

# Deloitte Haskins & Sells LLP

Chartered Accountants  
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## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JSW STEEL (SALAV) LIMITED  
Report on the Financial Statements

We have audited the accompanying financial statements of JSW STEEL (SALAV) LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> 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 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 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.

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 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 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 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 financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31<sup>st</sup> March, 2016, and its loss and its cash flows for the year ended on that date.

### **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 financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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.
- g) 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 has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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**Deloitte**  
**Haskins & Sells LLP**

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 LLP  
Chartered Accountants  
(Firm Registration No. 117366W/ W-100018)



A. Siddharth  
Partner  
(Membership No. 31467)

Mumbai, dated: 2 May 2016

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section 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 STEEL (SALAV) LIMITED ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' 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 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.

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### **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.

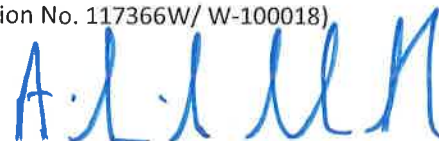
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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 31<sup>st</sup> March, 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 issued by the Institute of Chartered Accountants of India.

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



A. Siddharth  
Partner

(Membership No. 31467)

Mumbai, dated: 2 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 Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

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

Particulars of land and building	Gross block and net block as at 31 <sup>st</sup> March, 2016 (Rs. in Crores)
Freehold land located at Maharashtra Salav village of Raigad district admeasuring 6.112 hectares	10.23
Freehold land and located at Maharashtra Salav village of Raigad district admeasuring 85 hectares	54.11
Leasehold land located at Maharashtra Salav village of Raigad district admeasuring 183.618 hectares	296.67
Building – diversion road (SH 91) located at Maharashtra Salav village of Raigad district	2.95

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. There are no buildings that have been taken on lease and disclosed as fixed asset.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (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) The Company has not granted any loans, made investments, provided guarantees or securities during the year and hence reporting under paragraph 3(iv) of the Order is not applicable.

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- (v) According to the information and explanations given to us, the Company has not accepted any deposit and hence reporting under paragraph 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities. As informed to us the provisions of Employees' State Insurance were not applicable to the Company.
  - There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.
  - Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31<sup>st</sup> March, 2016 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period(s) to which the amount relates	Amount unpaid (Rs. in Crores)	Amount paid under protest (Rs. in Crores)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2010-14	3.97	-
The Maharashtra VAT Act, 2005	Value Added tax	Joint Commissioner (Appeals)	2009-10	2.21	0.05
		Deputy Commissioner of Sales Tax	2011-12	0.12	-
The Central Sales Tax Act, 1956	Sales tax	Joint Commissioner (Appeals)	2009-10	0.13	0.03
Chapter V of the Finance Act, 1994	Service Tax	Superintendent of Central Excise	2014-15	0.003	-
		Assistant Commissioner of Central Excise	2011-13	0.02	-
		Additional Commissioner of Central Excise	2010-14	0.13	-
		Commissioner of Central Excise	2007-11	2.77	-
		Commissioner of Central Excise (Appeals)	2003-15	1.00	0.01
		Bombay High Court	2003-08	2.00	0.03
		Customs, Excise and Service Tax Appellate Tribunal	2005-13	35.04	0.78
The Central Excise Act, 1944	Excise Duty	Deputy Commissioner of Central Excise	2001-12	0.03	-
		Commissioner of Central Excise	2001-02	0.52	0.01

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Name of statute	Nature of dues	Forum where dispute is pending	Period(s) to which the amount relates	Amount unpaid (Rs. in Crores)	Amount paid under protest (Rs. in Crores)
		Joint Commissioner of Central Excise	2000-01	0.09	-
		Commissioner of Central Excise (Appeals)	2009-12	0.19	0.01
		Customs, Excise and Service Tax Appellate Tribunal	1999-2012	1.24	0.22
The Custom Act, 1962	Custom Duty	Deputy Commissioner of (Appeals) Customs	2000-10	0.03	0.01
		Commissioner of (Appeals) Customs	2008-15	14.02	1.36
		Customs, Excise and Service Tax Appellate Tribunal	2001-02	0.36	0.02

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.
- (ix) The Company has neither raised any moneys by way of initial public offer / further public offer (including debt instruments) / term loans nor were such proceeds pending to be applied, during the current year and hence reporting under paragraph 3(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 material 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 in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(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 177 and 188 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 paragraph 3(xiv) of the Order is not applicable to the Company.
- (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. Accordingly paragraph 3(xv) of the Order is not applicable.

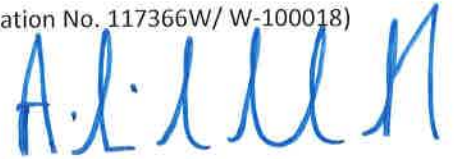
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**Deloitte  
Haskins & Sells LLP**

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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



A. Siddharth

Partner

(Membership No. 31467)

Mumbai, dated: 2 May 2016

**JSW STEEL (SALAV) LIMITED**  
(Formerly known as Welspun Maxsteel Limited)

**Balance Sheet as at 31 March 2016**

		(Rs. in crores)	
	Note no.	As at 31 March 2016	As at 31 March 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
Share capital	2	1,108.49	933.71
Reserves and surplus	3	(882.47)	(649.15)
		<b>226.02</b>	<b>284.56</b>
<b>(2) Non - current liabilities</b>			
Long - term borrowings	4	850.00	950.00
Long - term provisions	5	17.88	17.62
		<b>867.88</b>	<b>967.62</b>
<b>(3) Current liabilities</b>			
Short - term borrowing	6	0.73	0.15
Trade payables (total outstanding dues of creditors other than micro enterprises and small enterprises)	7	10.41	146.87
Other current liabilities	8	446.77	233.49
Short - term provisions	5	0.41	0.34
		<b>458.32</b>	<b>380.85</b>
		<b>1,552.22</b>	<b>1,633.03</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
Fixed assets			
Tangible assets	9	1,215.54	1,317.14
Capital work-in-progress		4.60	4.60
		<b>1,220.14</b>	<b>1,321.74</b>
Deferred tax assets (net)	10	219.87	150.86
Long - term loans and advances	11	19.31	17.14
Other non-current assets	12	4.26	3.09
		<b>1,463.58</b>	<b>1,492.83</b>
<b>(2) Current assets</b>			
Inventories	13	52.31	121.85
Trade receivables	14	6.72	4.29
Cash and bank balances	15	4.22	2.86
Short - term loans and advances	11	24.58	10.18
Other current assets	16	0.81	1.02
		<b>88.64</b>	<b>140.20</b>
		<b>1,552.22</b>	<b>1,633.03</b>

