

JSW BENGAL STEEL LIMITED

**AUDIT OF STAND ALONE ACCOUNTS
FOR THE YEAR ENDED
31st March, 2016**

Deloitte Haskins & Sells

Chartered Accountants
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Building Alpha, 1st Floor
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JSW BENGAL STEEL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of JSW BENGAL STEEL LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control

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relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to Note 19.7 of the financial statements regarding :

- (i) The key sources of estimation uncertainties relating to the carrying amounts of fixed assets (other than Land) and capital work in progress (Rs. 2,296,007,642 as at March 31, 2016), and basis for not recognising impairment in terms of Accounting Standard (AS) 28, Impairment of Assets. and;
- (ii) The assessment of recoverability of carrying values of investments in the subsidiaries (Rs 1,354,780,000 as at March 31, 2016) in terms of Accounting Standard (AS) 13. No provision against these investments is considered necessary by the management in view of reasons described in said note.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.



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- e) The estimation uncertainties matter and the uncertainties relating to coal linkage and recovery of the outstanding dues from WBMDTC by the subsidiaries described in para (i) and para (ii) respectively under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)



A Bhattacharya
Partner
Membership No. 054110

Kolkata, 3rd May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of JSW Bengal Steel Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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


Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)



A Bhattacharya
Partner

Membership No. 054110

Kolkata, 3rd May, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement except the following:

Particulars of the land	Amount (Carrying amount as on 31 st March 2016)	Remarks
Land at Salboni	Rs 48,750	Lease deed for 5.74 acres of land pending to be executed.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

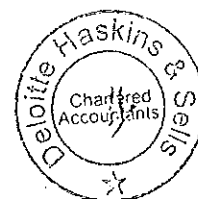
(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of making investments, as applicable. The Company has not granted any loans or provided guarantees and hence compliance with provisions of Section 185 of the Companies Act, 2013 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the Order is not applicable.



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- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. As informed the provisions relating to Customs Duty and Excise Duty were not applicable to the Company during the year.
 - (b) There are no dues of Income-tax, Sales Tax, Service Tax, and Value Added Tax as on March 31, 2016 on account of disputes. As informed the provisions relating to Customs Duty and Excise Duty were not applicable to the Company during the year.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration to its whole time director, appointed prior to commencement of the Companies Act, 2013, in accordance with the terms and conditions approved by the Company as per relevant provisions of Schedule XIII of Companies Act 1956 read with MCA Circular no 07/2015 dated 10th April 2015. Hence the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.



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- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.302009E)



A Bhattacharya
Partner
Membership No.054110

Kolkata, 3rd May, 2016



JSW BENGAL STEEL LIMITED

BALANCE SHEET AS AT 31ST MARCH 2016

Particulars	Note No	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
A EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	4,458,050,000	4,370,800,000
(b) Reserves and surplus	4	(110,434,619)	(99,345,223)
(c) Warrants	5	139,810,080	139,810,080
		4,487,425,461	4,411,264,857
(2) Non-current liabilities			
(a) Other Long term liabilities	6	180,853,793	178,222,938
(b) Long-term provisions	7	8,509,912	7,405,929
		189,363,705	185,628,867
(3) Current liabilities			
(a) Trade payables			
(i) Total outstanding dues to micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,437,801	4,254,550
(b) Other current liabilities	8	51,045,610	70,566,061
(c) Short-term provisions	9	1,946,695	1,909,009
		56,430,106	76,729,620
TOTAL		4,733,219,272	4,673,623,344
B ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	1,837,939,659	1,877,950,366
(ii) Intangible assets	10	783,320	1,361,293
(iii) Capital work-in-progress	18.2	1,324,195,872	1,234,701,347
		3,162,918,851	3,114,013,006
(b) Non-current investments	11	1,354,780,000	1,349,970,000
(c) Long-term loans and advances	12	192,217,698	192,818,215
		1,546,997,698	1,542,788,215
(2) Current assets			
(a) Cash and cash equivalents	13	14,964,280	12,982,304
(b) Short-term loans and advances	14	7,630,885	3,382,586
(c) Other current assets	15	707,558	457,233
		23,302,723	16,822,123
TOTAL		4,733,219,272	4,673,623,344

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

A. BHATTACHARYA
Partner

Place : Kolkata
Date : 3 May, 2016

For and on behalf of the Board of Directors

ALOK MEHROTRA
Wholtime Director &
Sr. Vice President (F&A)

