid up	110.0	110.0	110.0
JSW Vallabh Tinplate Limited 25,019,600 (FY 2014-15 - 25,019,600 ; FY 2013-14 - nil) Equity shares of Rs.10 each, fully paid up	300.0	300.0	-
Vijayanagar Minerals Private Limited 4,000 Equity shares of Rs 10 each, fully paid-up (Rs. 40,000)	0.0	0.0	0.0
Subsidiaries			
Amba River Coke Limited 916,867,977 (FY 2014-15 - 842,220,571 ; FY 2013-14 - 662,269,806) Equity shares of Rs.10 each, fully paid up (304,373,882 shares are pledged to the subsidiary's banker)	9,168.7	8,422.2	6,622.7
JSW Bengal Steel Limited 439,810,000 (FY 2014-15 - 431,080,000 ; FY 2013-14 - 414,630,000) Equity Shares of Rs 10 each, fully paid-up	4,398.1	4,310.8	4,146.3
JSW Jharkhand Steel Limited 76,710,313 (FY 2014-15 - 76,710,313 ; FY 2013-14 - 64,779,910) Equity shares of Rs 10 each, fully paid-up	767.1	767.1	647.8

(Rs. in millions)

(At Cost unless otherwise stated)	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
JSW Natural Resources Limited 1,365,500 Equity shares of USD 10 each, fully paid-up	625.9	625.9	625.9
JSW Steel Processing Centres Limited 50,000,000 Equity shares of Rs 10 each, fully paid-up	500.0	500.0	500.0
JSW Steel (Netherlands) B.V. 174,945,275 Equity shares of Euro 1 each, fully paid-up	10,821.8	10,821.8	10,821.8
JSW Steel Holding (USA) Inc. 1 Equity share of USD 0.01 each fully, paid-up	8.9	8.9	8.9
JSW Steel Coated Products Limited # 50,050,000 Equity shares of Rs 10 each, fully paid-up	13,135.4	13,135.4	13,135.4
Arima Holdings Limited 50,390 (FY 2014-15 - 50,000 ; FY 2013-14 - 50,000) Equity shares of USD 100 each, fully paid-up	225.7	223.2	223.2
Erebus Limited 215,420 (FY 2014-15 - 215,000 ; FY 2013-14 - 215,000) equity shares of USD 100, each fully paid-up	971.9	969.2	969.2
Nippon Ispat Singapore (Pte) Limited 784,502 Equity shares of Singapore Dollar 1, each fully paid-up	15.7	15.7	15.7
Peddar Realty Private Limited # 10,000 Equity shares of Rs 10 each, fully-paid up	826.2	826.2	826.2
Lakeland Securities Limited 351 (FY 2014-15 - 1 ; FY 2013-14 - 1) Equity share of USD 100 each, fully paid-up	2.2	-	-
JSW Steel (Salav) Limited 1,083,951,211 (FY 2014-15 - 909,176,458 ; FY 2013-14 - nil) Equity shares of Rs.10 each, fully paid-up (FY 2015-16 - Rs.7 ; FY 2014-15 - nil ; FY 2013-14 - nil)	1,747.7	-	-
Everbest Steel & Mining Holdings Limited Nil (FY 2014-16 - 150,000 ; FY 2013-14 - nil) Equity shares of Rs.10 each, fully paid-up	0.0	1.5	-
Other than trade - unquoted			
Others			
SICOM Limited 600,000 Equity shares of Rs 10 each, fully paid-up	48.8	48.8	48.8
Steelscape Consultancy Private Limited Nil (FY 2014-15 - nil ; FY 2013-14 -100,000) Equity shares of Rs 10 each fully paid-up	-	-	1.0
Tarapur Environment Protection Society Nil (FY 2014-15 - 29,116 ; FY 2013-14 -29,116) Equity shares of Rs.100 each, fully paid up	0.0	2.9	2.9
Ispat Profiles India Limited 1,500,000 Equity shares of Rs 10 each, fully paid-up (Re 1)	0.0	0.0	0.(
Kalyani Mukand Limited 480,000 Equity shares of Rs 10 each, fully paid-up (Re 1)	0.0	0.0	0.(

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(Rs. in millions)

	As at 31.03.2016 Non-current	As at 31.03.2015 Non-current	As at 31.03.2014 Non-current	As at 31.03.2016 Current	As at 31.03.2015 Current	As at 31.03.2014 Current
Note 14						
Long-term / Short-term loans and advances (Unsecured)						
Capital advances	6,589.7	9,152.5	13,105.2	-	-	-
Less : Provision for doubtful advances	(32.2)	(900.9)	(904.3)	-	-	-
	6,557.5	8,251.6	12,200.9	-	-	-
Other loans and advances						
Loans and advances						
To related parties (refer note 25 (14))	1,611.4	1,890.9	2,251.3	50,806.0	38,839.0	26,798.0
To other body corporate	91.0	91.0	91.0	-	-	-
Advances to suppliers	2,583.9	3,716.2	5,189.5	9,905.4	9,983.1	14,824.4
Export benefits and entitlements	681.5	683.1	124.4	487.1	1,453.0	2,231.2
Amount recoverable from ESOP trusts	-	-	-	1,314.2	1,806.8	2,623.1
Security deposits	1,617.4	1,739.9	1,486.3	2,351.7	1,426.8	1,352.2
Indirect tax balances/recoverables/credits	7,494.5	7,165.4	7,171.4	8,473.1	9,933.2	9,008.6
Prepayments and others	246.7	272.8	310.1	2,073.8	1,932.2	3,040.7
Advance tax and tax deducted at source (net of provisions)	1,930.7	69.3	135.3	-	-	-
Minimum alternative tax credit entitlement	26,359.2	27,836.4	20,662.6	-	-	-
Advance towards equity / preference capital	277.3	83.7	146.3	-	-	-
Less : Provision for doubtful loans and advances(refer note 25(5))	(869.5)	(1,676.6)	(3,091.0)	(39,153.0)	-	-
	42,024.1	41,872.1	34,477.2	36,258.3	65,374.1	59,878.2
	48,581.6	50,123.7	46,678.1	36,258.3	65,374.1	59,878.2
a Loans and advances constitute:						
Capital advances						
Considered good	6,557.5	8,251.6	12,200.9	-	-	-
Considered doubtful, provided	32.2	900.9	904.3	-	-	-
Other loans and advances						
Considered good	42,024.1	41,872.1	34,477.2	75,411.3	65,374.1	59,878.2
Considered doubtful, provided						
Loans and advances to other body corporate	91.0	91.0	91.0	-	-	-
Loans and advances to related parties	29.6	-	-	39,153.0	-	-
Advances to suppliers	697.8	1,255.8	2,670.2	-	-	-
Other deposits	2.7	254.7	254.7	-	-	-
Prepayment and others	48.4	73.1	73.1	-	-	-

b Details of loans and advances in the nature of loans to subsidiaries (including interest receivable):

(Rs. in millions)

Name of Company					As at 31.03.2015	
	Maximum amount outstanding during the year	Maximum amount outstanding during the year	Maximum amount outstanding during the year	Maximum amount outstanding during the year	Maximum amount outstanding during the year	Maximum amount outstanding during the year
JSW Steel (Netherlands) B.V.	617.7	617.7	2,285.3	247.6	5,898.9	1,618.4
JSW Natural Resources Limited	1,124.2	1,124.2	1,002.5	1,002.5	819.3	751.6
Inversiones Eurosh Limitada	7,696.4	7,696.4	7,153.8	7,153.8	5,579.8	5,579.5
JSW Steel Holding (USA) Inc.	40,623.6	40,539.0	30,636.6	33,556.9	38,628.9	17,235.7

(Rs. in millions)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Note 15			
Other non-current assets			
Unamortized borrowing cost	2,163.6	2,561.1	2,502.3
Insurance claim receivable	434.3	434.3	434.3
	2,597.9	2,995.4	2,936.6

Note 15A

Current investments

(Rs. in millions)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Investment in Mutual Funds (at lower of cost and fair value)			
Baroda Pioneer Liquid -Fund-Plan A Growth (2015-16 - Nil ; 2014-15 - Nil ; 2013-14 - 136,771) units of Rs 1000 each	-	-	200.0
JP Morgan India Treasury Fund - Super Institutional - Growth (2015-16 - Nil ; 2014-15 - Nil ; 2013-14 - 11,090,804) units of Rs 10 each	-	-	180.0
Templeton India Ultra Short Bond Super Institutional Plan-Growth (2015-16 - Nil ; 2014-15 - Nil ; 2013-14 - 18,293,490) units of Rs 10 each	-	-	297.0
	-	-	677.0
Summary			
Unquoted			
Aggregate book value	-	-	677.0
Aggregate repurchase value	-	-	695.8

(Rs. in millions)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Note 16			
Inventories (at lower of cost and net realisable value)			
Raw materials	26,507.5	32,664.3	29,053.9
Work-in-progress (refer note 25(18)(c)(iii))	5,882.3	8,899.7	5,638.7
Semi finished/ finished goods (refer note 25(18)(c)(i))	23,602.7	31,778.6	16,949.6
Production consumables and stores and spares	11,762.5	12,504.8	10,323.5
	67,755.0	85,847.4	61,965.7
Details of stock-in-transit included in above			
Raw materials	5,772.3	2,291.4	946.9
Production consumables and stores and spares	54.6	179.4	283.5

(Rs. in millions)