See accompanying notes 1 to 23 forming part of the financial statements

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

*A. Siddharth*

A. Siddharth  
Partner

Place : Mumbai  
Date : 02 May 2016

For and on behalf of the Board of Directors

*Mohan N. Budgude*

Mohan N. Budgude  
Chief Financial Officer

*Bhushan Lal Dewangan*

Bhushan Lal Dewangan  
Director

*Boopalan Periasamy*

Boopalan Periasamy  
Company Secretary

*Pradeep Bhargava*

Pradeep Bhargava  
Director



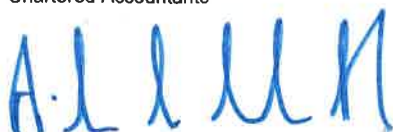
**JSW STEEL (SALAV) LIMITED**  
(Formerly known as Welspun Maxsteel Limited)

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

		(Rs. in crores)	
	Note no.	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>I Revenue from operations (gross)</b>	<b>17</b>	316.91	1,013.28
Less: Excise duty		32.94	99.04
<b>Revenue from operations (net)</b>		<b>283.97</b>	<b>914.24</b>
<b>II Other income</b>	<b>18</b>	4.64	11.29
<b>III Total revenue (I + II)</b>		<b>288.61</b>	<b>925.53</b>
<b>IV Expenses :</b>			
Cost of materials consumed [Refer note 23 (11) (C)]		143.44	507.67
Purchase of stock-in-trade [Refer note 23 (11) (B) (ii)]		0.05	3.81
Changes in inventories of finished goods and work in progress	<b>19</b>	25.84	1.20
Employee benefits expense	<b>20</b>	23.91	32.13
Finance costs	<b>21</b>	144.15	157.88
Depreciation and amortisation expense	<b>9</b>	88.61	81.70
Other expenses	<b>22</b>	151.88	418.08
<b>Total expenses</b>		<b>577.88</b>	<b>1,202.47</b>
<b>V Loss before tax (III - IV)</b>		<b>(289.27)</b>	<b>(276.94)</b>
<b>VI Tax expense</b>			
Current tax expenses		-	-
Reversal of minimum alternative tax (MAT) credit recognised in earlier years		-	6.94
Deferred tax		(64.49)	(150.86)
<b>Net tax (benefit) / expense</b>		<b>(64.49)</b>	<b>(143.92)</b>
<b>VII Loss for the year (V - VI)</b>		<b>(224.78)</b>	<b>(133.02)</b>
<b>VIII Earnings per equity share of Rs.10/- each</b>	<b>23 (8)</b>		
Basic and diluted		(2.47)	(1.46)

See accompanying notes 1 to 23 forming part of the financial statements

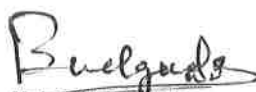
In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants



**A. Siddharth**  
Partner

Place : Mumbai  
Date : 02 May 2016

For and on behalf of the Board of Directors

  
**Mohan N. Budgude**  
Chief Financial Officer

  
**Bhushan Lal Dewangan**  
Director

  
**Boopalan Periasamy**  
Company Secretary

  
**Pradeep Bhargava**  
Director



JSW Steel (Salav) Limited  
(Formerly known as Welspun Maxsteel Limited)  
Cash Flow Statement for the year ended 31 March 2016


	Rs. in crores	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	(289.27)	(276.94)
Adjustment for :		
Depreciation and amortisation	88.61	81.70
Loss on sale of fixed assets	(0.00)	2.07
Loss on sale of current investments	-	0.74
Loss on sale of non - current investments	-	1.22
Interest income	(2.41)	(8.88)
Dividend income	-	(0.47)
Finance cost	105.34	157.88
Project expenses written off	-	1.19
Provision for contingencies	-	15.29
Provision for doubtful debt and advances	0.56	7.73
Provision for Obsolete Stock	0.54	-
Excess provision written back	(0.28)	(0.57)
Provision for contingency no longer required w/back	-	-
Unrealised exchange loss	(0.16)	1.64
	192.20	259.54
Operating loss before working capital changes	(97.07)	(17.40)
Adjustments for :		
Decrease in inventories	68.93	83.93
Decrease / (Increase) in trade receivables	(2.43)	98.10
Decrease / (Increase) in loans and advances*	(16.31)	66.60
Decrease / (Increase) in other current assets	0.00	(1.89)
Decrease / (Increase) in other non-current assets	-	41.18
Increase in liabilities*	28.59	0.00
Increase in provisions*	0.38	-
	79.16	287.92
Cash flow from operations	(17.91)	270.52
Direct taxes paid	(0.31)	(0.37)
Net cash generated from / (used in) operating activities	(18.22)	270.15
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets including capital advances	-	(0.21)
Proceeds from sale of fixed assets	0.00	1.94
Investment in subsidiaries and joint ventures including advances	-	1.78
Sale/ (Purchase) of current investments (net)	-	(0.74)
Fixed deposits / margin deposits placed during the year	-	(0.12)
Interest received	2.42	10.08
Dividend received	-	0.47
Net cash generated from investing activities	2.42	13.20
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	174.77	19.40
Proceeds from long term borrowings	-	1,005.75
Repayment of long term borrowings	(50.00)	(1,129.03)
Proceeds from/ Repayment of short term borrowings (net)	0.58	(23.64)
Finance cost paid	(108.19)	(153.66)
Net cash used in financing activities	17.16	(281.18)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1.36	2.17
Cash and cash equivalents - opening balances	2.86	0.67
Cash and cash equivalents - closing balances (refer note 15)	4.22	2.74
Add : Margin money / Fixed deposit balance	-	0.12
Cash and bank balances (refer note 15)	4.22	2.86

\*Includes current and non current

**Notes**


- The cash flow statement is prepared using the "indirect method" set out in Accounting Standard 3 "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company.
- Cash and cash equivalents presented in the cash flow statement consist of cash on hand and unencumbered, highly liquid bank balances.

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

  
A. Siddharth  
Partner

Place : Mumbai  
Date : 02 May 2016

For and on behalf of the Board of Directors

  
Mohan N. Bhatnagar  
Chief Financial Officer

  
Bhushan Lal Dewangan  
Director

  
Boopalan Periasamy  
Company Secretary

  
Pradeep Bhargava  
Director



**Notes forming part of the financial statements**

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**Note 1. Significant accounting policies**

**1.1 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. 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.

**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 the 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 realisable 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 19).

