

Company registration number: 05974175

JSW Steel (UK) Limited

Financial statements

31 March 2016

JSW Steel (UK) Limited

Company Information

Directors	Mr K. N. Patel Mr Max Franks Mr Rajeev Pai
Company number	05974175
Registered office	Roxburghe House 273-287 Regent Street London W1B 2HA

Business address	Roxburghe House 273-287 Regent Street London W1B 2HA
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Auditors	King & King Chartered Accountants Roxburghe House 273-287 Regent Street London W1B 2HA
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Bankers	ICICI Bank UK Plc 2nd Floor One Thomas More Square London E1W 1YN
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JSW Steel (UK) Limited

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JSW Steel (UK) Limited

**Directors report
Year ended 31 March 2016**

The directors present their report and the financial statements of the company for the year ended 31 March 2016.

Directors

The directors who served the company during the year were as follows:

Mr K. N. Patel
Mr Max Franks
Mr Rajeev Pai

Dividends

The directors do not recommend the payment of a dividend.

Statement of directors responsibilities

The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

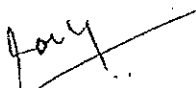
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

JSW Steel (UK) Limited

**Directors report (continued)
Year ended 31 March 2016**

This report was approved by the board of directors on 29 April 2016 and signed on behalf of the board by:



Mr K. N. Patel
Director

JSW Steel (UK) Limited

**Independent auditor's report to the shareholders of
JSW Steel (UK) Limited
Year ended 31 March 2016**

We have audited the financial statements of JSW Steel (UK) Limited for the year ended 31 March 2016 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require Directors' responsibilities to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and the Strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the directors' affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report and the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and the returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

JSW Steel (UK) Limited

Independent auditor's report to the shareholders of
JSW Steel (UK) Limited (continued)
Year ended 31 March 2016



Milankumar H Patel (senior statutory auditor)

For and on behalf of
King & King Chartered Accountants
Chartered Accountants and Statutory Auditors
Roxburghe House
273-287 Regent Street
London
W1B 2HA

29 April 2016

JSW Steel (UK) Limited

Statement of comprehensive Income
Year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	3	112,965	-
Administrative expenses		(658,390)	(828,641)
Operating loss	4	(545,425)	(828,641)
Amounts written off investments	5	-	(634)
Interest payable and similar charges	6	(353,707)	(304,730)
Loss on ordinary activities before taxation		(899,132)	(1,134,005)
Tax on loss on ordinary activities		-	-
Loss for the financial year		(899,132)	(1,134,005)
Revaluation of tangible assets		-	573,381
Other comprehensive Income for the year		-	573,381
Total comprehensive Income for the year		(899,132)	(560,624)

All the activities of the company are from continuing operations.

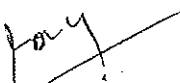
The notes on pages 9 to 13 form part of these financial statements.

JSW Steel (UK) Limited

Statement of financial position
31 March 2016

	Note	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	7	17,926,763		17,797,351	
Fixed asset investments	8	110,000		110,100	
		<u>18,036,763</u>		<u>17,907,451</u>	
Current assets					
Debtors	9	18,280		235,252	
Cash at bank and in hand		50,981		259,130	
		<u>69,261</u>		<u>494,382</u>	
Creditors: amounts falling due within one year	10	<u>(125,800)</u>		<u>(143,184)</u>	
Net current (liabilities)/assets		<u>(56,539)</u>		<u>351,198</u>	
Total assets less current liabilities		<u>17,980,224</u>		<u>18,258,649</u>	
Creditors: amounts falling due after more than one year	11	<u>(9,208,437)</u>		<u>(8,854,730)</u>	
Net liabilities		<u>8,771,787</u>		<u>9,403,919</u>	
Capital and reserves					
Called up share capital	12	14,686,896		14,419,896	
Revaluation reserve		573,381		573,381	
Profit and loss account		<u>(6,488,490)</u>		<u>(5,589,358)</u>	
Shareholders funds		<u>8,771,787</u>		<u>9,403,919</u>	

These financial statements were approved by the board of directors and authorised for issue on 29 April 2016, and are signed on behalf of the board by:


Mr K. N. Patel
Director

Company registration number: 05974175

The notes on pages 9 to 13 form part of these financial statements.