Note 17	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
	Current	Current	Current
Trade receivables			
Secured - considered good			
Outstanding for a period exceeding six months from the date they are due for payment (refer note 25(8))	1,595.4	1,720.4	-
Unsecured			
Outstanding for a period exceeding six months from the date they are due for payment			
Considered good	692.6	483.7	2,087.9
Considered doubtful	60.3	3,119.4	3,307.2
Less: provision for doubtful receivables	(60.3)	(3,119.4)	(3,307.2)
	692.6	483.7	2,087.9
Other receivables			
Considered good	22,819.1	18,064.2	20,099.5
	25,107.1	20,268.3	22,187.4
Note 18			
Cash and bank balances			
Cash and cash equivalents			
Balances with banks			
In current accounts	2,176.8	2,641.1	2,343.0
In term deposit accounts with maturity less than 3 months at inception	2,443.1	5,446.9	1,876.2
Cheques on hand	0.2	0.1	10.5
Cash on hand	8.5	8.5	5.3
	4,628.6	8,096.6	4,235.0
Other bank balances			
In current accounts	233.9	234.3	231.4
In margin money with maturity more than 3 months but less than 12 months at inception	10.2	9.4	9.2
In term deposit accounts			
with maturity more than 3 months but less than 12 months at inception	1,090.4	9,610.3	166.6
with maturity more than 12 months at inception	-	-	15.0
	1,334.5	9,854.0	422.2
	5,963.1	17,950.6	4,657.2
* Refer summary cash flow statement			
Earmarked balances			
In current accounts	233.9	234.3	231.4
In margin money	10.2	9.4	9.2
Note 18A			
Other current assets			
Unamortized borrowing cost and premium on forward contracts	1,882.4	733.9	586.0
Interest accrued on fixed deposits / Margin Money	22.1	65.3	36.6
	1,904.5	799.2	622.6

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(Rs. in millions)

	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
Note 19			
Revenue from operations			
(a)Sale of products			
Domestic turnover	375,901.3	412,472.3	395,417.7
Export turnover	27,643.5	84,102.8	89,854.1
	403,544.8	496,575.1	485,271.8
(b)Other operating revenues			
Carbon credits	1.6	-	-
Gain on prepayment of deferred value added/sales tax / CST	3,597.0	4,410.9	4,608.5
Miscellaneous income	1,446.2	2,947.1	3,074.0
	5,044.8	7,358.0	7,682.5
Gross Revenue from operations(a+b)	408,589.6	503,933.1	492,954.3
Less: Excise duty	41,520.4	43,059.9	39,977.1
Net Revenue from operations	367,069.2	460,873.2	452,977.2
Note 20			
Other income			
Interest income from subsidiaries, fixed deposits etc.	2,464.6	2,232.0	2,451.6
Dividend income from long-term investments	182.9	571.6	222.3
Gain on sale of current investments	26.6	26.4	171.5
Gain on sale of non current investments	-	709.1	65.6
Provision for doubtful debts/loans/advances written back (net)	-	138.5	64.9
Profit on sale of fixed assets (net)	-	441.8	-
Guarantees/Standby letter of credit commission	427.8	548.3	334.6
	3,101.9	4,667.7	3,310.5
Note 21			
Changes in inventories of finished goods and work-in-progress			
Opening stock :			
Semi finished /finished goods	31,778.6	16,949.6	16,793.0
Work-in-progress	8,899.7	5,638.7	2,829.1
Increase on account of composite scheme of amalgamation and arrangement			
Semi finished /finished goods	-	-	15.4
Work-in-progress	-	-	1.2
	40,678.3	22,588.3	19,640.7
Closing stock :			
Semi finished /finished goods	23,602.7	31,778.6	16,949.6
Work-in-progress	5,882.3	8,899.7	5,638.7
	29,485.0	40,678.3	22,588.3
	11,193.3	(18,090.0)	(2,947.6)
Excise duty on stock of finished goods (net)	(573.6)	1,420.7	506.6
	10,619.7	(16,669.3)	(2,441.0)

(Rs. in millions)

	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
Note 22			
Employee benefits expense			
Salaries and wages	8,426.0	8,232.2	7,067.8
Contribution to provident and other funds (refer note 25(12))	550.6	671.8	336.6
Staff welfare expenses	588.0	564.3	591.4
	9,564.6	9,468.3	7,995.8
Note 23			
Finance costs			
Interest expense	25,639.6	27,452.6	25,840.0
Other borrowing costs	1,233.8	1,634.3	1,561.3
	26,873.4	29,086.9	27,401.3
Note 24			
Other expenses			
Stores and spares consumed (refer note 25(18)(e))	21,124.2	21,900.3	20,358.4
Power and fuel	30,931.2	34,756.7	33,136.4
Rent	346.7	337.9	305.8
Repairs and maintenance			
-Plant and machinery	10,131.8	10,198.5	9,473.4
-Buildings	187.7	183.7	262.3
-Others	173.9	178.2	190.8
Insurance	593.8	711.0	685.9
Rates and taxes	625.5	541.6	427.0
Carriage and freight	13,975.3	18,182.4	14,436.8
Jobwork and processing charges	8,549.3	6,178.0	2,448.6
Commission on sales	252.7	348.6	202.9
Net loss/ (gain) on foreign currency transactions and translation #	6,273.8	4,092.4	2,702.1
Donations and contributions *	253.3	1.8	39.3
Miscellaneous expenses	3,515.4	3,998.5	2,875.9
Bad debts/ advance written-off	4,541.0	1,467.2	-
Less :- Provions made in earlier years	(4,541.0)	(1,467.2)	-
CSR Expenditure	513.6	434.8	-
Loss on sale of fixed assets (net)	3.3	-	44.6
Writeoff of investment	1.6	1.0	-
	97,453.1	102,045.4	87,590.2

*Donation include Rs. 250 millions (FY 2014-15 - Rs. Nil; FY 2013-14 Rs. Nil) paid to Satya Electoral Trust

Including hedging cost i.e. amortization of forward /option cover premium / discount - 2015-16 - Rs.4,684.1 millions (2014-15 - Rs. 5,415.3 millions ; 2013-14 - Rs. 4,157.3 millions)

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NOTES FORMING PART OF THE STANDALONE SUMMARY FINANCIAL STATEMENTS

Note 25

(Rs. In millions)

				2015-16	2014-15	2013-14
1)			Contingent Liabilities			
	a)	(i)	Bills discounted with recourse	-	1,449.8	1,590.9
	b)	(i)	Guarantees provided on behalf of subsidiaries	21,241.1	12,739.7	13,725.7
		(ii)	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:-			
			- JSW Steel Holding (USA) INC	26,533.2	25,036.3	24,039.9
			- JSW Steel (Netherlands) B.V	5,306.6	14,395.9	4,808.0
		(iii)	Provision of Rs. 9,578.5 millions has been created in FY 2015-16 against aforesaid guarantees and standby letter of credit facilities (refer note 25(3)(a)).			
	c)		Disputed claims/levies (excluding interest, if any), in respect of:			
		(i)	Excise Duty	3,053.9	4,668.8	4,419.5
		(ii)	Custom Duty	4,079.2	4,370.3	4,601.2
		(iii)	Income Tax	1,706.8	1,706.8	17.4
		(iv)	Sales tax/ Special entry tax	1,559.4	1,559.4	2,233.7
		(v)	Service tax	1,420.6	1,465.4	1,292.5
		(vi)	Miscellaneous	0.5	0.5	0.5
		(vii)	Levies by local authorities	30.4	30.4	30.4
		(viii)	Claims by suppliers and other parties	1,099.8	3,508.0	10,396.0
	d)		Arrears of fixed cumulative dividend on preference shares (CPRS)	5.6	5.1	4.6
	e)		Claims related to Forest Development Tax (including FDT amount paid under protest Rs.6,650 millions (FY 2014-15 - Rs.6,650 millions ; FY 2013-14 - Rs.6,650 millions))	9,669.8	9,093.8	6,695.4
			In 2008, the State Government of Karnataka levied Forest Development Tax (FDT) treating iron ore as forest produce. In response to writ petitions filed by various stakeholders, the Hon'ble High Court of Karnataka granted partial relief vide judgement dated December 3, 2015. In view thereof, the State Government of Karnataka has stopped levying FDT with effect from January 29, 2016. The State Government of Karnataka has filed an appeal before the Hon'ble Supreme Court of India against the judgement. The Hon'ble Supreme Court while hearing the petition on April 12, 2016 admitted the appeal, and granted an interim stay on refund of the FDT. The matter is posted for final arguments in the month of August 2016.			

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2)			Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	50,643.7	1,779.6	31,763.6
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 Company 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 within the stipulated period. Such export obligations at the year end aggregate to	13,162.2	6,282.5	38,171.1

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 1st July 2012 being the appointed date. The certified copy of the scheme was filed with the Registrar of Companies (RoC) on 1st June, 2013. Accordingly, effect of the scheme was considered in the financial statements of 2013-14.

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. 3,419.5 millions for the period 1st July, 2012 to 31st March, 2013, have been debited to the reserve & surplus under surplus in summary 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) 18,608,844 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) 485,414,604, 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.

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(e) Assets and liabilities related to the Vasind and Tarapur units of the company are transferred to and vested in JSW Steel Coated.

The difference of Rs 30,551.2 millions resulting from the above is credited to the capital reserve account.