**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.

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**Notes forming part of the financial statements**

**1.5 Depreciation and amortization**

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.:

<b>Class of assets</b>	<b>Years</b>
Plant and Machinery	10-35
Ships (mini bulk carriers, self-propelled barges and navigational buoys)	28
Ships-speed boat	13
Factory Buildings : RCC pavement in HBI storage shed, Main Stores, Central Workshop, Technical and Laboratory Building, First Aid and Fire Safety Building etc.) and non factory building: Other than RCC structure (bore well at Roha jack well and railway siding.	30
Non Factory and Colony Buildings : RCC structure, Jetty, Administrative Building, Shopping Complex, Club, Hospital, Staff Quarters, Retaining Wall at New Diversion Road, Water pipe line, water tank, Security Quarters Roha, Boundary wall etc.	60
Factory buildings, non-factory and colony buildings : Boundary wall and Roads (bitumen), Truck parking etc.	5-10
Furniture and Fixtures Office Table, Steel Almirah, Sofa Set, Executive Chairs, Dining Table etc	10
Office Equipments- Refrigerators, Air Conditioners, Water Cooler, Washing Machine, Color TV etc	5
Computers and Printers Servers and Networks – 6 Yrs End users devices such as Laptops, Desktops, Scanners, Printers etc.- 3 Yrs	3-6
Vehicles- Motor Cycle, Scooter – 10 Yrs Motor Car, Ambulance – 8Yrs	8-10

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.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

Goodwill on acquisition is amortized over a period of five years.

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**Notes forming part of the financial statements**

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**1.6 Revenue recognition**

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

Revenue from sale of goods is recognized, 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 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 capitalized 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 realizable 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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**Notes forming part of the financial statements**

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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 less accumulated amortisation and impairment loss, if any.

Goodwill on acquisition is capitalised as intangible asset.

**1.9 Foreign currency transactions**

**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 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.

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 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.

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**Notes forming part of the financial statements**

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**1.11 Investments**

Long-term investments are carried individually at cost. Current investments are carried individually, at the lower of cost and fair value. Cost of investment include acquisition charges such as brokerage, fees and duties.

**1.12 Employee benefits**

Employee benefits include provident fund, superannuation fund, 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 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 recognised immediately in the Statement of Profit and Loss.

**1.13 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 utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset are added to the cost of the assets. Capitalization 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.

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**Notes forming part of the financial statements**

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**1.14 Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

**1.15 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 capitalized 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 recognized as receivables at an amount equal to the net investment in the lease and the finance income is recognized 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 recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

**1.16 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 shareholder, 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.

**1.17 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.

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**Notes forming part of the financial statements**

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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 recognized 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 is recognized 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 recognized for all timing differences. Deferred tax assets are recognized 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 realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize 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 recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

**1.18 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, impairment is recognized for such excess amount. The impairment loss is recognized 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 recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized 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 recognized.

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**Notes forming part of the financial statements**

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**1.19 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 recognized in the financial statements.

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**JSW STEEL (SALAV) LIMITED**  
(Formerly known as Welspun Maxsteel Limited)

**Notes forming part of the financial statements**

(Rs. in crores)

	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
<b>Note - 2 Share capital</b>				
<b>Authorised</b>				
1,200,000,000 Equity share of the par value of Rs 10 each			1,200.00	1,200.00
300,000,000 Preference share of the par value of Rs 10 each			300.00	300.00
			<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, subscribed and paid up</b>				
1,085,351,217 (P.Y. 910,576,464) Equity shares of Rs.10/- each fully paid up			1,085.35	910.58
23,134,494 (P.Y. 23,134,494) 0 (Zero)% Redeemable preference shares of Rs 10/- each fully paid up			23.13	23.13
			<b>1,108.49</b>	<b>933.71</b>

**a. Reconciliation of the number of shares outstanding at the beginning and at the end of the year :**

	Number of shares		Rs. in crores	
<b>Equity shares :</b>				
Outstanding at the beginning of the year	910,576,464	910,576,464	910.58	910.58
Movements during the year	174,774,753	-	174.77	-
Outstanding at the end of the year	<b>1,085,351,217</b>	<b>910,576,464</b>	<b>1,085.35</b>	<b>910.58</b>
<b>Preference shares :</b>				
Outstanding at the beginning of the year	23,134,494	3,740,000	23.13	3.74
Movements during the year	-	19,394,494	-	19.39
Outstanding at the end of the year	<b>23,134,494</b>	<b>23,134,494</b>	<b>23.13</b>	<b>23.13</b>

**b 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 remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**c Rights, preferences and restrictions attached to 0 (zero) % redeemable preference shares**

On 31 December 2012 and 31 October 2014, the Company has issued 3,740,000 (nos.) and 19,394,494 (nos.), 0 (zero) % redeemable preference shares of Rs. 10 each at par which are redeemable at any time but not later than 20 years and 19 years respectively from the date of their issue.

**d Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash, bonus shares and shares bought back for the period of five years immediately preceding the balance sheet date:**

	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
<b>Number of equity shares</b>					
Equity shares allotted as fully paid bonus shares Rs.10 each	-	-	780,494,112	-	-
(The Company had issued bonus shares on 06 August 2013 for Rs. 780.49 crores (780,494,112 equity shares of Rs. 10/- each) by capitalising its securities premium account of Rs. 124.08 crores and revaluation reserve of Rs. 656.41 crores).					

**e Details of shareholders holding more than 5% shares in Company**

	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
<b>Number of equity shares</b>			<b>% Holding</b>	<b>% Holding</b>
JSW Steel Limited #	1,083,951,210	909,176,457	99.87%	99.85%
<b>Number of preference</b>			<b>% Holding</b>	<b>% Holding</b>
JSW Steel Limited #	23,134,494	23,134,494	100%	100%

# On 31 October 2014, JSW Steel Limited acquired 909,176,457 (99.85%) equity shares of Rs. 10 each from erstwhile holding Company viz. Welspun Enterprises Limited, (WEL) and became the holding Company. During the year, the Company has further issued 174,774,753 (nos.) of fully paid equity shares to JSW Steel Limited. 23,134,494 (100%), 0 (zero) % redeemable preference shares of Rs. 10 each were acquired by JSW Steel Limited from WEL on 4 November 2014.

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**JSW STEEL (SALAV) LIMITED**  
(Formerly known as Welspun Maxsteel Limited)

**Notes forming part of the financial statements**

(Rs. in crores)

	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
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**Note - 3 Reserves and surplus**

**a Securities premium account**

As per last balance sheet

21.88	21.88
<b>21.88</b>	<b>21.88</b>

**b Deficit in the Statement of Profit and Loss**

As per last balance sheet

(671.03)	(537.45)
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Add : Loss for the year

(224.78)	(133.02)
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Depreciation adjustment on transition to schedule II of the Companies Act, 2013

[Refer note 23 (7)]

(8.54)	(0.56)
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<b>(904.35)</b>	<b>(671.03)</b>
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<b>Total</b>	<b>(882.47)</b>	<b>(649.15)</b>
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**Non-current**

**Current**

**Note - 4 Long - term borrowings**

(Refer note 8)

**Term loan (secured)**

Rupee term loan from bank

850.00	950.00	100.00	50.00
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<b>Total</b>	<b>850.00</b>	<b>950.00</b>	<b>100.00</b>	<b>50.00</b>
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Rupee term loan of Rs. 1,000 crores is secured by way of first charge on entire immovable and movable fixed assets of the Company both present and future and is repayable in 9 years in thirty six structured quarterly instalments of Rs. 25 crores commencing from 31 December 2015.