SHWETA GUPTA
Company Secretary

BISWADIP GUPTA
Director

PARTHA BOSE
Chief Financial Officer

JSW BENGAL STEEL LIMITED

Statement of Profit and Loss for the year ended 31st March, 2016

Particulars	Note No.	For the period ended 31st March, 2016 (Rupees)	For the year ended 31st March, 2015 (Rupees)
I. Other income	16	210,240	84,931
II. Total Revenue		<u>210,240</u>	<u>84,931</u>
III. Expenses:			
Other expenses	17	11,298,393	7,906,610
IV. Total expenses		<u>11,298,393</u>	<u>7,906,610</u>
V. Loss before tax (II-IV)		(11,088,153)	(7,821,679)
VI. Tax expense:			
Current tax expense		-	25,000
Short provision relating to tax for earlier years		1,243	3,380
VII Loss for the year (V-VI)		<u>(11,089,396)</u>	<u>(7,850,059)</u>
VIII Earnings per equity share (of Rs. 10/- each):	19.6		
(a) Basic		(0.03)	(0.02)
(b) Diluted		(0.02)	(0.02)

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

A. BHATTACHARYA
Partner

Place : Kolkata
Date : 3 May, 2016

For and on behalf of the Board of Directors

ALOK MEHROTRA
Wholetime Director &
Sr. Vice President (F&A)

SHWETA GUPTA
Company Secretary

BISWADIP GUPTA
Director

PARTHA BOSE
Chief Financial Officer




JSW BENGAL STEEL LIMITED
Cash Flow Statement for the year ended 31 March 2016

	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
A. Cash flow from operating activities		
Loss before tax		
Adjustments for:	(11,088,153)	(7,821,679)
Loss on sale of Fixed Assets		
Net gain on sale of current investments	6,504,282	2,347,206
		(84,931)
	<u>6,504,282</u>	<u>2,262,275</u>
Operating Loss before working capital changes	(4,583,871)	(5,559,404)
Adjustments for:		
(Increase) / decrease in Loans and Advances #	(4,798,474)	
Increase / (decrease) in Liabilities and Provisions #	<u>1,271,480</u>	<u>8,245,949</u>
		(19,046,596)
Cash (used in) operations	(3,526,994)	(10,800,647)
Net income tax paid	(8,110,865)	(16,360,051)
Net cash (used in) operating activities	(A) <u>(8,134,285)</u>	<u>(16,434,319)</u>
B. Cash flow from investing activities		
Purchase of Fixed Assets	(1,437,661)	(10,781,911)
Expenditure on Capital Work-in-Progress	(53,393,462)	(109,282,867)
Proceeds from sale of fixed assets	(17,492,616)	1,110,272
Investments in wholly owned subsidiary	(4,810,000)	(23,490,000)
Net gain on sale of current investments		84,931
Net cash (used in) investing activities	(B) <u>(77,133,739)</u>	<u>(142,359,575)</u>
C. Cash flow from financing activities		
Proceeds from issue of Equity Shares	87,250,000	164,500,000
Net cash flow from financing activities	(C) <u>87,250,000</u>	<u>164,500,000</u>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	1,981,976	5,706,106
Cash and cash equivalents at the beginning of the year	10,262,316	4,556,210
Cash and cash equivalents at the end of the year*	<u>12,244,292</u>	<u>10,262,316</u>
# Includes current and non current		
Reconciliation of Cash and cash equivalents with the Balance Sheet.		
*Cash and cash equivalents as above	12,244,292	10,262,316
Add: - Fixed Deposit / Margin Money	2,719,988	2,719,988
Cash and cash equivalents (As per Note 13)	<u>14,964,280</u>	<u>12,982,304</u>

See accompanying notes forming part of the financial statements

In terms of our report attached,

For Deloitte Haskins & Sells
Chartered Accountants

A.BHATTACHARYA
Partner

Place : Kolkata
Date : 3rd May 2016

For and on behalf of the Board of Directors

ALOK MEHROTRA
Wholtime Director & Sr.Vice
President(F&A)

SHWETA GUPTA
Company Secretary

BISWADIP GUPTA
Director

PARTHA BOSE
Chief Financial Officer





JSW BENGAL STEEL LIMITED
Notes forming part of the financial statements

1 CORPORATE INFORMATION:

JSW Bengal Steel Limited has been incorporated for setting up an Integrated Steel Plant in the State of West Bengal at Salboni, Paschim Medinipur.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of accounting

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 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 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) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Fixed assets (Tangible / Intangible)

Fixed assets are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses.