5. Exceptional items comprise provision towards :

A) **For the year ended 31st March, 2016**

i) (i) Rs. 9,823.7 millions for 'other than temporary' diminution in value of investments relating to JSW Steel USA Inc., JSW Panama Holding Corporation, and Periama Holding LLC, subsidiaries of the Company; (ii) Rs. 39,153 millions for loans to the said subsidiaries and interest thereon considered doubtful of recovery; and (iii) Rs 9,578.5 millions; towards certain guarantees for borrowings by the said subsidiaries, which provisions are recognised based on estimate of values of the businesses/ assets of the said subsidiaries by Independent External Valuers and based on cash flow projections. In making the said projections, reliance has been placed on estimates in respect of future prices of coal and iron ore, mineable resources, and assumptions relating to operational performance including improvement in capacity utilisation of the plants and margins, and availability of infrastructure for mines.

*amount used/unused amount reversed during the period Rs. Nil

ii) 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 investments in and loans and advances to the subsidiaries, joint ventures and associates affected by the said order and recognized provision of Rs. 41.9 millions against carrying amount of investments as Exceptional Item during the year considering the principle of conservatism.

iii) Based on careful evaluation of estimated projections, the management has recognized provision for diminution of other than temporary nature of Rs. 7.4 millions in the carrying amount of investment in certain subsidiaries as Exceptional Item during the year.

B) **For the year ended 31st March, 2015**

i) 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.7,665.4 millions relating to the subsidiary having regard to the latest valuation of its fixed assets carried out by an independent external valuer and recognized provision of Rs. 3,337.5 millions for the year ended 31st March, 2015 as Exceptional Item. No provision is considered necessary against the loans aggregating to Rs. 25,017.1 millions and the financial guarantees of Rs. 34,299.8 millions (included under contingent liabilities refer note 25 (1) (b)), relating to the said subsidiary.

ii) Based on careful evaluation of estimated projections, the management has recognized provision for diminution of other than temporary nature of Rs. 413.5 millions in the carrying amount of investment in certain subsidiaries as Exceptional Item.

iii) 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 investments in and loans and advances to the subsidiaries, joint ventures and associates affected by the said order and recognized provision of Rs. 212 millions against carrying amount of investments as Exceptional Item considering the principle of conservatism and has been considered by the Company as exceptional in nature.

C) **For the year ended 31st March, 2014**

i) Exceptional Items for the year ended March 31, 2014 represents effect of significant movement and volatility in the value of the Indian rupee against US dollar.

6. **A) For the year ended 31st March, 2016**

i) In respect of certain investments/ loans and advances, following basis/assumptions/estimates have been considered in concluding that there is no further decline, other than temporary, in the value of the investments and that the loans / advances are fully recoverable:

a) Equity shares of JSW Steel Bengal Limited, a subsidiary (carrying amount: '4361.5 millions (net of provision) as at March 31, 2016)

Evaluation of the status of its integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal by the said subsidiary, and the projections relating to the said complex considering estimates in respect of future raw material prices, foreign exchange rates, operating margins, etc. and the plans for commencing construction of the said complex.

b) Equity shares of Peddar Realty Private Limited (PRPL) (carrying amount of investments: Rs 567.2 millions (net of provision) as at March 31, 2016), and recoverability of loans of Rs. 1581.8 millions as at March 31, 2016

Valuation by an independent valuer of the residential complex in which PRPL holds interest.

c) Investment of Rs 45.1 millions (net of provision) and loan of Rs. 1124.2 millions as at March 31, 2016 relating to JSW Natural Resources Mozambique Limitada and JSW ADMS Carvo Limitada (step down subsidiaries)

Assessment of minable reserves by independent experts and cash flow projections based on the plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities and infrastructure is developed.

d) Equity shares of JSW Severfield Structures Limited, a joint venture (JV) (carrying amount: Rs 1154.4 millions as at March 31, 2016)

DHU

Cash flow projections approved by the said JV which are based on estimates and assumptions relating to order book, capacity utilisation, operational performance, market prices of materials, inflation, terminal value, etc.

B) For the year ended 31st March, 2015

i) In view of subdued production from iron ore and coal mines pertaining to JSW Panama Holding Corporation and Periama Holding LLC, respectively, for last few years, the Company has considered valuation of the mineral reserves carried out by independent external valuers and concluded that no provision is presently necessary against the carrying amounts of investments and loans aggregating to Rs. 7,553.3 millions relating to JSW Panama Holding Corporations, and Rs. 6,996.3 millions relating to Periama Holding LLC.

ii) The Management has assessed value of long-term investment (carrying amount: Rs 4,310.8 millions as at March 31, 2015) in equity shares of the JSW Steel Bengal Limited, a subsidiary. Based on a careful evaluation of current status of integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal by the said subsidiary, and the projections relating to the said complex considering external estimates of market participants for the future prices of raw materials, foreign exchange rates, operating margins, etc., it has been concluded that there is no decline, other than temporary, in the value of the investment.

C) **For the year ended 31st March, 2014**

i) 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 25(1)(b)], relating to the said subsidiary.

(Rs. in millions)

	2013-14
Carrying amounts of investments and loans	20,074.6
Financials guarantees	27,525.7

ii) Equity shares of JSW Severfield Structures Limited, a Joint venture (JV) (carrying amount: Rs. 984.4 millions as at 31st March, 2014.

Cash flow projections approved by the said JV which are based on estimates and assumptions relating to order book, capacity utilisation, operational performance, market prices of materials, inflation, terminal value, etc.

7. (a) Pursuant to the requirement under Schedule II to the Companies Act, 2013 the Company has, based on the external technical advice, effective 1 April, 2015, identified components (significant parts) of the

DHU

main asset having different useful lives as compared to the main asset and consequently revised the estimated useful lives of Plant & Machinery and Buildings. Accordingly, the depreciation charge for the year ended 31 March 2016 is lower by Rs. 4,990.7 millions, and amount of Rs. 1,099.8 millions (net of deferred tax) being effect of componentization, where the remaining useful life of the asset was determined to be Nil, has been adjusted against the retained earnings as per transitional provision in Note 7 (b) of Schedule II.

(b) Effective from 1 April 2014, the Company had 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 was lower by Rs. 2,073 millions for the year ended March 31, 2015. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and had adjusted an amount of Rs. 472.9 millions (net of deferred tax) against the opening Surplus balance in the Summary Statement of Profit and Loss under Reserves and Surplus.

8. Trade receivables include Rs. 1,595.4 millions (FY 2014-15 - Rs.1,720.4 millions; FY 2013-14 - Rs.1,840.2 millions) recoverable from a customer towards supply of steel. The Company recovered an amount of Rs 125 millions from the customer during the year ended 31 March 2016. Pursuant to the Consent Term, filed by the Company and the customer with the Honorable Bombay High Court and adopted by the Court as its order, the receivables of the Company shall be secured by a first ranking pari-passu charge over the fixed assets of the customer and shall be at par with other CDR lenders. The process of creating charge by the Company over the customer's certain fixed assets has been completed and the charge creation for the remaining fixed assets is under progress. Based on these developments, the Company is reasonably confident about the recoverability of the said amount.

9. **Employee share based payment plans:**

a) The details of an equity settled employee share based payments plan operated through a trust are as follows:

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Particulars	ESOP 2012					
	2015-16		2014-15		2013-14	
	Initial Grant (Junior Manager & Above)	1st Subsequent Grant (Junior Manager & Above)	Initial Grant (Junior Manager & Above)	1st Subsequent Grant (Junior Manager & Above)	Initial Grant (Junior Manager & Above)	1st Subsequent Grant (Junior Manager & Above)
Date of grant	26-Jul-12	26-Jul-12	26-Jul-12	26-Jul-12	26-Jul-12	26-Jul-12
Outstanding as on opening date	7,90,965	10,34,387	15,18,211	12,70,032	30,92,830	15,53,086
Transfer on account of Composite Scheme of Amalgamation and Arrangement	-	-	-	-	3,30,308	1,61,627
Transfer arising from transfer of employees to JSW Steel Coated Products Limited	-	-	-	-	19,531	18,043
Transfer arising from transfer of employees to group companies	-	-	6,973	3,548	20,724	11,302
Forfeited during the year	11,674	18,942	1,626	23,443	90,399	92,082
Exercised during the year	2,23,843	3,25,504	7,18,647	2,08,654	11,13,657	-
Outstanding as on closing date	5,55,448	6,89,941	7,90,965	10,34,387	15,18,211	12,70,032
Vesting Period	30-Sep-13 till 30-Sep-17	30-Sep-14 till 30-Sep-17	30-Sep-13 till 30-Sep-17	30-Sep-14 till 30-Sep-17	30-Sep-13 till 30-Sep-17	30-Sep-14 till 30-Sep-17
Exercise Price (Rs)	700	700	700	700	700	700

b) Expenses arising from employee's share based payment plans Rs. Nil (FY 2014-15 Rs. Nil ; FY 2013-14 Rs. Nil)

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10. Derivatives:

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

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

As at	No. of Contracts	Type	US$ equivalent (million)	INR Equivalent (millions)
31.03.2016	263	Buy	1,479.2	98,120.2
	22	Sell	134.5	8,925.4
31.03.2015	147	Buy	1,147.5	71,823.3
	79	Sell	489.9	30,666.0
31.03.2014	138	Buy	1,109.6	66,686.6
	56	Sell	751.5	45,164.4

c) 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 (Rs. In millions)**
31.03.2016	6	65	(17.0)
31.03.2015	5	25	(42.1)
31.03.2014	7	50	(79.3)

Currency options to hedge against fluctuations in changes in exchange rate:

As at	**No. of Contracts**	**US$ Equivalent of notional value (Million)**	**INR Equivalent (millions)**	**MTM of Options (INR millions)**
31.03.2016	6	44.6	2,956.5	0.3
31.03.2015	14	153.4	9,601.4	27.6
31.03.2014	-	-	-	-