**Note - 5 Long-term / short-term provisions**

**Provision for employee benefits**

Provision for compensated absences [Refer note 23 (4)]

2.94	2.68	0.41	0.29
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**Other provisions**

For taxation - wealth tax

-	-	-	0.05
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Provision for contingency [Refer note 23 (9)]

14.94	14.94	-	-
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<b>Total</b>	<b>17.88</b>	<b>17.62</b>	<b>0.41</b>	<b>0.34</b>
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**Note - 6 Short - term borrowing**

**From bank : (secured loan)**

Working capital loan

0.73	0.15
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<b>Total</b>	<b>0.73</b>	<b>0.15</b>
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**Details of security :** Working capital facility from bank is secured by first charge by way of hypothecation of raw materials, finished goods and goods in process, stores and spares and book debts and export incentives of the Company and second charge on entire immovable and movable fixed assets of the Company both present and future.

**Note - 7 Trade payables (total outstanding dues of creditors other than micro enterprises and small enterprises)**

Acceptances

-	90.16
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Other than acceptances

10.41	56.71
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<b>Total</b>	<b>10.41</b>	<b>146.87</b>
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For disclosure relating to micro, small and medium enterprises refer note 23 (11) (H).

**Note - 8 Other current liabilities**

Current maturities of long term-debt (Refer note 4)

100.00	50.00
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Advances from customers

326.25	159.07
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Interest accrued but not due

8.52	10.01
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Statutory liabilities (excise, VAT, CST, PF, PT and TDS)

4.13	6.99
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Other payables

7.87	7.42
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<b>Total</b>	<b>446.77</b>	<b>233.49</b>
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**JSW STEEL (SALAV) LIMITED**  
(Formerly known as Welspun Maxsteel Limited)

**Notes forming part of the financial statements**

**Note - 9 Fixed assets**

(Rs. in crores)

Sr. No.	Particulars	Gross block					Depreciation and amortisation					Net block	
		As at 01 April 2015	Inter transfer	Additions	Deductions	As at 31 March 2016	As at 01 April 2015	Inter transfer	Deductions	For the year	Transfer to reserve (Refer note 30(b))	As at 31 March 2016	As at 31 March 2016
A	Tangible assets												
1	Freehold land	64.34	-	-	-	64.34	-	-	-	-	-	-	64.34
2	Leasehold land	64.24	-	0.10	-	64.34	-	-	-	-	-	-	64.34
		296.67	-	-	-	296.67	9.22	-	-	4.10	-	13.32	283.35
3	Buildings	296.67	-	-	-	296.67	5.54	-	-	3.68	-	9.22	287.45
		83.03	0.07	-	-	83.10	16.60	0.02	-	3.00	0.46	20.08	63.02
		83.03	-	-	-	83.03	3.65	-	-	12.95	-	16.60	66.43
4	Plant and machinery	1,101.86	(0.07)	0.07	-	1,101.86	233.32	(0.02)	-	78.14	12.60	324.04	777.82
		1,099.97	-	3.27	1.38	1,101.86	170.93	-	0.00*	62.39	-	233.32	868.54
5	Ships	39.80	-	-	-	39.80	10.27	-	-	3.06	-	13.33	26.47
		39.80	-	-	-	39.80	8.95	-	-	1.32	-	10.27	29.53
6	Office equipments	3.15	-	-	0.01	3.14	2.72	-	0.01	0.20	-	2.91	0.23
		3.94	-	0.09	0.88	3.15	1.64	-	0.59	1.11	-	2.72	0.43
7	Furniture and fixtures	0.39	-	-	-	0.39	0.20	-	-	0.04	0.56	0.24	0.15
		0.78	-	-	0.41	0.39	0.23	-	0.10	0.07	-	0.20	0.19
8	Motor vehicles	0.50	-	-	-	0.50	0.27	-	-	0.07	-	0.34	0.16
		1.66	-	0.01	1.17	0.50	0.62	-	0.48	0.13	-	0.27	0.23
	Sub-Total-A	1,589.74	-	0.07	0.01	1,589.80	272.60	-	0.01	88.61	13.06	374.26	1,215.54
	Previous year	1,590.09	-	3.49	3.84	1,589.74	191.56	-	1.17	81.65	0.56	272.60	1,317.14
B	Intangible assets												
	Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
		1.67	-	-	-	1.67	1.62	-	-	0.05	-	1.67	-
	Sub-Total-B	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year	1.67	-	-	-	1.67	1.62	-	-	0.05	-	1.67	-
	Total A+B	1,589.74	-	0.07	0.01	1,589.80	272.60	-	0.01	88.61	13.06	374.26	1,215.54
	Previous year	1,591.76	-	3.49	3.84	1,591.41	193.18	-	1.17	81.70	0.56	274.27	1,317.14
C	Capital work in progress												4.60

Figures in bold represents current year.

\* Rs. 1,689

Notes (i) Leasehold land measuring 183.618 hectares with gross amount of Rs. 296.67 crores (Previous year: Rs. 296.67 crores) is pending to be transferred in the Company's name.

(ii) Diversion road (SH 91) with gross amount of Rs. 2.95 crores (Previous year: Rs. 2.95 crores) grouped under building, is under the process of being transferred in the name of the Company.

(iii) Free Hold land of 6.112 hectares, value Rs. 10.23 crores (Previous year: Rs. 10.23 crores) is in process of being transferred in the name of the Company.

(iv) Freehold land measuring 85 hectares amounting to Rs. 54.11 crores (Previous year Rs. 54.11 crores) acquired by Company is awaiting transfer in Company's name pending mutation process.

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**JSW STEEL (SALAV) LIMITED**  
(Formerly known as Welspun Maxsteel Limited)

**Notes forming part of the financial statements**

	(Rs. in crores)			
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
<b>Note - 10 Deferred tax assets (Net)</b>				
<b>Tax effects of items constituting deferral tax assets:</b>				
Expenses allowable on payment basis (under section 43B of Income Tax Act, 1961)			-	0.02
Business loss / Unabsorbed depreciation			351.08	253.62
			<u>351.08</u>	<u>253.64</u>
<b>Tax effects of items constituting deferral tax liabilities:</b>				
Difference between book balance and tax balance of fixed assets			(131.21)	(102.58)
Others			-	(0.20)
			<u>(131.21)</u>	<u>(102.78)</u>
<b>Total</b>			<u><b>219.87</b></u>	<u><b>150.86</b></u>

**Note:** The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward losses based on the management's estimates of future profits considering the long term binding contract with JSW Steel Limited, the holding company.