Cost of acquisition comprises of all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use.

Expenditure incurred during construction period:

Apart from costs related directly to the construction of an asset, indirect expenses incurred up to the date of commencement of commercial production which are incidental and related to construction are capitalised as part of the construction cost.

2.4 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 assets [other than leasehold land and furniture and fittings of immovable nature (as given below)] has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold land is amortised over the period of the lease.

Furniture and Fittings of an immovable nature in leased premises are depreciated over the lease period.

The company capitalizes software where it is reasonably estimated that the software has an enduring useful life. Software is amortised over an estimated useful life of 3 to 5 years.

2.5 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. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

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, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

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 recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.



2.6 Investments

Investments are classified as current or long-term in accordance with Accounting Standard 13 "Accounting for Investments".

Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

Long term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

2.7 Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realisation or collection.

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.8 Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalised as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

2.9 Employee Benefits

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are recognised as an expense in the statement of profit and loss at the undiscounted amount in the year in which the related service is rendered. Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the projected unit credit method on the basis of third party actuarial valuations carried on an annual basis.

Contributions to Provident Fund, a defined contribution plan, are made in accordance with the statute, and are recognised as an expense when employees have rendered service entitling them to the contributions.

The costs of providing compensated absences and gratuity, a defined benefit plan, are determined using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The leave encashment and gratuity benefit obligations recognised in the balance sheet represent the present value of the obligations as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Actuarial gains and losses are recognised immediately in the statement of profit and loss.

2.10 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

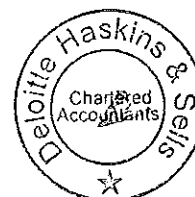
Monetary foreign currency assets and liabilities are translated into rupees at the exchange rate prevailing at the Balance Sheet date. All exchange differences are dealt with in the statement of pre-operative expenditure during construction period. Non-monetary items are carried at historical cost using the exchange rates on the date of the transaction.

2.11 Income Tax

Income taxes are accounted for in accordance with Accounting Standard 22 "Accounting for Taxes on Income". Taxes comprise both current and deferred tax.

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

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



2.12 Deferred tax

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.

2.13 Earnings Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

2.14 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. Operating lease payments are recognised as expense in the statement of pre-operative expenditure during construction period on a straight-line basis, which is representative of the time pattern of the user's benefit.

2.15 Cash Flow Statement

The cash flow statement is prepared by the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the cash flow statement consist of cash on hand, demand deposits with banks and unencumbered, highly liquid bank balances.

2.16 Provisions and Contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. 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.

2.17 Stock Based Compensation

The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. The compensation expense is amortised uniformly over the vesting period of the option.



**JSW BENGAL STEEL LIMITED**

Notes forming part of the financial statements

Note 3**Share capital**

Particulars	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
Authorised :		
1,000,000,000 Equity shares of Rs.10 each with voting rights	10,000,000,000	10,000,000,000
(31st March 2015: 1,000,000,000 Equity shares of Rs 10 each with voting rights)	10,000,000,000	10,000,000,000
Issued, Subscribed and fully paid up:		
445,805,000 Equity shares of Rs.10 each fully paid up with voting rights	4,458,050,000	4,370,800,000
(31st March 2015: 437,080,000 Equity shares of Rs 10 each with voting rights)		
Total	4,458,050,000	4,370,800,000

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening balance	Fresh issue	Closing balance
Equity shares with voting rights			
Year ended 31st March, 2016			
- Number of shares	437,080,000	8,725,000	445,805,000
-Amount (Rs)	4,370,800,000	87,250,000	4,458,050,000
Year ended 31st March, 2015			
- Number of shares	420,630,000	16,450,000	437,080,000
-Amount (Rs)	4,206,300,000	164,500,000	4,370,800,000

(ii) Equity Shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shares held by the holding company:

Particulars	Equity shares with voting rights Number of shares
As at 31st March, 2016	
JSW Steel Limited, the holding company	439,805,000
As at 31st March, 2015	
JSW Steel Limited, the holding company	431,080,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	31st March, 2016		As at 31st March, 2015	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
JSW Steel Limited	439,805,000	98.65	431,080,000	98.63