Commodity Forward Contracts entered into by the Company and outstanding are as under:

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As at	No. of Contracts	Qty (MT)	US$ Equivalent of notional value (Million)	INR equivalent (millions)	MTM of Commodity contract (INR millions)
31.03.2016	79	1849995	71.98	4774.8	910.6
31.03.2015	-	-	-	-	-
31.03.2014	-	-	-	-	-

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

i. Amounts receivable in foreign currency on account of the following:

	2015-16		2014-15		2013-14	
	US$ (millions)	INR (millions)	US$ (millions)	INR (millions)	US$ (millions)	INR (millions)
Trade Receivables	13.7	910.8	-	-	-	-
Balances with banks						
- in Current Account	0.0	0.4	0.0	0.4	0.0	0.4
Advances/Loans to Subsidiaries	176.6	11,713.7	613.8	38,416.5	419.6	25,215.1

ii. Amounts payable in foreign currency on account of the following:

	2015-16		**2014-15**		**2013-14**	
	US$ (millions)	INR (millions)	US$ (millions)	INR (millions)	US$ (millions)	INR (millions)
Loans Payable	1,872.7	1,24,223.1	1,854.2	1,16,052.5	1,065.9	64,062.4
Acceptances	-	-	195.9	12,261.1	50.8	3,053.6
Trade Payables	9.3	619.1	48.3	3,020.7	167.2	10,046.5
Payable for Capital Projects	268.3	17,799.2	337.6	21,127.6	380.8	22,887.6
Interest Accured but not due on Borrowings	20.0	1,323.2	17.6	1,099.8	6.4	383.8
Other Provisions	127.4	8,447.7	-	-	-	-

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11. **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 millions)

Particulars	Financial Year	Buildings	Plant and Machinery	Others	Total
Gross block at the beginning of the year					
	2015-16	178.8	1,550.7	3.9	1,733.4
	2014-15	149.1	1,450.4	4.1	1,603.6
	2013-14	76.9	1,277.9	3.7	1,358.5
Additions during the year					
	2015-16	-	-	-	-
	2014-15	38.3	132.6	0.6	171.5
	2013-14	72.3	172.5	0.3	245.1
Gross block at the end of the year					
	2015-16	178.8	1,550.7	3.9	1,733.4
	2014-15	187.4	1,583.0	4.7	1,775.1
	2013-14	149.1	1,450.4	3.9	1,603.4
Capital work in progress					
	2015-16	-	20.5	-	20.5
	2014-15	-	18.5	13.0	31.5
	2013-14	-	93.2	0.8	94.0
Capital expenditure incurred during the year (including CWIP)					
	2015-16	-	2.0	(13.0)	(11.0)
	2014-15	38.3	57.9	12.8	109.0
	2013-14	72.3	85.9	-	158.2

b) The manufacturing and other expenses and depreciation includes expenditure in respect of research and development activities undertaken during respective years are as follows

Manufacturing and other expenses	**Rs in millions**
2015-16	98.6
2014-15	120.2
2013-14	93.9
Depreciation	**Rs in millions**
2015-16	110.8
2014-15	128.4
2013-14	90.3

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12. **Employee benefit :**

a) **Defined contribution plan:**

(Rs. in millions)

Particulars	2015-16	2014-15	2013-14
Company's contribution to provident fund (included in note 22).	389.7	336.5	291.0

b) **Defined benefit plans:**

(i) Gratuity (funded):

(Rs. in millions)

a) Liability recognized in the Summary Balance Sheet	**2015-16**	**2014-15**	**2013-14**
i) Present value of obligation			
Opening balance	1,255.2	900.9	901.0
Service cost	110.7	78.4	75.6
Interest cost	99.9	83.9	74.3
Actuarial loss on obligation	29.5	232.5	(80.8)
Benefits paid	(56.3)	(47.9)	(53.2)
Liability transfer out	(8.6)	7.8	235.8
Liability transfer in	-	(0.4)	(251.8)
Closing balance	1,430.4	1,255.2	900.9
Less:			
ii) Fair value of plan assets			
Opening balance	402.0	396.1	530.1
Expected return on plan assets less loss on investments	32.0	34.5	46.1
Actuarial (loss)/gain on plan assets	(2.2)	6.4	(10.0)
Employers' contribution	100.0	0.1	1.0
Asset transfer	0.5	-	(140.5)
Benefits paid	(34.0)	(35.1)	(30.6)
Closing balance	498.3	402.0	396.1
Amount recognized in Summary Balance Sheet (refer note 7)	932.1	853.2	504.8
b) Expenses during the year (included in Note 22 under Contribution to Provident and Other Funds)			
Service cost	110.7	78.4	75.6
Interest cost	99.9	83.9	74.3
Expected return on plan assets	(32.0)	(34.5)	(46.1)
Actuarial loss	31.7	226.1	(70.8)
Transferred to preoperative expenses	(12.6)	(18.6)	(0.9)
Total	197.7	335.3	32.1
c) Actual return on plan assets	29.9	40.9	36.1
d) Break up of plan assets :			
(i) ICICI Prudential Life Insurance Co. Ltd.			
Balanced fund	36.5	35.2	30.1
Group debt fund	44.1	70.6	89.2

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Group short term debt fund	1.7	5.9	4.7
(ii) HDFC Standard Life Insurance Co. Ltd.			
Defensive managed fund	0.3	12.3	12.3
Stable managed fund	50.7	135.4	135.4
(iii) SBI Life Insurance Co. Ltd. – Cap Assured Fund	282.8	214.6	196.9
(iv) LIC of India – Insurer Managed Fund	82.2	75.7	75.2
v) Asset fund transfer	-	(147.7)	(147.7)
e) Principal actuarial assumptions			
Rate of discounting	8.38%p.a.	7.96%p.a.	9.31%p.a.
Expected return on plan assets	8.38%p.a.	7.96%p.a.	8.7%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.

f) Experience adjustments:

(Rs. In millions)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit Obligation	1,430.4	1,255.2	900.9	901.0	736.5	496.0
Plan Assets	498.4	402.0	396.1	530.1	499.9	381.0
Surplus / (Deficit)	(932.0)	(853.2)	(504.8)	(370.9)	(236.6)	(115.0)
Experience Adjustments on Plan Liabilities – Loss/(Gain)	29.5	232.5	37.3	38.9	214.0	77.1
Experience Adjustments on Plan Assets – Gain/(Loss)	(2.1)	6.4	(10.0)	13.7	(7.8)	(4.6)

g) The Company expects to contribute Rs. 932.1 millions (FY 2014-15- Rs. 853.2 millions, FY 2013-14 - Rs. 504.8 millions) to its gratuity plan for the next year.

h) 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.

i) Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

j) 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.

k) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

(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.

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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. Defined benefit obligation as per interest rate guaranteed on exempted provident fund in respect of employees of the Company as at 31st March, 2016 works out to Rs. Nil (previous year 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	2015-16	2014-15	2013-14
Rate of discounting	8.38%	7.96%	9.31%
Rate of return on assets	8.86%	9.02%	8.95%
Guaranteed rate of return	8.80%	8.75%	8.75%

(iii) Assumptions used in accounting for compensated absences

Particulars	2015-16	2014-15	2013-14
Present value of unfunded obligation (Rs. in millions)	720.3	645.5	477.5
Expense recognised in the Summary Statement of Profit and Loss (Rs. in millions)	153.2	237.7	74.6
Discount rate (p.a)	8.38%	7.96%	9.31%
Salary escalation rate(p.a.)	6%	6%	6%

13. 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.

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Information about primary business segments

(Rs. in millions)

Particulars	Year Ended 31.03.2016					Year Ended 31.03.2015					Year ended 31.03.2014				
	Steel	Power	Others	Eliminations	Total	Steel	Power	Others	Eliminations	Total	Steel	Power	Others	Eliminations	Total
INCOME															
External Sales	3,66,217.1	852.1	-	-	3,67,069.2	4,57,360.7	1,676.8	1,835.7	-	4,60,873.2	4,46,982.7	5,527.3	467.2	-	4,52,977.2
Inter Segment Revenue	14,606.3	42,377.1	-	(56,983.4)	-	13,049.2	37,623.1	222.0	(50,894.3)	-	16,363.7	33,682.2	22.4	(50,068.3)	-
Total Income	3,80,823.4	43,229.2	-	(56,983.4)	3,67,069.2	4,70,409.9	39,299.9	2,057.7	(50,894.3)	4,60,873.2	4,63,346.4	39,209.5	489.6	(50,068.3)	4,52,977.2
SEGMENT RESULTS															
Segment/ Operating Results	11,271.0	20,439.7	-	-	31,710.7	44,419.7	16,720.6	311.4	-	61,451.7	46,608.8	14,044.9	(21.2)	-	60,632.5
Un-allocated Results															
Un-allocated Items: (Expenses) / income					3,101.9					4,087.4					3,245.1
Finance Costs					(26,873.4)					(29,086.9)					(27,401.3)
Exceptional Item					(58,604.5)					(3,963.0)					(16,923.0)
Provision for Taxation					15,682.5					(10,824.4)					(6,208.2)
Net Profit					(34,982.8)					21,664.8					13,345.1
OTHER INFORMATION															
Segment Assets	6,03,753.2	20,614.1	-	-	6,24,367.3	5,97,869.2	21,298.5	886.2	-	6,20,053.9	5,64,464.0	22,871.8	2,098.5	-	5,89,434.3
Un-allocated Assets					93,297.1					1,28,870.1					94,822.5
Total Assets					7,17,664.4					7,48,924.0					6,84,256.8
Segment Liabilities	1,55,829.1	3,651.1	-	-	1,59,480.2	1,71,071.4	2,048.8	283.8	-	1,73,404.0	1,43,249.0	1,658.4	443.5	-	1,45,350.9
Un-allocated Liabilities & Provisions					3,40,654.6					3,18,274.0					2,96,064.1
Total Liabilities	58,81,702.9	2,02,489.9	-	-	5,00,134.8	4,26,797.8	19,249.7	-	-	4,91,678.0	-	-	-	-	4,41,415.0