	Non-current		Current	
<b>Note - 11 Long-term / short-term loans and advances (unsecured)</b>				
<b>Considered doubtful:</b>				
Capital advances	4.80	4.64	-	-
Less: Provision for doubtful capital advances	(4.80)	(4.64)	-	-
	-	-	-	-
Other doubtful advances	0.53	0.53	1.06	1.06
Less: Provision for other doubtful advances	(0.53)	(0.53)	(1.06)	(1.06)
	-	-	-	-
<b>Considered good:</b>				
Security deposits	1.60	0.93	-	-
Advance income tax [net of provision Rs. 6.94 crores (P.Y. Rs. 6.94 crores )]	14.72	14.46	-	-
Indirect tax balances (customs, excise and service tax and VAT)	2.97	1.53	2.83	2.75
Prepayments and others	0.02	0.22	3.55	7.43
Advance to supplier	-	-	18.20	-
<b>Total</b>	<b>19.31</b>	<b>17.14</b>	<b>24.58</b>	<b>10.18</b>

**Note - 12 Other non-current assets (unsecured)**

<b>Considered good:</b>		
Prepaid upfront fees	4.26	3.09
<b>Considered doubtful:</b>		
Insurance claim receivable	1.58	1.58
Less: Provision for doubtful receivable	(1.58)	(1.58)
	<u>4.26</u>	<u>3.09</u>

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**JSW STEEL (SALAV) LIMITED**  
(Formerly known as Welspun Maxsteel Limited)

**Notes forming part of the financial statements**

	(Rs. in crores)	
	As at	As at
	31 March 2016	31 March 2015

**Note - 13 Inventories (At lower of cost and net realisable value)**

Raw materials [including goods in transit of Rs. 0.33 crores (P.Y. Rs. 0.24 crores)]	37.39	78.83
Work-in-progress	-	0.90
Finished goods	1.89	28.97
Stores and spares [including goods in transit of Rs. 0.22 crores (P. Y. Rs. 0.15 crores)]	13.03	13.15
<b>Total</b>	<b>62.31</b>	<b>121.85</b>

**Note - 14 Trade receivables (unsecured, considered good)**

Outstanding for a period exceeding six months from the date they are due for payment	-	0.05
Others	6.72	4.24
<b>Total</b>	<b>6.72</b>	<b>4.29</b>

**Note - 15 Cash and bank balances**

**Cash and cash equivalents**

Cash on hand	0.04	0.03
<b>Balances with banks:</b>		
In current accounts	4.05	2.71
	4.09	2.74

**Other bank balance**

Deposit with original maturity for more than 3 months but less than 12 months*	0.13	0.12
<b>Total</b>	<b>4.22</b>	<b>2.86</b>

\* Earmarked for bank guarantee given to office of commissioner of central excise and service tax

**Note - 16 Other current assets (unsecured)**

**Considered good:**

Export benefits receivable	0.05	0.15
Prepaid upfront fees	0.57	0.37
Interest accrued on margin money *	0.00	0.00

**Considered doubtful:**

Other receivables	0.59	0.50
Less: Provision for doubtful receivables	(0.40)	-
<b>Total</b>	<b>0.81</b>	<b>1.02</b>

\* Rs. 9,998 (P. Y. Rs.46,841)

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**JSW STEEL (SALAV) LIMITED**  
(Formerly known as Welspun Maxsteel Limited)

**Notes forming part of the financial statements**

	(Rs. in crores)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>Note - 17 Revenue from operations</b>		
<b>a Sales of products</b>		
Domestic turnover [Refer note 23 (11) (B) (i)]	291.46	881.05
Sale of traded goods [Refer note 23 (11) (B) (ii)]	0.05	4.57
Export turnover [Refer note 23 (11) (B) (i)]	-	73.49
<b>Sale of products (gross)</b>	<b>291.51</b>	<b>959.11</b>
Less : Excise duty	32.94	99.04
	<b>258.57</b>	<b>860.07</b>
<b>b Other operating revenues</b>		
Hire charges of MBC / barges	23.92	9.55
Export incentive	-	0.54
Gain on prepayment of deferred value added / sales tax	1.48	44.08
	<b>25.40</b>	<b>54.17</b>
<b>Total</b>	<b>283.97</b>	<b>914.24</b>
<b>Note - 18 Other income</b>		
Sale of scrap	-	1.17
Interest from banks on deposits	0.04	0.15
Interest on overdue trade receivables	2.36	7.73
Interest others	0.02	1.00
Dividend income on current investments	-	0.47
Profit of sale of fixed assets *	0.00	-
Insurance claim received	1.74	-
Miscellaneous income	0.48	0.77
<b>Total</b>	<b>4.64</b>	<b>11.29</b>
* Rs.14,613 (P. Y. Nil)		
<b>Note - 19 Changes in inventories of finished goods and work-in-process</b>		
<b>Opening stock</b>		
Finished goods	28.97	29.48
Work-in-progress	0.90	1.01
	<b>29.87</b>	<b>30.49</b>
<b>Less : Closing stock</b>		
Finished goods	1.89	28.97
Work-in-progress	-	0.90
	<b>1.89</b>	<b>29.87</b>
	<b>27.98</b>	<b>0.62</b>
Excise duty on stock of finished goods (net)	(2.14)	0.58
<b>Total</b>	<b>25.84</b>	<b>1.20</b>
<b>Note - 20 Employee benefits expense</b>		
Salaries and wages	18.37	28.72
Contribution to provident and other funds [refer note 23 (4)]	2.09	1.57
Staff welfare expenses	3.45	1.84
<b>Total</b>	<b>23.91</b>	<b>32.13</b>

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**JSW STEEL (SALAV) LIMITED**  
(Formerly known as Welspun Maxsteel Limited)

Notes forming part of the financial statements

(Rs. in crores)