JSW BENGAL STEEL LIMITED
Notes forming part of the financial statements

Note 4
Reserves and surplus

Particulars	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
(a) General Reserve		
Opening balance	5,005,899	5,005,899
Closing balance	(A) 5,005,899	5,005,899
(b) Deficit in Statement of Profit and Loss		
Opening balance	(104,351,122)	(96,501,063)
Add : (Loss) for the year	(11,089,396)	(7,850,059)
Closing balance	(B) (115,440,518)	(104,351,122)
Total (A + B)	(110,434,619)	(99,345,223)

Note 5
Warrants

Particulars	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
13,981,008 (31st March, 2015:13,981,008) Nos. of warrants issued to JSW Bengal Steel Trust to be converted into 13,981,008 Nos. of Equity shares of Rs.10 each with voting rights	139,810,080	139,810,080
Total	139,810,080	139,810,080

Note:

The Company has agreed to give free Equity shares with voting rights of the Company, equivalent to the amount of cash compensation paid for acquisition of private (Rayatl) Land and Patta Land by way of a goodwill gesture so as to compensate the land losers for their loss of livelihood and ensuring their co-operation to the successful implementation of the proposed steel plant of the Company. Accordingly, 13,981,008 warrants (convertible into equity shares with voting rights on the date of achieving the commercial operation by JSW Bengal Steel Limited in the 1st phase or the date of IPO, whichever is earlier) of Rs.10 each aggregating Rs.139,810,080/- has been allotted on preferential basis to JSW Bengal Steel Trust.

Note 6
Other long term liabilities

Particulars	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
Other Payables		
(I) Advance received from		
- Related Parties - JSW Energy (Bengal) Limited (Refer note below)	178,084,455	178,084,455
- Related Parties - JSW Cement Limited	2,500,000	-
(II) Other Payables	269,338	138,483
	180,853,793	178,222,938

Note:

Advance represents amount received towards construction of common infrastructure facilities for captive power plant, to be adjusted against the value of allocable assets on their completion.





JSW BENGAL STEEL LIMITED
Notes forming part of the financial statements

Note 7
Long-term provisions

Particulars	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
Provision for employee benefits:		
(i) Provision for compensated absences	3,332,091	3,038,249
(ii) Provision for gratuity (Refer to Note 19.1)	5,177,821	4,367,680
Total	8,509,912	7,405,929

Note 8
Other current liabilities

Particulars	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
Other Payables		
(i) Statutory remittances	2,848,590	2,055,061
(ii) Payables for Capital Projects	37,411,138	55,048,840
(iii) Retention Money for Capital Project	10,785,882	13,462,160
Total	51,045,610	70,566,061

Note 9
Short-term provisions

Particulars	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
(a) Provision for employee benefits:		
(i) Provision for compensated absences	309,131	282,192
(ii) Provision for gratuity (Refer to Note 19.1)	165,094	132,170
	474,225	414,362
(b) Provision - Others		
Provision for tax		
Income Tax [net of advance tax Rs.7,527,530 (31 March 2015:Rs.7,653,733)]	1,472,470	1,494,647
Total	1,946,695	1,909,009



Sl No.	Particulars	Gross Block				Depreciation and Amortisation			Net Block	
		# Balance as at 1st April, 2015 (Rupees)	Additions (Rupees)	Deductions / Other Adjustments (Rupees)	# Balance as at 31st March, 2016 (Rupees)	Balance as at 1st April, 2015 (Rupees)	Depreciation/ amortisation for the year *** (Rupees)	Deductions (Rupees)	Balance as at 31st March, 2016 (Rupees)	Balance as at 31st March, 2015 (Rupees)
1	TANGIBLE ASSETS									
	Land:									
	Freehold Land	80,289,593	-	-	80,289,593	54,792,906	8,585,862	-	63,378,768	80,289,593
	Leasehold Land	850,000,384	-	-	850,000,384 *	42,565,246	14,811,766	-	786,621,616	795,207,478
2	Buildings	930,435,781	-	-	930,435,781	26,554,172	11,322,071	-	873,058,769	887,870,535
3	Plant and Equipment **	110,205,498	7,140	340,569	109,872,069	10,875,694	2,790,714	322,391	72,318,217	83,651,326
4	Furniture and Fixtures	32,746,385	-	2,650	32,743,735	1,611,768	681,618	562	13,665,845	21,870,691
5	Vehicles	4,622,226	1,160,305	-	5,782,531	5,837,670	3,187,941	-	2,293,385	3,489,145
6	Office Equipments	11,887,955	240,751	214,920	11,913,786			196,255	8,829,356	3,084,430
	Sub Total	2,020,187,822	1,408,196	558,139	2,021,037,879	142,237,456	41,379,972	519,208	183,098,220	1,837,939,659
	INTANGIBLE ASSETS (Acquired)									
	Computer Software	2,955,880	29,465	-	2,985,345	1,594,587	607,438	-	2,202,025	783,320
	Sub Total	2,955,880	29,465	-	2,985,345	1,594,587	607,438	-	2,202,025	783,320
	Grand Total	2,023,143,702	1,437,661	558,139	2,024,023,224	143,832,043	41,987,410	519,208	185,300,245	1,838,722,979
										1,879,311,659