JSW Steel (UK) Limited

Statement of changes in equity
Year ended 31 March 2016

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2014 (as previously reported)	8,925,000	-	(1,051,672)	7,873,328
Effects of changes in accounting policies	-	-	(3,403,681)	(3,403,681)
At 1 April 2014 (restated)	8,925,000	-	(4,455,353)	4,469,647
Loss for the year			(1,134,005)	(1,134,005)
Other comprehensive income for the year:				
Revaluation of tangible assets		573,381		573,381
Total comprehensive income for the year	-	573,381	(1,134,005)	(560,624)
Issue of shares	5,494,896			5,494,896
Total investments by and distributions to owners	5,494,896	-	-	5,494,896
At 31 March 2015	14,419,896	573,381	(5,589,358)	9,403,919
Loss for the year			(899,132)	(899,132)
Total comprehensive income for the year	-	-	(899,132)	(899,132)
Issue of shares	267,000			267,000
Total investments by and distributions to owners	267,000	-	-	267,000
At 31 March 2016	14,686,896	573,381	(6,488,490)	8,771,787

JSW Steel (UK) Limited

Statement of cash flows
Year ended 31 March 2016

	2016 £	2015 £
Cash flows from operating activities		
Loss for the financial year	(899,132)	(1,134,005)
<i>Adjustments for:</i>		
Depreciation of tangible assets	436,955	206,620
Amounts written off investments	-	634
Interest payable and similar charges	353,707	304,730
Gain/(loss) on disposal of tangible assets	-	566,066
Accrued expenses/(income)	(26,484)	25,884
<i>Changes in:</i>		
Trade and other debtors	216,972	1,400,329
Trade and other creditors	9,200	-
Cash generated from operations	91,218	1,370,258
Interest paid	(353,707)	(304,730)
Net cash (used in)/from operating activities	<u>(262,489)</u>	<u>1,065,528</u>
Cash flows from investing activities		
Purchase of tangible assets	(566,367)	(20,174,003)
Proceeds from sale of tangible assets	-	6,708,776
Acquisition of subsidiaries	-	(1,804,093)
Proceeds from sale of subsidiaries	100	-
Net cash used in investing activities	<u>(566,267)</u>	<u>(15,269,320)</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	267,000	5,494,896
Proceeds from borrowings	353,707	8,853,256
Proceeds from loans from group undertakings	(100)	110,100
Net cash from financing activities	<u>620,607</u>	<u>14,458,252</u>
Net Increase/(decrease) in cash and cash equivalents	(208,149)	254,460
Cash and cash equivalents at beginning of year	259,130	4,670
Cash and cash equivalents at end of year	<u>50,981</u>	<u>259,130</u>

JSW Steel (UK) Limited

**Notes to the financial statements
Year ended 31 March 2016**

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 14.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

JSW Steel (UK) Limited

Notes to the financial statements (continued)
Year ended 31 March 2016

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date:

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

3. Turnover

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. Operating loss

Operating loss is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation of tangible assets	436,955	206,620
(Gain)/loss on disposal of tangible assets	-	566,066
Fees payable for the audit of the financial statements	<u>2,400</u>	<u>3,000</u>

5. Amounts written back to investments

	2016	2015
	£	£
Impairment of other fixed asset investments	<u>-</u>	<u>634</u>

6. Interest payable and similar charges

	2016	2015
	£	£
Other interest payable and similar charges	<u>353,707</u>	<u>304,730</u>