	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>Note - 21 Finance costs</b>		
Interest expense on:		
Borrowings	104.99	108.69
Trade payables	35.25	30.84
Others (buyers' credit, cash credit and bills discounting)	3.91	18.35
<b>Total</b>	<b>144.15</b>	<b>157.88</b>
<b>Note - 22 Other expenses</b>		
Stores and spares consumed [Refer note 23 (11) (D)]	7.27	15.17
Power and fuel	108.61	316.37
Water charges	1.16	1.57
Repairs and maintenance		
-Plant and machinery	7.05	14.83
-Buildings	0.22	1.31
-Others	1.84	3.97
Lease rent	0.32	1.19
Ship operation and maintenance charges	14.44	5.78
Freight	0.80	7.97
Insurance	1.48	1.31
Rates and taxes	1.36	0.88
Export duty	-	8.58
Payment to auditors [Refer note 23 (11) (A)]	0.50	0.28
Net loss on foreign currency transactions and translation	0.47	5.01
Loss on sale / discard of fixed assets (net)	-	2.07
Loss on sale of current investments	-	0.74
Loss on sale of non-current investments	-	1.22
Provision for contingencies [Refer note 23 (9)]	-	15.29
Provision for obsolete stock of raw materials	0.54	-
Provision for doubtful receivables and capital advance	0.56	7.73
Miscellaneous expenses	5.26	6.81
<b>Total</b>	<b>151.88</b>	<b>418.08</b>

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**Notes forming part of the financial statements**

**Note. 23**

**1. Contingent liabilities (to the extent not provided for)**

(Rs. in crores)

	Particulars	As at 31 March 2016	As at 31 March 2015
(A)	Bills discounted	-	49.54
(B)	Disputed claims / levies (excluding interest if any): [Refer note 23 (11) (b)]		
(a)	Service tax	41.79	38.03
(b)	Excise duty	2.30	16.99
(c)	Custom duty	15.80	28.47
(d)	Value added tax / Sales tax	2.56	2.89
(e)	Income tax	3.98	3.96
(f)	Stamp duty	25.00	25.00
(g)	Others	6.34	3.46

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.0.33 crores (previous year Rs.0.33 crores).

3. (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.

Foreign currency exposures that are hedged by forward instruments and outstanding are as under:

As at	No. of contracts	Type	US\$ equivalent	INR equivalent (crores)
31 March 2016	-	-	-	-
31 March 2015	3	Sell	14,474,801	90.60

- (b) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	As at 31 March 2016		As at 31 March 2015	
	US\$ equivalent	INR equivalent (crores)	US\$ equivalent	INR equivalent (crores)
Trade and other receivables	426,000	2.82	430,783	2.70
Trade and other payables	11,653	0.08	202,290	1.27

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**Notes forming part of the financial statements**

**4. Employee benefit:**

**a. Defined contribution plan:**

Company's contribution to provident fund Rs.1.24 crores (Previous year Rs.1.28 crores) and superannuation and labour welfare fund Rs. 0.51 crores (Previous year Rs. 0.57 crores).

**b. Defined benefit plan:**

**(i) Gratuity:**

The Employees gratuity fund scheme managed by Life Insurance Corporation Limited is a defined benefit plan. The present value of obligation is based on actuarial valuation using the projected unit credit method. The gratuity liability is provided on the basis of independent valuation by actuaries as on 31 March 2016.

Details of defined benefit plan of gratuity (funded) is as follows:

**(1) Change in the present value of obligation:**

(Rs. in crores)

Particulars	Gratuity (funded)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Present value of obligation – opening balance	8.67	8.35
Current service cost	0.40	0.55
Interest cost	0.69	0.79
Benefits paid	(0.75)	(0.58)
Actuarial gain on obligations	0.16	(1.04)
Past service cost	-	0.60
Present value of obligation – closing balance	9.17	8.67

**(2) Change in fair value of plan assets:**

(Rs. in crores)

Particulars	Gratuity (funded)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Opening fair value of plan assets	10.81	10.47
Expected return on plan assets	0.85	0.82
Actuarial gain/(loss) on plan assets	0.03	0.10
Contributions	-	0.001
Benefits paid	(0.75)	(0.58)
Closing fair value of plan assets	10.94	10.81

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**Notes forming part of the financial statements**

**(3) Present value of defined benefit obligation and the fair value of assets:**

(Rs. in crores)

Particulars	Gratuity (funded)	
	As at 31 March 2016	As at 31 March 2015
Present value of obligation as at 31 March 2016	(9.17)	(8.67)
Fair value of plan assets as at 31 March 2016	10.94	10.81
Effect of the limit	-	-
<b>Amount recognised in the balance sheet (Refer note 11)</b>	<b>1.77</b>	<b>2.14</b>

**(4) Statement of Profit and Loss account**

**Net employee benefit expense recognised in the employee cost:**

(Rs. in crores)

Particulars	Gratuity (funded)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	0.40	0.55
Past service cost	-	0.60
Interest cost	0.68	0.79
Net actuarial (Gain)/Loss recognized in the period	0.13	(1.14)
Effect of the limit	-	(0.26)
<b>Net benefit expense</b>	<b>1.21</b>	<b>0.54</b>
Expected return on plan assets	(0.85)	(0.82)
<b>Amount recognised in the statement of profit and loss</b>	<b>0.36</b>	<b>(0.28)</b>

**(5) Actual return on plan assets:**

(Rs. in crores)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Expected return on plan assets	0.85	0.82
Actuarial gain / (loss) on plan assets – due to experience	0.03	0.10
<b>Actual return on plan assets</b>	<b>0.88</b>	<b>0.92</b>

**(6) Category of assets:**

(Rs. in crores)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Insurance fund	10.94	10.81

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**Notes forming part of the financial statements**

**(7) Actuarial assumptions:**

(Rs. in crores)

Particulars	As at 31 March 2016 (% p.a.)	As at 31 March 2015 (% p.a.)
Discount rate	7.99	7.90
Expected return on assets	7.99	7.90
Salary escalation rate	6.00	6.00
Attrition rate	2.00	2.00
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A	N.A

The Company expects to contribute Rs. Nil (previous year Rs. 11,874) to its gratuity plan for the next year.

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

Expected return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**(8) Other disclosures:**

(Rs. in crores)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	9.17	8.67	8.35	10.14	8.51
Plan assets	10.94	10.81	10.47	9.96	9.49
Surplus / (deficit)	1.77	2.14	2.12	(0.18)	0.98
Experience adjustments on plan liabilities – loss / (gain)	0.16	(1.04)	(1.25)	0.33	0.26
Experience adjustments on plan assets – gain / (loss)	0.03	0.10	0.06	0.15	0.12

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**Notes forming part of the financial statements**

**(ii) Assumptions used in accounting for compensated absences**

(Rs. in crores)

Particulars	As at 31 March 2016	As at 31 March 2015
Present value of unfunded obligation (Refer note 5)	3.35	2.97
Expense (credit) recognised in the Statement of Profit and Loss	0.38	0.01
Discount rate (% p.a)	7.99	7.90
Salary escalation rate (% p.a)	6.00	6.00

**5. Segment reporting**

The operations of the Company are limited to one segment, namely, processing of Direct Reduced Iron i.e. Sponge Iron. All the assets and revenue earned by the Company are in India. In view of a single business and geographical segment no further disclosures as per Accounting Standards (AS) 17 – "Segment Reporting" have been made.