Notes:

Represents original cost

Lease Deed for 5.74 acres pending to be executed.

* Plant and Equipment includes Computers, Electrical installations, Air conditioners and Refrigerators.

** Refer to Note 18.2

previous year

No.	Particulars	Gross Block			Depreciation and Amortisation			Net Block		
		# Balance as at 1st April, 2014 (Rupees)	Additions (Rupees)	Deductions / Other Adjustments (Rupees)	# Balance as at 31st March, 2015 (Rupees)	Balance as at 1st April, 2014 (Rupees)	Depreciation/ amortisation for the year *** (Rupees)	Deductions (Rupees)	Balance as at 31st March, 2015 (Rupees)	Balance as at 31st March, 2014 (Rupees)
1	TANGIBLE ASSETS									
	Land:									
	Freehold Land	69,684,842	10,604,751	-	80,289,593	46,207,044	8,585,862	-	54,792,906	69,684,842
	Leasehold Land	850,000,384	-	-	850,000,384 *	27,622,461	14,942,785	-	795,207,478	803,793,340
2	Buildings	930,435,781	-	-	930,435,781	10,132,274	16,572,777	-	887,870,535	902,813,320
3	Plant and Equipment **	110,614,070	88,469	497,041	110,205,498	8,272,714	2,798,502	140,879	83,651,326	100,491,796
4	Furniture and Fixtures	33,556,657	-	810,272	32,746,385	3,381,665	789,601	195,522	21,870,691	25,283,943
5	Vehicles	9,592,489	-	4,970,263	4,622,226	1,902,463	3,960,675	2,559,498	3,010,458	6,210,824
6	Office Equipments	11,900,534	88,690	101,269	11,887,955	97,508,621	47,650,202	25,468	6,050,285	9,998,071
	Sub Total	2,015,784,757	10,781,910	6,378,845	2,020,187,822	97,508,621	47,650,202	2,921,367	142,237,456	1,918,276,136
	INTANGIBLE ASSETS (Acquired)									
	Computer Software	2,955,880	-	-	2,955,880	1,016,614	577,973	-	1,594,587	1,939,266
	Sub Total	2,955,880	-	-	2,955,880	1,016,614	577,973	-	1,594,587	1,939,266
	Grand Total	2,018,740,637	10,781,910	6,378,845	2,023,143,702	98,525,235	48,228,175	2,921,367	143,832,043	1,920,215,402

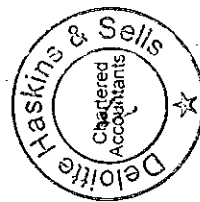
Notes:

Represents original cost

Lease Deed for 5.74 acres pending to be executed.

* Plant and Equipment includes Computers, Electrical installations, Air conditioners and Refrigerators.

** Refer to Note 19.2



**JSW BENGAL STEEL LIMITED**

Notes forming part of the financial statements

Note 11**Non-current investments**

Particulars	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
Investments (At Cost)		
Long Term Investments		
Trade- Unquoted		
Investment in Equity instruments of subsidiaries		
106,595,000 (31st March 2015: 106,470,000) Equity shares of Rs.10 each fully paid up in JSW Natural Resources India Limited	1,065,950,000	1,064,700,000
133,000 (31st March 2015: 123,000) Equity shares of Rs.10 each fully paid up in Barbil Beneficiation Company Limited	1,330,000	1,230,000
28,750,000 (31st March 2015: 28,404,000) Equity shares of Rs.10 each fully paid up in JSW Energy (Bengal) Limited	287,500,000	284,040,000
Total	1,354,780,000	1,349,970,000
Aggregate amount of unquoted investments	1,354,780,000	1,349,970,000