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Particulars	Year Ended 31.03.2016					Year Ended 31.03.2015					Year ended 31.03.2014				
	Steel	Power	Others	Eliminations	Total	Steel	Power	Others	Eliminations	Total	Steel	Power	Others	Eliminations	Total
Depreciation and amortisation expense	24,826.7	667.6	-	-	25,514.5	27,214.4	610.4	-	-	27,845.0	25,930.3	1,308.3	-	-	27,258.8
Non -Cash Expenditure other than Depreciation and amortisation .	3.3	-	-	-	3.3	-	-	-	-	-	44.6	-	-	-	44.6
Capital Expenditure	25,214.0	61.7	-	-	25,275.7	44,431.4	323.6	-	-	44,755.0	54,269.7	558.7	-	-	54,828.4

Notes:

1. Inter segment transfer of power from the power segment is measured at the rate at which power is purchased from the respective electricity board.
2. Inter segment transfer of gas from the steel segment is measured on the basis of fuel cost.
3. There is only one geographical segment i.e India .

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14. Related parties relationships, transactions and balances:

a) List of related parties

1	Subsidiaries
	JSW Steel (Netherlands) B.V.
	JSW Steel (UK) Limited
	Argent Independent Steel (Holdings) Limited (ceased w.e.f. 17.11.2015)
	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 (ceased w.e.f 18.06.2015)
	JSW Steel Processing Centres Limited
	JSW Bengal Steel Limited
	JSW Natural Resources India Limited
	Barbil Beneficiation Company Limited
	Barbil Iron Ore 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 Private Limited
	Nippon Ispat Singapore (PTE) Limited
	Erebus Limited
	Arima Holding Limited
	Lakeland Securities Limited

	JSW Steel (Salav) Limited (w.e.f 31.10.2014)
	Everbest Steel & Mining Holdings Limited (w.e.f. 13.02.2015) (ceased w.e.f 04.12.2015)
2	**Associates**
	JSW Praxair Oxygen Private Limited
	Dolvi Minerals & Metals Private Limited (w.e.f. 27.11.2014)
	Dolvi Coke Projects Limited (w.e.f. 04.12.2014)
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 Centre Private Limited
	JSW Vallabh Tin Plate Private Limited (w.e.f. 07.04.2014)
4	**Key Management Personnel (KMP)**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
	Mr. Rajeev Pai
	Mr. Lancy Varghese
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 Saw USA LLC
	Jindal Steel & Power Limited
	JSOFT Solutions Limited
	Jindal Industries Private Limited
	JSW Cement Limited
	JSW Jaigarh Port Limited
	Reynold Traders Private Limited
	Raj West Power Limited
	JSW Power Trading Company Limited

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	JSW Infrastructure Limited
	South West Port Limited
	JSW Techno Projects Management Limited
	JSW Global Business Solutions Limited (Formerly known as Sapphire Technologies Limited)
	South West Mining Limited
	JSL Architecture Limited
	JSW Projects Limited
	JSW Foundation
	O P Jindal Foundation
	Jindal Technologies & Management Services Private Limited
	JSW Dharamatar Port Private Limited
	Jindal Tubular (India) Limited
	M/s Shadeed Iron & Steel Co. LLC
	JSW Investment Private Limited
	JSW IP Holdings Private Limited (w.e.f. 01.04.2015)
	Epsilon Carbon Private Limited (Formerly known as AVH Private Limited)
	JSW International Trade Corp PTE Limited
	Heal Institute Private Limited
	JSL Lifestyle Limited
	Jindal Power Limited
	Jindal Fittings Limited
	Jindal Education Trust
	JSW Aluminium Limited (ceased w.e.f 15.10.2013)
	JITF Shipping & Logistics (Singapore) PTE Limited
	JSW Bengaluru Football Club Private Limited

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For the financial year 2015-16

Particulars	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
1.Transactions with related parties						
Party's name						
Purchase of goods / power and fuel / services						
JSW Energy Limited	-	-	-	-	10,214.3	10,214.3
Amba River Coke Limited	30,638.8	-	-	-	-	30,638.8
JSW International Tradecorp PTE Limited	-	-	-	-	31,413.9	31,413.9
Others	2,000.2	1,015.7	97.7	-	15,313.6	18,427.2
Total	32,639.0	1,015.7	97.7	-	56,941.8	90,694.2
Reimbursement of expenses incurred on behalf of the Company						
JSW Energy Limited	-	-	-	-	21.6	21.6
JSW Steel Coated Products Limited	23.7	-	-	-	-	23.7
Others	2.7	-	-	-	2.4	5.1
Total	26.4	-	-	-	24.0	50.4
Sales of goods/power and fuel						
JSW Steel Coated Products Limited	43,477.6	-	-	-	-	43,477.6
Others	1,725.3	116.6	3,195.5	-	17,045.7	22,083.1
Total	45,202.9	116.6	3,195.5	-	17,045.7	65,560.7
Other income/ interest income/ dividend income						
JSW Praxair Oxygen Private Limited	-	146.1	-	-	-	146.1
JSW Steel Holding (USA) Inc.	1,667.5	-	-	-	-	1,667.5
JSW Steel (Salav) Limited	334.6	-	-	-	-	334.6
Others	575.9	21.6	64.3	-	344.2	1,006.0
Total	2,578.0	167.7	64.3	-	344.2	3,154.2
Purchase of assets						
Jindal Steel & Power Limited	-	-	-	-	1,098.6	1,098.6
JSW Severfield Structures Limited	-	-	1,375.2	-	-	1,375.2
Others	58.4	-	-	-	87.0	145.4
Total	58.4	-	1,375.2	-	1,185.6	2,619.2
Advance given/(received back)						
JSW Steel (Salav) Limted	2,475.5	-	-	-	-	2,475.5
Peddar Reality Private Limited	(276.5)	-	-	-	-	(276.5)
Others	(2.9)	-	-	-	65.9	63.0
Total	2,196.1	-	-	-	65.9	2,262.0
Lease and other advances refunded						
JSW Infrastructure Limited	-	-	-	-	374.8	374.8
Total	-	-	-	-	374.8	374.8
Loan given received back						
JSW Steel Holding (USA) Inc.	142.1	-	-	-	-	142.1
Total	142.1	-	-	-	-	142.1
Loan given						
JSW Steel Holding (USA) Inc.	6,565.8	-	-	-	-	6,565.8
Others	1,201.0	-	-	-	-	1,201.0
Total	7,766.8	-	-	-	-	7,766.8
Provision for loans and advances made during the year						
JSW Holding (USA)Inc.	33,981.6	-	-	-	-	33,981.6
Inversiones Eurosh Limitada	5,171.4	-	-	-	-	5,171.4
Total	39,153.0	-	-	-	-	39,153.0

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Particulars	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Donation/CSR expenses						
JSW Foundation	-	-	-	-	36.0	36.0
Total	-	-	-	-	36.0	36.0
Recovery of expenses incurred by the Company on behalf of others						
Amba River Coke Limited	1,180.2	-	-	-	-	1,180.2
JSW Steel Coated Products Limited	520.1	-	-	-	-	520.1
Others	34.2	4.6	24.3	-	164.0	227.1
Total	1,734.5	4.6	24.3	-	164.0	1,927.4
Investments / share application money given during the year						
Amba River Coke Limited	893.3	-	-	-	-	893.3
JSW Steel (Netherlands) B.V.	9,975.0	-	-	-	-	9,975.0
JSW Steel (Salav) Limted	1,747.7	-	-	-	-	1,747.7
Others	85.3	-	127.3	-	-	212.6
Total	12,701.3	-	127.3	-	-	12,828.6
Investments / share application money refunded during the year						
Rohne Coal Company Limited	-	-	3.7	-	-	3.7
Total	-	-	3.7	-	-	3.7
Remuneration to key managerial personnel						
Mr. Sajjan Jindal	-	-	-	120.8	-	120.8
Mr. Seshagiri Rao M V S	-	-	-	47.6	-	47.6
Dr. Vinod Nowal	-	-	-	34.4	-	34.4
Mr. Jayant Acharya	-	-	-	30.4	-	30.4
Mr. Rajeev Pai	-	-	-	13.7	-	13.7
Mr. Lancy Varghese	-	-	-	5.0	-	5.0
Total	-	-	-	251.9	-	251.9
Interest paid						
Amba River Coke Limited	122.1	-	-	-	-	122.1
JSW Steel Coated Products Limited	315.4	-	-	-	-	315.4
JSW Energy Limited	-	-	-	-	9.2	9.2
JSW Praxair Oxygen Private Limited	-	2.6	-	-	-	2.6
Total	437.5	2.6	-	-	9.2	449.3
Guarantees and collaterals provided by the Company on behalf:						
JSW Steel Holding (USA) Inc.	2,557.4	-	-	-	-	2,557.4
JSW Steel (Netherlands) B.V.	2,278.8	-	-	-	-	2,278.8
JSW Steel (USA) Inc.	3,522.1	-	-	-	-	3,522.1
Others	19.5	-	-	-	-	19.5
Total	8,377.8	-	-	-	-	8,377.8
2. Closing balance of related parties						
Trade payables						
JSW Energy Limited	-	-	-	-	1,416.3	1,416.3
Amba River Coke Limited	3,483.9	-	-	-	-	3,483.9
JSW International Trade Corp PTE Limited	-	-	-	-	3,701.1	3,701.1
Others	784.8	64.8	50.0	-	1,241.3	2,140.9
Total	4,268.7	64.8	50.0	-	6,358.7	10,742.2
Advance received from customers						
JSW Steel Coated Products Limited	2,170.5	-	-	-	-	2,170.5