**6. Related party relationships, transactions and balances**

**A. List of related parties:**

<b>1</b>	<b>Holding company</b>
	Welspun Enterprises Limited (upto 30 October 2014)
	JSW Steel Limited (w.e.f. 31 October 2014)
<b>2</b>	<b>Fellow subsidiary</b>
	Amba River Coke Limited (w.e.f. 31 October 2014)
<b>3</b>	<b>Entities under common control</b>
	Welspun Steel Limited (upto 30 October 2014)
	Welspun Agro Ventures Private Limited (upto 30 October 2014)
	Welspun Enterprises Limited (upto 30 October 2014)
	Welspun Syntex Limited (upto 30 October 2014)
	Welspun Projects Limited (upto 30 October 2014)
	Welspun India Limited (upto 30 October 2014)
	Jindal Stainless Limited (w.e.f. 31 October 2014)
	JSW Cement Limited (w.e.f. 31 October 2014)
	J Soft Solutions Limited (w.e.f. 31 October 2014)
<b>4</b>	<b>Directors /Key management personnel (KMP)</b>
	Mr. Prakash Tatia, Director (ceased w.e.f. 31 October 2014)
	Mr. Bhushan Lal Dewangan (Whole-time director appointed w.e.f. 1 March 2015)
	Mr. Pradeep Kumar Gokhroo, CFO (ceased w.e.f. 28 February 2015)
	Mr. Mohan N Budgude, CFO (appointed w.e.f. 1 March 2015)
	Mr. Boopalan Periasamy, Company Secretary (appointed w.e.f. 1 March 2015)

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**JSW Steel (Salav) Limited**  
(Formerly known as Welspun Maxsteel Limited)

**Notes forming part of the financial statements**

**B. Transactions taken place with related parties during the year for which relationship exists:**  
(Rs. in crores)

Nature of transactions	Name of company	Holding company	Fellow subsidiary	Entities under common control	Key management personnel	Grand total
Purchase of goods and services	Amba River Coke Limited	-	104.90	-	-	104.90
		-	32.67	-	-	32.67
	JSW Steel Limited	2.47	-	-	-	2.47
		0.62	-	-	-	0.62
	JSW Cement Limited	-	-	0.04	-	0.04
		-	-	-	-	-
	J Soft Solutions Limited	-	-	0.23	-	0.23
		-	-	-	-	-
	Total	2.47	104.90	0.27	-	107.64
		0.62	32.67	-	-	33.29
Reimbursement of expenses to the Company	JSW Steel Limited	4.27	-	-	-	4.27
		-	-	-	-	-
	Total	4.27	-	-	-	4.27
		-	-	-	-	-
Interest expense	JSW Steel Limited	33.14	-	-	-	33.14
		17.09	-	-	-	17.09
	Amba River Coke Limited	-	2.10	-	-	2.10
		-	-	-	-	-
	Total	33.14	2.10	-	-	35.24
		17.09	-	-	-	17.09
Sale of goods / services	Amba River Coke Limited	-	31.46	-	-	31.46
		-	5.29	-	-	5.29
	Jindal Stainless Ltd.	-	-	6.96	-	6.96
		-	-	26.26	-	26.26
	JSW Steel Limited	76.92	-	-	-	76.92
		73.63	-	-	-	73.63
	JSW Cement Limited	-	-	0.63	-	0.63
		-	-	-	-	-
	Welspun Projects Limited	-	-	-	-	-
		-	-	2.00	-	2.00
	Welspun Steel Limited	-	-	-	-	-
		-	-	17.36	-	17.36
Reimbursement of expenses by the Company	JSW Steel Limited	-	-	-	-	-
		-	-	-	-	-
	Total	2.19	-	-	-	2.19
		-	-	-	-	-
Interest income	Welspun Steel Limited	-	-	-	-	-
		-	-	0.09	-	0.09
	Total	-	-	-	-	-
		-	-	0.09	-	0.09

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**JSW Steel (Salav) Limited**  
(Formerly known as Welspun Maxsteel Limited)

**Notes forming part of the financial statements**

Nature of transactions	Name of company	Holding company	Fellow subsidiary	Entities under common control	Key management personnel	Grand total
Advances repaid	JSW Steel Limited	<b>19.50</b>	-	-	-	<b>19.50</b>
		1,000.00	-	-	-	1,000.00
	Total	<b>19.50</b>	-	-	-	<b>19.50</b>
		1,000.00	-	-	-	1,000.00
Advances received	JSW Steel Limited	<b>409.48</b>	-	-	-	<b>409.48</b>
		1,215.16	-	-	-	1,215.16
	Welspun Projects Limited	-	-	-	-	-
		-	-	2.00	-	2.00
	Total	<b>409.48</b>	-	-	-	<b>409.48</b>
		1,215.16	-	2.00	-	1,217.16
Remuneration	Mr. Bhushan Lal Dewangan	-	-	-	<b>0.61</b>	<b>0.61</b>
		-	-	-	0.03	0.03
	Mr. Mohan N Budgude	-	-	-	<b>0.49</b>	<b>0.49</b>
		-	-	-	0.03	0.03
	Mr. Pradeep Kumar Gokhroo	-	-	-	-	-
		-	-	-	0.61	0.61
	Mr. Prakash Tatia	-	-	-	-	-
		-	-	-	0.35	0.35
Total		-	-	-	<b>1.10</b>	<b>1.10</b>
		-	-	-	1.02	1.02

Figures in bold represent current year numbers.

**C. Closing balances of related parties**

(Rs. in crores)

Nature of transaction	Name of Company	Holding company	Fellow subsidiary	Entities under common control	Key management personnel	Grand total
Advances from customers	JSW Steel Limited	<b>328.43</b>	-	-	-	<b>328.43</b>
		153.96	-	-	-	153.96
	Total	<b>328.43</b>	-	-	-	<b>328.43</b>
		153.96	-	-	-	153.96
Trade payables	Amba River Coke Limited	-	-	-	-	-
		-	24.03	-	-	24.03
	Total	-	-	-	-	-
		-	24.03	-	-	24.03
Trade receivables	JSW Steel Limited	-	-	-	-	-
		-	-	-	-	-
	Amba River Coke Limited	-	<b>6.10</b>	-	-	<b>6.10</b>
		-	-	-	-	-
	JSW Cement Limited	-	<b>0.60</b>	-	-	<b>0.60</b>
		-	-	-	-	-
	Jindal Stainless Limited	-	-	-	-	-
		-	-	0.27	-	0.27
Total		-	<b>6.70</b>	-	-	<b>6.70</b>
		-	-	0.27	-	0.27

Figures in bold represent current year numbers.