Note 12**Long-term loans and advances**

Particulars	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
Unsecured, considered good		
(a) Capital Advances [Refer to Note 18.3 (a)]		
(b) Security deposits	143,793,216	144,943,908
with government authorities [Refer to Note 18.3(b)]		
with others	35,238,987	35,233,987
(c) Balances with government authorities	3,140,500	3,170,726
Service Tax credit receivable		
(d) Other loans and advances	10,019,995	9,444,594
	25,000	25,000
Total	192,217,698	192,818,215



**JSW BENGAL STEEL LIMITED**

Notes forming part of the financial statements

Note 13**Cash and cash equivalents**

Particulars	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
(a) Cash on hand		
(b) Balances with banks	238,561	55,858
(i) In current accounts		
(ii) In deposit accounts (Refer Note below)	12,005,731	10,206,458
	2,719,988	2,719,988
Total	14,964,280	12,982,304

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is

Note: 12,244,292 10,262,316

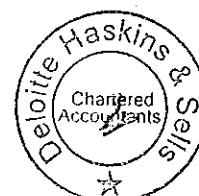
Balances with banks in b(ii) above represents margin money which have an maturity of less than 12 months from the balance sheet date.

Note 14**Short-term loans and advances**

Particulars	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
Unsecured, considered good		
(a) Loans and advances to related parties		
(b) Loans and advances to employees	6,799,464	1,239,046
(c) Prepaid expenses	75,000	75,000
(e) Advance wealth tax [net of provisions Rs.195,648 (31st March 2015: Rs.195,648)]	544,020	548,379
(f) Other advances to suppliers	14,559	14,559
	197,842	1,505,602
Total	7,630,885	3,382,586

Note 15**Other current assets**

Particulars	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
(a) Accruals		
Interest accrued on deposits	707,558	457,233
Total	707,558	457,233



**JSW BENGAL STEEL LIMITED**

Notes forming part of the financial statements

Note 16**Other Income**

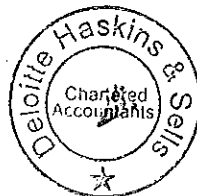
Particulars	For the year ended 31st March, 2016 (Rupees)	For the year ended 31st March, 2015 (Rupees)
Interest Income		
Other Interest	4,560	-
Other Income	205,680	-
Net gain on sale of current investments (mutual funds)	-	84,931
Total	210,240	84,931

Note 17**Other expenses**

Particulars	For the year ended 31st March, 2016 (Rupees)	For the year ended 31st March, 2015 (Rupees)
Power and Fuel	-	44,675
Repairs - Others	311,208	876,203
Communication	131,814	253,945
Printing and stationery	34,746	42,254
Auditors remuneration (Refer details below)	1,216,837	1,314,826
Directors sitting fees	290,400	220,000
Refreshment expenses	313,434	356,537
Membership and subscription	95,720	430,499
Office expenses	869,952	1,062,400
Bank charges	11,517	441,965
Vehicle maintenance	675,808	230,393
Meeting and seminar expenses	44,529	13,167
Loss on sale / damage of fixed assets (net)	6,504,282	2,347,206
Interest expenses	2,655	-
Other Miscellaneous Expenses	295,491	272,540
Total	11,298,393	7,906,610

Payment to the auditors comprises (net of service tax)

Audit Fees	1,200,000	1,300,000
Reimbursement of expenses	16,837	14,826
	1,216,837	1,314,826



**JSW BENGAL STEEL LIMITED**

Notes forming part of the financial statements

Note 18**Additional information to the financial statements****Particulars****As at
31st March, 2016
(Rupees)****As at
31st March, 2015
(Rupees)****Note 18.1****Contingent liabilities and commitments (to the extent not provided for)****(i) Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	82,730,907	104,206,266
--	------------	-------------

Note 18.2**Capital work-in-progress**

The Company is setting up an Integrated Steel Plant at Salboni, West Bengal. Since the project is under implementation stage and the Company has not commenced commercial operations, the expenditure incurred during the construction period which is directly related to the construction of the plant or which is incidental or indirectly related to such construction is classified as Capital Work-in-Progress and are being apportioned to respective Fixed Assets and capitalised on completion of the respective assets of the project.