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Particulars	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Others	-	-	-	-	7.6	7.6
Total	2,170.5	-	-	-	7.6	2,178.1
Lease & other deposit received						
JSW Severfield Structures Limited	-	-	130.0	-	-	130.0
JSW Energy Limited	-	-	-	-	101.9	101.9
Jindal Saw Limited	-	-	-	-	50.0	50.0
Amba River Coke Limited	57.2	-	-	-	-	57.2
Others	-	38.3	-	-	55.0	93.3
Total	57.2	38.3	130.0	-	206.9	432.4
Lease & other deposit given						
JSW Energy Limited	-	-	-	-	2.9	2.9
Total	-	-	-	-	2.9	2.9
Trade receivables						
JSW Vallabh Tin Plate Private Limited	-	-	245.3	-	-	245.3
Dolvi Coke Projects Limited	-	22.9	-	-	-	22.9
Jindal Industries Private Limited	-	-	-	-	232.7	232.7
JSW Cement Limited	-	-	-	-	22.1	22.1
JSW Power Trading Company Limited	-	-	-	-	489.1	489.1
Epsilon Carbon Private Limited	-	-	-	-	455.5	455.5
Others	32.1	-	22.5	-	154.7	209.3
Total	32.1	22.9	267.8	-	1,354.1	1,676.9
Share application money given						
Amba River Coke Limited	150.3	-	-	-	-	150.3
Rohne Coal Company Private Limited	-	-	0.3	-	-	0.3
JSW MI Steel Service Centre Private Limited	-	-	123.0	-	-	123.0
Others	-	-	3.7	-	-	3.7
Total	150.3	-	127.0	-	-	277.3
Capital / revenue advance						
JSW Projects Limited	-	-	-	-	5,000.0	5,000.0
JSW Steel (Salav) Limited	3,282.2	-	-	-	-	3,282.2
Others	-	0.1	442.2	-	859.6	1,301.9
Total	3,282.2	0.1	442.2	-	5,859.6	9,584.1
Loan and advances given						
Inversiones Eurosh Limitada	7,695.5	-	-	-	-	7,695.5
JSW Holding (USA)Inc.	40,814.7	-	-	-	-	40,814.7
Others	3,496.1	-	3.9	-	407.2	3,907.2
Total	52,006.3	-	3.9	-	407.2	52,417.4
Provision for loans and advances given						
JSW Holding (USA)Inc.	3,398.2	-	-	-	-	3,398.2
Inversiones Eurosh Limitada	517.1	-	-	-	-	517.1
Total	3,915.3	-	-	-	-	3,915.3
Investments held by the Company						
JSW Steel (Netherlands) B.V.	20,796.4	-	-	-	-	20,796.4
Amba River Coke Limited	9,168.7	-	-	-	-	9,168.7
JSW Steel Coated Products Limited	13,135.4	-	-	-	-	13,135.4
Others	10,089.5	672.7	2,311.0	-	4,197.6	17,270.8
Total	53,190.0	672.7	2,311.0	-	4,197.6	60,371.3
Loans and advances taken						
JSW Infrastructure Limited	-	-	-	-	1,482.3	1,482.3
Total	-	-	-	-	1,482.3	1,482.3
Guarantees and collaterals provided by						

Particulars	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
the Company on behalf:						
JSW Steel (Netherlands) B.V.	9,618.3	-	-	-	-	9,618.3
JSW Steel Holding (USA) Inc.	39,003.7	-	-	-	-	39,003.7
Others	4,458.9	-	-	-	-	4,458.9
Total	53,080.9	-	-	-	-	53,080.9

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For the financial year 2014-15

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							
Party's Name							
Purchase of Goods / Power & Fuel / Services							
JSW Energy Limited	-	-	-	-	-	12,909.1	12,909.1
JSW Steel Coated Products Limited	1,436.2	-	-	-	-	-	1,436.2
M/S Shadeed Iron & Steel Co LLC	-	-	-	-	-	3,327.7	3,327.7
Amba River Coke Limited	27,408.8	-	-	-	-	-	27,408.8
JSW International Tradecorp PTE Limited	-	-	-	-	-	34,914.4	34,914.4
Others	1,381.4	2,167.5	4.3	-	-	11,760.2	15,313.4
Total	30,226.4	2,167.5	4.3	-	-	62,911.4	95,309.6
Reimbursement of Expenses incurred on our behalf by							
JSW Jharkhand Steel Limited	113.1	-	-	-	-	-	113.1
JSW Energy Limited	-	-	-	-	-	26.6	26.6
JSW Steel Coated Products Limited	134.6	-	-	-	-	-	134.6
Others	3.8	-	-	-	-	0.8	4.6
Total	251.5	-	-	-	-	27.4	278.9
Sales of Goods/Power & Fuel							
JSW Steel Coated Products Limited	59,078.3	-	-	-	-	-	59,078.3
Others	1,707.9	618.8	3,533.4	-	-	18,856.8	24,716.9
Total	60,786.2	618.8	3,533.4	-	-	18,856.8	83,795.2
Other Income/ Other Operating Income							
JSW Praxair Oxygen Private Limited	-	381.6	-	-	-	-	381.6
JSW Steel (Netherlands) B.V.	273.9	-	-	-	-	-	273.9
JSW Steel Holding (USA) Inc.	1,539.2	-	-	-	-	-	1,539.2
Others	762.8	34.5	39.1	-	-	450.7	1,287.1
Total	2,575.9	416.1	39.1	-	-	450.7	3,481.8
Purchase of Assets/ Project Materials							
Jindal Steel & Power Limited	-	-	-	-	-	1,067.5	1,067.5
JSW Severfield Structures Limited	-	-	1,983.8	-	-	-	1,983.8
Others	137.8	-	-	-	-	254.6	392.4
Total	137.8	-	1,983.8	-	-	1,322.1	3,443.7
Sale of Assets							
JSW Cement Limited	-	-	-	-	-	1,178.1	1,178.1
Total	-	-	-	-	-	1,178.1	1,178.1
Security /Lease deposits received							
Amba River Coke Limited	39.1	-	-	-	-	-	39.1
Total	39.1	-	-	-	-	-	39.1
Advance Given							

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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
JSW Steel (Salav) Limted	12,151.4	-	-	-	-	-	12,151.4
Others	-	-	-	-	-	4.4	4.4
Total	12,151.4	-	-	-	-	4.4	12,155.8
Advance Received Back							
JSW Steel (Salav) Limited	10,000.0	-	-	-	-	-	10,000.0
Peddar Reality Private Limited	360.4	-	-	-	-	-	360.4
Total	10,360.4	-	-	-	-	-	10,360.4
Lease and Other Advances refunded							
JSW Infrastructure Limited	-	-	-	-	-	365.9	365.9
Total	-	-	-	-	-	365.9	365.9
Loan given Received back							
JSW Steel (Netherlands) B.V.	2,290.0	-	-	-	-	-	2,290.0
JSW Steel Holding (USA) Inc.	74.4	-	-	-	-	-	74.4
Total	2,364.4	-	-	-	-	-	2,364.4
Loan given							
JSW Steel Holding (USA) Inc.	11,309.0	-	-	-	-	-	11,309.0
Others	1,120.3	-	-	-	-	-	1,120.3
Total	12,429.3	-	-	-	-	-	12,429.3
Donation/CSR Expenses							
JSW Foundation	-	-	-	-	-	18.3	18.3
O.P. Jindal Foundation	-	-	-	-	-	1.7	1.7
Total	-	-	-	-	-	20.0	20.0
Recovery of Expenses incurred by us on their behalf							
Amba River Coke Limited	786.8	-	-	-	-	-	786.8
JSW Steel Coated Products Limited	477.4	-	-	-	-	-	477.4
Others	-	0.4	15.0	-	-	31.9	47.3
Total	1,264.2	0.4	15.0	-	-	31.9	1,311.5
Investments / Share Application Money given during the Period							
Amba River Coke Limited	1,803.0	-	-	-	-	-	1,803.0
JSW Vallabh Tin Plate Private Limited	-	-	300.0	-	-	-	300.0
Dolvi Minerals & Metals Private Limited	-	400.0	-	-	-	-	400.0
Others	285.3	-	176.5	-	-	-	461.8
Total	2,088.3	400.0	476.5	-	-	-	2,964.8
Investments / Share Application Money refunded during the Period							
Vijayanagar Minerals Private Limited	-	-	40.5	-	-	-	40.5
Total	-	-	40.5	-	-	-	40.5
Redemption/Sale of Shares							
JSW Steel Coated Products Limited	415.7	-	-	-	-	-	415.7
Amba River Coke Limited	471.9	-	-	-	-	-	471.9
Total	887.6	-	-	-	-	-	887.6
Remuneration to key managerial personnel							