JSW Steel (UK) Limited

Notes to the financial statements (continued)
Year ended 31 March 2016

7. Tangible assets

	Freehold property £	Long leasehold property £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2015	1,944,319	16,434,268	422,574	18,801,161
Additions	-	-	566,367	566,367
At 31 March 2016	<u>1,944,319</u>	<u>16,434,268</u>	<u>988,941</u>	<u>19,367,528</u>
Depreciation				
At 1 April 2015	-	739,704	264,108	1,003,810
Charge for the year	38,886	328,685	69,384	436,955
At 31 March 2016	<u>38,886</u>	<u>1,068,389</u>	<u>333,490</u>	<u>1,440,765</u>
Carrying amount				
At 31 March 2016	<u>1,905,433</u>	<u>15,365,879</u>	<u>655,451</u>	<u>17,926,763</u>
At 31 March 2015	<u>1,944,319</u>	<u>15,694,564</u>	<u>158,468</u>	<u>17,797,351</u>

8. Fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2015	110,734
Disposals	(100)
At 31 March 2016	<u>110,634</u>
Impairment	
At 31 March 2016 and 1 April 2015	<u>634</u>
Carrying amount	
At 31 March 2016	<u>110,000</u>
At 31 March 2015	<u>110,100</u>

JSW Steel (UK) Limited

Notes to the financial statements (continued)
Year ended 31 March 2016

Investments in group undertakings

	Country of incorporation	Class of share	Percentage of shares held
Subsidiary undertakings			
JSW Steel Service Centre (UK) Ltd *	England	Ordinary	100%
*Under dissolution.			-%

9. Debtors

	2016	2015
	£	£
Prepayments and accrued income	18,280	17,329
Other debtors	-	217,923
	<u>18,280</u>	<u>235,252</u>

10. Creditors: amounts falling due within one year

	2016	2015
	£	£
Amounts owed to group undertakings	110,000	110,100
Accruals and deferred income	6,600	33,084
Other creditors	9,200	-
	<u>125,800</u>	<u>143,184</u>

11. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Other creditors	<u>9,208,437</u>	<u>8,854,730</u>

12. Called up share capital
Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	11,104,000	11,104,000	10,837,000	10,837,000
Preference shares shares of £ 1.00 each	3,582,896	3,582,896	3,582,896	3,582,896
	<u>14,686,896</u>	<u>14,686,896</u>	<u>14,419,896</u>	<u>14,419,896</u>

JSW Steel (UK) Limited

Notes to the financial statements (continued)
Year ended 31 March 2016

13. Controlling party

The company is a wholly owned subsidiary of JSW Steel (Netherlands)BV.

14. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2014.

Reconciliation of equity

No transitional adjustments were required.

Reconciliation of profit or loss for the year

No transitional adjustments were required.

Detailed Income statement
Year ended 31 March 2016

	2016 £	2015 £
Turnover		
Rent receivable	112,965	-
	<u>112,965</u>	<u>-</u>
 Gross profit	 <u>112,965</u>	 <u>-</u>
Gross profit percentage	100.0%	-%
Overheads		
Administrative expenses	(658,390)	(828,641)
	<u>(658,390)</u>	<u>(828,641)</u>
 Operating loss	 (545,425)	 (828,641)
Operating loss percentage	482.8%	-%
<hr/>		
Amounts written off investments	-	(634)
Interest payable and similar charges	(353,707)	(304,730)
Loss on ordinary activities before taxation	<u>(899,132)</u>	<u>(1,134,005)</u>

Detailed income statement (continued)

	2016 £	2015 £
Overheads		
Administrative expenses		
Office maintenance expenses	(67,762)	(63,872)
Rent payable	(11,215)	-
Rates	(96,001)	(1,353)
Insurance	(3,146)	-
Light and heat	(3,921)	(2,936)
Repairs and maintenance	(10,306)	(11,371)
Telephone	(1,577)	(1,723)
Legal and professional	(17,267)	(15,014)
Accountancy fees	(7,800)	(6,600)
Auditors remuneration	(2,400)	(3,000)
Bank charges	(40)	(85)
credit balances written back	-	49,999
Depreciation of tangible assets	(436,955)	(206,620)
(Gain)/loss on disposal of tangible assets	-	(566,066)
	<u>(658,390)</u>	<u>(828,641)</u>