Particulars**As at
31st March, 2016
(Rupees)****As at
31st March, 2015
(Rupees)****(a) Buildings, Roads and other infrastructure**

Opening Balance	766,829,650	738,127,932
Additions during the year	5,459,266	35,631,568
Less: Sale During the year	24,093,654	6,929,850
Total (a)	748,195,262	766,829,650

(b) Pre-operative Expenses (pending allocation)

Opening Balance:	467,871,697	328,096,006
Add: Expenditure Incurred during the year		
Salaries, wages and bonus(net)	21,476,108	36,221,756
Contribution to provident fund etc.	2,123,063	3,110,287
Staff welfare expenses	1,661,560	4,710,085
Rent	6,435,244	4,211,924
Rates and taxes	43,816	2,500
Insurance (net of claims received)	2,446,191	(1,973,388)
Electricity expenses(net)	4,554,391	7,749,936
Travelling and conveyance expenses	2,838,092	3,768,960
Guest house expenses	2,727,098	2,782,675
Office expenses	3,269,158	4,309,432
Printing and stationery	138,980	169,014
Fax /Telephone expenses	527,255	1,015,779
Legal and professional expenses	2,205,958	3,013,748
Corporate social responsibility expenses	60,955	8,820,598
Repairs-Others (net of claims received)	3,999,023	1,541,668
Vehicle maintenance	576,384	921,571
Security charges	11,058,227	11,170,971
Depreciation / Amortisation (Refer to Note 10)	41,987,410	48,228,175
Total (b)	576,000,610	467,871,697
Total (a) + (b)	1,324,195,872	1,234,701,347





JSW BENGAL STEEL LIMITED

Notes forming part of the financial statements

Note 18.3

Long-term loans and advances

(a) Capital Advances disclosed under Note 12 (a) Includes:

(i) Rs.69,859,105 paid in earlier year to West Bengal Industrial Development Corporation Limited, the acquiring body, towards acquisition of Patta and Private land aggregating 189.6274 acres under Land Acquisition Act, 1894. Although the above mentioned area of land has been handed over to the company, the lease deed for the same is yet to be executed in favour of the Company.

(ii) Rs.30,505,774 paid in earlier year to South Eastern Railway, towards widening and manning of unmanned level crossing gate between Salboni and Godapiasal station. Pending completion of the said activity by to South Eastern Railway the said amount has been disclosed as Capital Advances.

(b) Security deposit with Government Authorities under Note 12 (b) includes:

(i) The Company has entered into sole and exclusive long term Coal Supply Agreement on 31st March, 2010 with West Bengal Mineral Development and Trading Corporation Limited (WBMDTC) for supply of coal from the Kulti and Sitarampur coal blocks. In terms of the Coal Supply Agreement, the Company has paid Rs. 30,000,000 till 31st March, 2016 and the same is included in Security deposits disclosed under Note 12 (b).

Note 18.4

Employee Stock option plans

The holding company provides share-based payment scheme to its employees. As on 31st March, 2016, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Particulars	JSW Employees Stock Ownership Plan 2012	
	Initial Grant (Junior Manager & Above)	1st Subsequent Grant (Junior Manager & Above)
Date of grant	26 July, 2012	26 July, 2012
Outstanding at the beginning of the year	508	9,163
Granted during the year	-	-
Forfeited during the year	-	-
Transfer-out arising from transfer of employees to group companies	-	-
Transfer-in arising to transfer of employees from group companies	-	-
Exercised during the year	100	902
Outstanding at the end of the year	408	8,261
Vesting Date	30 September, 2013	30 September, 2014
Method of settlement	Cash	Cash
Exercise Price (Rupees)	700	700

Expenses arising from employee's share-based payment plans - Rs.Nil (31st March, 2015: Rs.Nil) debited to Capital Work in Progress.





JSW BENGAL STEEL LIMITED

Notes forming part of the financial statements

Note 19

Disclosures under Accounting Standards

Note 19.1

Employee benefit plans

Defined contribution plans

The Company makes Provident Fund to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The particulars of such contributions are stated below:

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
	(Rupees)	(Rupees)
Contribution to Provident Fund *	1,182,490	1,730,281
	1,182,490	1,730,281

* recognised under 'Contribution to provident fund etc.' in Note 18.2

recognised under 'Staff welfare expenses' in Note 18.2

Defined Benefit Plan

The Company offers Gratuity as the employee benefit scheme to its employees:

The following table sets out the unfunded status of the defined benefit scheme and the amount recognised in the financial statements:

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
	(Rupees)	(Rupees)
Components of employer expense		
Current service cost	400,349	497,481
Interest cost	359,538	391,415
Actuarial (gains)/ losses	83,178	491,110
Total expense recognised in Capital Work-in-progress [Refer Note 18.2]	843,065	1,380,006
Actual contribution and benefit payments for the year		
Actual benefit payments	-	(342,348)
Actual contributions	-	-
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation (DBO)	(5,342,915)	(4,499,850)
Funded status [Surplus / (Deficit)]	-	-
Unrecognised past service costs	-	-
Net (liability) recognised in the Balance Sheet	(5,342,915)	(4,499,850)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	4,499,850	4,199,729
Liability transferred from Group Companies of Employees transferred to the Company	-	-
Liability transferred to Group Companies of Employees transferred from the Company	-	(737,537)
Current service cost	400,349	497,481
Interest cost	359,538	391,415
Actuarial losses / (Gains)	83,178	491,110
Benefits paid	-	(342,348)
Present value of DBO at the end of the year	5,342,915	4,499,850

Actuarial assumptions

Discount rate
Salary escalation
Attrition
Mortality tables



8.21%	7.99%
6.00%	6.00%
2.00%	2.00%
Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)

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.

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

Experience adjustments

	2015-2016 (Rupees)	2014-2015 (Rupees)	2013-2014 (Rupees)	2012-2013 (Rupees)	2011-2012 (Rupees)
Present value of DBO	5,342,915	4,499,850	4,199,729	5,346,859	9,360,844
Fair value of plan assets	-	-	-	-	-
Funded status [Surplus / (Deficit)]	5,342,915	4,499,850	4,199,729	5,346,859	(9,360,844)
Experience (gain) / loss adjustments on plan liabilities	115,515	213,929	208,391	570,604	(6,424,317)


JSW BENGAL STEEL LIMITED

Notes forming part of the financial statements

Note 19.2

Related Party Disclosures
(a) List of Related Parties:

Parties with whom the Company has entered into transactions during the year

1. Holding Company:

JSW Steel Limited

2. Subsidiaries:

Barbil Beneficiation Company Limited

JSW Natural Resources India Limited

JSW Energy (Bengal) Limited

JSW Natural Resources Bengal Limited (Wholly owned subsidiary of JSW Energy (Bengal) Limited)

Barbil Iron Ore Company Limited (Wholly owned subsidiary of Barbil Beneficiation Company Limited)

3. Enterprise under common control which can exercise significant influence:

JSW Cement Limited

4. Key Management Personnel:

Mr. Alok Mehrotra, Whole Time Director

(Rupees)

Particulars	Holding Company	Subsidiaries				Enterprise under common control which can exercise significant influence	Key Management Personnel
	JSW Steel Limited	JSW Energy Bengal Limited	JSW Natural Resources India Limited	Barbil Beneficiation Company Limited	JSW Natural Resources Bengal Limited	JSW Cement Limited	
(b) Transactions with Related Parties							
(i) Issue of Equity Shares	87,250,000 (164,500,000)	-	-	-	-	-	-
(ii) Investments made	-	3,460,000 (8,940,000)	1,250,000 (14,450,000)	100,000 (100,000)	-	-	-
(iii) Sale of Services	-	-	-	-	-	235,503	-
(iv) Recovery of Expenses	-	-	-	-	-	-	-
(a) Employee Cost	6,908,079 (4,548,202)	853,603	3,541,892 (2,459,815)	-	3,870,253 (4,699,156)	790,169	-
(b) Corporate Social Responsibility Expenses	1,191,676	-	-	-	-	-	-
(c) Other Miscellaneous expenses	-	-	-	-	-	508,795	-
(v) Reimbursement of Expenses	227,350	-	-	-	-	-	-
(vi) Sale of Fixed Assets	11,027,264 (6,929,850)	-	-	-	-	-	-
(vii) Recovery of advances	-	-	3,580	100,000	-	-	-
(viii) Repayment of advances	-	-	-	-	873	-	-
(ix) Advance received	-	-	-	-	-	2,500,000	-
Remuneration Key Managerial Personnel							
Mr. Alok Mehrotra	-	-	-	-	-	-	13,768,576 (12,175,510)
(c) Closing Balance as at year end							
(i) Receivable	6,661,468 (1,014,186)	122,153 (122,153)	- (3,580)	- (100,000)	-	15,843	-
(ii) Payable	-	178,084,455 (178,084,455)	-	-	-	2,500,000 (873)	-
Note: Figures in bracket relate to previous year							