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
Mr. Sajjan Jindal	-	-	-	261.7	-	-	261.7
Mr. Seshagiri Rao M V S	-	-	-	41.4	-	-	41.4
Dr. Vinod Nowal	-	-	-	30.4	-	-	30.4
Mr. Jayant Acharya	-	-	-	26.3	-	-	26.3
Mr. Parth Jindal	-	-	-	-	0.7	-	0.7
Mr. Rajeev Pai	-	-	-	12.7	-	-	12.7
Mr. Lancy Varghese	-	-	-	4.6	-	-	4.6
Total	-	-	-	377.1	0.7	-	377.8
Interest Paid							
JSW Energy Limited	-	-	-	-	-	29.7	29.7
Amba River Coke Limited	42.8	-	-	-	-	-	42.8
JSW Steel Coated Products Limited	75.9	-	-	-	-	-	75.9
JSW Praxair Oxygen Private Limited	-	11.7	-	-	-	-	11.7
Total	118.7	11.7	-	-	-	29.7	160.1
Guarantees and collaterals provided by the Company on behalf:							
JSW Steel Holding (USA) Inc.	5,474.2	-	-	-	-	-	5,474.2
JSW Steel (Netherlands) B.V.	1,842.8	-	-	-	-	-	1,842.8
Others	373.6	-	-	-	-	-	373.6
Total	7,690.6	-	-	-	-	-	7,690.6
2. Closing balance of related parties							
Trade payables							
JSW Energy Limited	-	-	-	-	-	677.0	677.0
Amba River Coke Limited	5,758.7	-	-	-	-	-	5,758.7
Others	677.2	173.9	4.8	-	-	1,649.1	2,505.0
Total	6,435.9	173.9	4.8	-	-	2,326.1	8,940.7
Advance received from Customers							
JSW Steel Coated Products Limited	1,724.4	-	-	-	-	-	1,724.4
Others	-	-	-	-	-	2.0	2.0
Total	1,724.4	-	-	-	-	2.0	1,726.4
Lease & Other deposit received							
JSW Severfield Structures Limited	-	-	130.0	-	-	-	130.0
JSW Energy Limited	-	-	-	-	-	101.9	101.9
Jindal Saw Limited	-	-	-	-	-	50.0	50.0
Amba River Coke Limited	57.2	-	-	-	-	-	57.2
Others	-	38.3	-	-	-	55.0	93.3
Total	57.2	38.3	130.0	-	-	206.9	432.4
Lease & Other deposit given							
JSW Energy Limited	-	-	-	-	-	2.9	2.9
Total	-	-	-	-	-	2.9	2.9
Trade receivables							
Jindal Industries Limited	-	-	-	-	-	313.3	313.3
Jindal Saw Limited	-	-	-	-	-	282.2	282.2
JSW Cement Limited	-	-	-	-	-	271.9	271.9
AVH Private Limited	-	-	-	-	-	364.7	364.7
Dolvi Coke Projects Limited	-	222.0	-	-	-	-	222.0

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
Others	-	-	151.0	-	-	108.4	259.4
Total	-	222.0	151.0	-	-	1,340.5	1,713.5
Share Application Money Given							
Rohne Coal Company Private Limited	-	-	77.0	-	-	-	77.0
Others	3.5	-	3.3	-	-	-	6.8
Total	3.5	-	80.3	-	-	-	83.8
Capital / Revenue Advance							
JSW Projects Limited	-	-	-	-	-	5,000.0	5,000.0
Peddar Realty Private Limited	1,858.3	-	-	-	-	-	1,858.3
JSW Steel (Salav) Limited	1,558.6	-	-	-	-	-	1,558.6
Others	-	-	364.4	-	-	804.1	1,168.5
Total	3,416.9	-	364.4	-	-	5,804.1	9,585.4
Loan and Advances given							
Inversiones Eurosh Limitada	6,461.8	-	-	-	-	-	6,461.8
JSW Holding (USA)Inc.	30,972.2	-	-	-	-	-	30,972.2
Others	1,038.5	1.2	3.8	-	-	319.0	1,362.5
Total	38,472.5	1.2	3.8	-	-	319.0	38,796.5
Investments held by the Company							
JSW Steel (Netherlands) B.V.	10,821.8	-	-	-	-	-	10,821.8
Amba River Coke Limited	8,422.2	-	-	-	-	-	8,422.2
JSW Steel Coated Products Limited	13,135.4	-	-	-	-	-	13,135.4
Others	8,248.6	672.7	2,234.0	-	-	4,197.6	15,352.9
Total	40,628.0	672.7	2,234.0	-	-	4,197.6	47,732.3
Loans/Advances/Deposits Taken							
JSW Infrastructure Limited	-	-	-	-	-	1,857.1	1,857.1
Total	-	-	-	-	-	1,857.1	1,857.1
Guarantees and collaterals provided by the Company on behalf:							
JSW Steel (Netherlands) B.V.	16,273.6	-	-	-	-	-	16,273.6
JSW Steel Holding (USA) Inc.	34,299.8	-	-	-	-	-	34,299.8
Others	1,598.6	-	-	-	-	-	1,598.6
Total	52,172.0	-	-	-	-	-	52,172.0

For the financial year 2013-14

Particulars	Subsidiaries	Associates	Joint Ventures	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
1. 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 Industries 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 Assets							
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

Particulars	Subsidiaries	Associates	Joint Ventures	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
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
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
Interest 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

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Particulars	Subsidiaries	Associates	Joint Ventures	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
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
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 on behalf:							
JSW Steel (Netherlands) B.V. and its subsidiaries for USA and Chile acquisition	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

15. 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.
- Office premises (admeasuring approximately 1795 square feet) at the rate of Rs. 146/- square feet for the period of 22 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 :

(Rs. in millions)

	2015-16	2014-15	2013-14
Gross Carrying amount of Assets	1,523.5	1,501.3	1,442.1
Accumulated Depreciation	258.4	248.3	220.4
Depreciation for the year	24.5	25.7	24.9

c) As lessee:

(i) Lease rentals charged to revenue for right to use following assets are:

(Rs. in millions)

	2015-16	2014-15	2013-14
Office Premises, Residential Flats etc.	346.7	337.9	305.8
Total:	346.7	337.9	305.8

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.

(ii) The agreements 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:

(Rs. in millions)

	2015-16	2014-15	2013-14
Not later than one year	173.8	61.7	129.4
Later than one year but not later than five years	231.2	225	230.5
Later than five years	-	53.7	109.9
Total:	405	340.4	469.8

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16. **Earnings per share (EPS):**

(Rs. in millions)

		2015-16	2014-15	2013-14
Profit/(loss) after tax		(34,982.8)	21,664.8	13,345.1
Less: dividend on preference shares (including corporate dividend tax)		335.8	335.8	326.5
Profit/(loss) after tax for equity share holders (numerator)- basic / diluted (A)		(35,318.8)	21,329.0	13,018.6
Weighted average number of equity shares for basic EPS (denominator) (B)	Nos.	24,17,22,044	24,17,22,044	24,17,22,044
Weighted average number of equity shares for diluted EPS (denominator) (C)	Nos.	24,17,22,044	24,17,22,044	24,17,22,044
Earnings per share – basic (A/B)	Rs.	(146.11)	88.24	53.86
Earnings per share – diluted (A/C)	Rs.	(146.11)	88.24	53.86
Nominal value per share	Rs.	10	10	10

17. The Company has the following joint venture interest in India as at 31st March 2016:

Interest as venturer in jointly controlled entities

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%)

JSW Vallabh Tinplate 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 – 2.48% (previous year 2.48 %)

The Company's proportionate share in assets, liabilities, income and expenditure, of joint venturer in jointly controlled entities, is as under:

(Rs. in millions)

	Particulars	2015-16	2014-15	2013-14
I	**Assets**			
	Non-Current			
	Fixed Assets (including CWIP and Intangible assets under development)	2,590.2	2,591.4	1,425.3
	Non-current Investments	44.8	44.8	44.8
	Deferred Tax Asset (net)	0.0	0.0	-
	Long-term loans and advances	333.4	318.3	63.3
	Other non-current assets	5.1	0.9	5.1
	Current Assets			
	Current Investments	0.0	0.0	-
	Inventories	248.1	234.3	34.1
	Trade Receivables	727.8	544.2	563.9
	Cash and Cash equivalents	617.5	372.8	328.5
	Short-term loans and advances	313.4	254.0	93.1

	Other current assets	0.0	0.0	-
	Unbilled Revenue	489.8	570.4	343.8
II	**Liabilities**			
	Non-current Liabilities			
	Long-term borrowings	1,486.7	1,565.5	713.4
	Deferred Tax Liabilities (net)	36.2	23.3	0.0
	Other long-term liabilities	15.0	15.9	25.0
	Long term provisions	9.0	5.1	2.5
	Current Liabilities			
	Short-term borrowings	336.3	560.5	319.6
	Trade Payables	1,138.4	868.8	559.5
	Other current liabilities	1,014.2	594.2	447.2
	Short Term provisions	36.1	27.4	3.2
III	**Income**			
	Revenue from operations	4,023.9	3,766.5	1,296.9
	Other Income	66.0	30.0	31.6
IV	**Expenses**			
	Cost of materials consumed	1,680.6	1,316.8	0.0
	Purchases of stock-in-trade	29.1	0.0	0.0
	Changes in inventories of finished goods,work-in-progress and stock-in-trade	(32.0)	(27.3)	0.0
	Cost of Construction	1,442.4	1,495.6	1,154.5
	Employee benefit expense	326.4	263.3	234.1
	Finanace costs	323.1	296.2	166.3
	Depreciation and amortisation expense	172.5	135.5	61.1
	Other Expenses	216.7	345.3	122.2
	Tax Expenses			
	- Current/Deferred Tax	25.1	20.2	9.7
V	**Other Matters**			
	Contingent Liabilities	67.7	105.4	239.1
	Capital Commitment	49.5	63.3	321.0