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**Notes forming part of the financial statements**

7. Pursuant to Companies Act 2013 (the Act), becoming effective from 1 April 2014, the Company has re-worked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act or useful life of fixed assets as per technical evaluation. As a result the charge for depreciation is lower by Rs. 21.24 crores for the year ended March 31, 2016.

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has 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 1 April 2015, and has adjusted an amount of Rs. 8.54 crores (net of deferred tax) against the opening deficit balance in the Statement of Profit and Loss under Reserve and Surplus.

**8. Earnings per share (EPS)**

Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
(Loss) after tax for equity share holders (numerator) – Basic/diluted (A)	Rs. in crores	(224.78)	(133.02)
Weighted average number of equity shares for basic EPS (denominator) (B)	Nos.	911,531,517	910,576,464
Weighted average number of equity shares for diluted EPS (denominator) (C)	Nos.	911,531,517	910,576,464
Earnings per share - basic (A / B)	Rs.	(2.47)	(1.46)
Earnings per share – diluted (A / C)	Rs.	(2.47)	(1.46)
Nominal value per share (Rs.)	Rs.	10.00	10.00

**9. Provision for contingencies:**

Provision for contingencies comprise of the amounts which are liable to be paid / settled in pursuant to share purchase agreement

(Rs. in crores)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Opening balance	14.94	-
Add: Addition during the year [Refer note 23 (11) (a)]	-	15.29
Less: Utilisation during the year	-	0.35
Closing balance	14.94	14.94

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**Notes forming part of the financial statements**

10. A share purchase agreement has been entered into on August 18, 2014 amongst JSW Steel Limited ("the holding Company"), Welspun Enterprises Limited ("the Seller") and the Company for selling of entire shareholding in the Company by the Seller to the holding Company ("the SPA"). Pursuant to the SPA:

(a) if any amount realized prior to March 31, 2017 in respect of certain assets existed as on August 31, 2014 as identified in the SPA, the Company will have to pay such amount to the Seller, and

(b) in respect of disputed claims/levies as on August 31, 2014, the Company is entitled to be reimbursed from the Seller for the disputed claims / levies settled prior to March 31, 2017. In case of disputed claims/levies relating to indirect taxes such reimbursement shall be restricted to Rs. 70 crores.

Subsequent to the transfer of shares, the Company's name has also been changed to JSW Steel (Salav) Limited with effect from 25 November 2014.

**11. Additional information:**

**A) Payment to auditors (excluding service tax)**

Particulars	Rs. in crores	
	For the year ended 31 March 2016	For the year ended 31 March 2015
For audit fees	0.46	0.15
For taxation matters	0.03	0.03
For other services	0.01	0.09
Reimbursement of expenses	0.00	0.01
<b>Total</b>	<b>0.50</b>	<b>0.28</b>

**B) Opening stock, sales and closing stock:**

**i) Manufacturing goods:**

Class of goods		Opening stock		Sales		Closing stock	
		Tonnes	Rs. in crores	Tonnes	Rs. in crores	Tonnes	Rs. in crores
1	Direct Reduced Iron	10,122 (5,534)	19.89 (12.95)	147,426 (346,073)	274.10 (903.94)	1,362 (10,122)	0.60 (19.89)
2	Others		9.08 (16.52)		17.36 (50.60)		1.29 (9.08)
	<b>Total</b>		28.97 (29.47)		291.46 (954.54)		1.89 (28.97)

DHL



**Notes forming part of the financial statements**

**ii) Traded goods:**

(Rs. in crores)

Particulars	As at 31 March 2016	As at 31 March 2015
Opening stock	-	-
Purchases	0.05	3.81
Sales	0.05	4.57
Closing stock	-	-

**iii) Work-in-progress:**

(Rs. in crores)

Particulars	As at 31 March 2016	As at 31 March 2015
Direct Reduced Iron	-	0.90

**C) Consumption of material:**

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	Qty in Tonnes	Rs. in crores	Qty in Tonnes	Rs. in crores
Iron ore pellets	190,267	1,32.92	235,591	244.26
Iron ore lumps	496	4.48	303,561	258.78
Others		6.04		4.63
<b>Total</b>		<b>143.44</b>		<b>507.67</b>

**D) Value of consumption of directly imported and indigenously obtained raw materials and stores and spares and percentage of each to total consumption:**

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	Rs. in crores	% of total value	Rs. in crores	% of total value
<b>Raw materials</b>				
Imported	38.93	27.14	219.12	43.16
Indigenous	104.52	72.86	288.55	54.84
<b>Total</b>	<b>143.45</b>	<b>100.00</b>	<b>507.67</b>	<b>100.00</b>
<b>Stores and spares consumed</b>				
Imported	0.19	2.59	0.67	4.40
Indigenous	7.02	97.41	14.50	95.60
<b>Total</b>	<b>7.21</b>	<b>100.00</b>	<b>15.17</b>	<b>100.00</b>

**E) C.I.F. value of imports:**

(Rs. in crores)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Raw materials	1.00	181.41
Stores and spare parts	0.29	7.40
<b>Total</b>	<b>1.29</b>	<b>188.81</b>

DHL



**Notes forming part of the financial statements**

**F) Expenditure in foreign currency:**

(Rs. in crores)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Travelling and conveyance	-	0.02
Membership and other fees	-	0.01
Technical assistance fees	-	0.03
Freight and other expenses	-	25.00
Interest	0.22	0.25
Insurance	0.51	0.06
Miscellaneous expenses	-	0.00

**G) Earnings in foreign currency :**

(Rs. in crores)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Export of goods calculated on F.O.B. basis	-	68.54

**H) Disclosure pertaining to Micro, Small and Medium enterprises (As per information available with the Company) :**

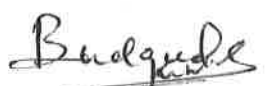
(Rs. in crores)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Principal amount due outstanding as at end of year #	0.20	0.20
Interest due on (1) above and unpaid as at end of year	0.02	0.02
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	-	-

# Principal amount due to micro, small and medium enterprises of Rs.0.20 crores (P.Y. Rs.0.20 crores) represents retention money payable grouped under other payables (Refer note 8 - other current liabilities).

12. Previous year's figures have been regrouped and reclassified wherever necessary to correspond to figures of the current period.

**For and on behalf of the Board**

  
Mohan N Budgude  
Chief Financial Officer

  
Boopalan Periasamy  
Company Secretary

  
Bhushan Lal Dewangan  
Director

  
Pradeep Bhargava  
Director

Place: Mumbai,  
Date: 02 May 2016