18. Additional information

a. Auditors remuneration (excluding service tax) included in miscellaneous expenses in Note 24 comprise of :-

(Rs. in millions)

Particulars	2015-16	2014-15	2013-14
As Audit Fees(including limited review)	44.7	34.5	24.2
For Tax Audit Fees	4.8	4.0	3.5
For Certification & other Services	12.0	21.2	11.1
Out of Pocket Expenses	1.1	1.0	0.4
Total:	**62.6**	**60.7**	**39.2**

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b. Installed capacities and production:

	Class of goods	FY	Installed capacity See Note Below	Production
			Tonnes	Tonnes
1	MS Slabs	2015-16	1,16,00,000	95,72,348
		2014-15	1,16,00,000	1,03,87,412
		2013-14	1,16,00,000	1,00,10,957
2	Hot Rolled Coils/Steel Plates/Sheets	2015-16	1,15,00,000	9.313,448
		2014-15	1,15,00,000	1,00,68,165
		2013-14	1,15,00,000	97,42,560
3	Cold Rolled Coils/Sheets	2015-16	31,25,000	21,73,685
		2014-15	31,25,000	17,58,799
		2013-14	31,25,000	9,44,806
4	Galvanised/Galvalum Coils/Sheets	2015-16	4,00,000	4,63,270
		2014-15	4,00,000	3,54,221
		2013-14	-	-
5	Steel Billets & Bloom	2015-16	40,00,000	29,88,420
		2014-15	25,00,000	22,47,085
		2013-14	25,00,000	21,62,199
6	Long Rolled Products	2015-16	37,50,000	27,25,890
		2014-15	24,50,000	20,59,710
		2013-14	24,50,000	18,34,125

Note: As certified by the management and accepted by auditors, being a technical matter

c. **Opening stock, sales and closing stock:**

i) **Manufactured goods:**

	Class of goods		Opening Stock		Sales		Closing Stock	
			Tonnes	Rupees	Tonnes	Rupees	Tonnes	Rupees
		FY		millions		millions		millions
1	MS Slabs	2015-16	56,737	1,803.0	1,195	29.1	72,781	1,647.3
		2014-15	35,619	1,104.6	62,635	2,309.1	56,737	1,803.0
		2013-14	79,849	2,105.0	60,973	2,239.4	35,619	1,104.6
2	Hot Rolled Coils/Steel Plates/Sheets	2015-16	3,30,378	11,449.6	71,30,054	2,18,701.7	2,23,920	6,134.4
		2014-15	1,78,445	6,272.9	80,69,774	3,06,534.1	3,30,378	11,449.6
		2013-14	2,62,628	8,361.8	87,97,975	3,34,660.7	1,78,445	6,272.9
3	Galvanized Coils/Sheets	2015-16	26,760	1,114.5	4,29,700	15,369.7	32,110	1,185.0
		2014-15	1,036	90.2	3,13,249	14,023.6	26,760	1,114.5
		2013-14	1,974	87.8	3,428	212.7	1,036	90.2
4	Cold Rolled Coils/Sheets	2015-16	1,45,955	5,855.7	16,44,745	57,489.5	1,36,178	4,252.6
		2014-15	1,02,039	3,903.3	12,80,084	55,066.5	1,45,955	5,855.7
		2013-14	57,674	1,948.7	8,50,056	37,094.9	1,02,039	3,903.3
5	Steel Billets & Blooms	2015-16	94,971	2,915.8	2,10,147	6,399.1	85,485	2,167.1
		2014-15	23,355	801.4	3,30,705	11,680.5	94,971	2,915.8
		2013-14	22,819	783.7	2,78,584	10,521.5	23,355	801.4
6	Long Rolled Products	2015-16	1,41,021	5,304.8	27,11,220	93,574.9	1,13,939	3,508.1
		2014-15	57,507	2,295.3	19,77,681	84,723.3	1,41,021	5,304.8
		2013-14	83,020	3,083.6	18,09,602	74,922.4	57,507	2,295.3
7	Others	2015-16		3,335.2		11,980.8		4,708.1
		2014-15		2,481.9		19,371.9		3,335.2
		2013-14		424.4		21,249.9		2,481.9
	Total	2015-16		31,778.6		4,03,544.8		23,602.7
		2014-15		16,949.6		4,93,709.0		31,778.6
		2013-14		16,795.0		4,80,901.5		16,949.6

*Includes HR converted into SAW Pipes on Jobwork basis – Sales - 29,152 tonnes (FY 2014-15:Rs. Nil ; FY 2013-14 – Rs. Nil) Value – Rs.988.1 millions (FY 2014-15: Rs. Nil ; FY 2013-14 – Rs. Nil) and closing stock – 5,606 tonnes (FY 2014-15: Rs. Nil ; FY 2013-14 – Rs. Nil) Value – Rs.176.5 millions (FY 2014-15: Rs. Nil ; FY 2013-14 – Rs. Nil)

ii) **Traded goods:**

(Rs. in millions)

Description	2015-16	2014-15	2013-14
Opening Stock			
Others	-	-	-
Total	-	-	-
Purchases			
Galvanized/Galvalume	-	-	2,955.8
Others	1,527.2	3,856.4	1,992.4
Total	**1,527.2**	**3,856.4**	**4,948.2**
Sales			
Galvanized/Galvalume	-	-	3,208.4
Others	1,548.8	2,866.1	1,162.0
Total	**1,548.8**	**2,866.1**	**4,370.4**
Closing Stock			
Others	-	-	-
Total	-	-	-

iii) **Work-in-progress:**

(Rs. in millions)

Description	2015-16	2014-15	2013-14
Coke/Coal	2479.1	3444.6	2085.9
Others	3403.2	5455.1	3552.8
Total	**5882.3**	**8899.7**	**5638.7**

d. Consumption of materials:

Description	2015-16		2014-15		2013-14	
	Quantity	INR	Quantity	INR	Quantity	INR
	Tonnes	Millions	Tonnes	Millions	Tonnes	Millions
Iron ore lumps/fines	2,05,80,394	56,247.4	2,25,52,395	1,07,916.8	2,28,20,113	88,287.6
Coal/Coke	1,08,34,696	91,479.3	1,17,94,634	1,14,353.0	1,16,50,825	1,28,109.0
Others		42,952.7		51,186.2		50,661.6
Total:		**1,90,679.4**		**2,73,456.0**		**2,67,058.2**

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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	2015-16		2014-15		2013-14	
	Value INR Millions	% of Total Value	Value INR Millions	% of Total Value	Value INR Millions	% of Total Value
Raw Materials						
Imported	1,06,096.8	55.64	1,60,113.1	58.55	1,48,895.8	55.75
Indigenous	84,582.6	44.36	1,13,342.9	41.45	1,18,162.4	44.25
Total:	**1,90,679.4**	**100.00**	**2,73,456.0**	**100.00**	**2,67,058.2**	**100.00**
Stores and Spares						
Imported	3,892.5	18.43	4,287.5	19.58	4,203.7	20.65
Indigenous	17,231.7	81.57	17,612.9	80.42	16,154.7	79.35
Total:	**21,124.2**	**100.00**	**21,900.4**	**100.00**	**20,358.4**	**100.00**

f. **C.I.F. value of imports:**

(Rs. in millions)

Description	2015-16	2014-15	2013-14
-Capital Goods	15,317.2	21,338.9	15,248.7
-Raw Materials (including Power and Fuel)	86,097.6	1,45,177.4	1,42,583.8
-Stores and spare parts	5,834.3	6,433.3	4,014.1

g. **Expenditure in foreign currency:**

(Rs. in millions)

Description	2015-16	2014-15	2013-14
Interest and Finance charges	6,444.8	4,217.7	3,428.5
Ocean Freight	1,675.2	4,628.2	6,205.6
Technical Know-how	148.6	882.3	1,308.8
Commission on sales	175.3	162.9	135.1
Legal & Professional Fees	54.2	93.2	20.2
Others	225.9	111.3	96.3

h. **Earnings in foreign currency:**

(Rs. in millions)

Description	2015-16	2014-15	2013-14
F.O.B. Value of Exports	24,851.7	78,817.3	80,564.5
Sale of Carbon Credits	1.6	-	-
Commission and Fees	392.4	515.5	334.6
Interest Income	1,735.6	1,603.1	1,930.4

DHL

i. **Remittance in foreign currency on account of dividend:**

Dividend to equity shareholders:

Description	2015-16	2014-15	2013-14
Year to which the dividend relates	2014-15	2013-14	2012-13
Number of non-resident shareholders	3,277	3,349	3,582
Number of equity shares held by them	78,49,776	1,32,01,308	1,41,91,878
Amount remitted (Rs. in millions)	86.4	145.2	141.9

19. **Disclosure pertaining to micro, small and medium enterprises (as per information available with the Company):**

(Rs. in millions)

Description	2015-16	2014-15	2013-14
Principal amount due outstanding as at end of year	220.5	240.5	127.6
Interest due on (1) above and unpaid as at end of year	8.4	1.4	11.9
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	5.6	7.0	17.6

20. Figures of the previous years are regrouped and reclassified wherever necessary to correspond to figures of the current year.

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: 22 March, 2017

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